

Date:- 25/08/2020

To,  
The Secretary,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street MUMBAI - 400 001

Stock Code: 517119

Dear Sir/ Madam,

Sub: Notice of 39th Annual General Meeting and Annual Report for the financial year 2019-20

The 39th Annual General Meeting (AGM) of the Company is scheduled to be held on Wednesday, 23 September, 2020 at 12.30 P.M. IST through video conferencing (VC) / other audio visual means (OAVM). Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed Notice convening the 39th AGM of the Company and Annual Report for the financial year 2019-20, sent to the members through electronic mode.

The Annual Report containing the Notice is also uploaded on the Company's website-  
[https://www.pcs tech.com/investors\\_new/Annual%20Report%20-%20PCS%20Technology%20Limited%20-%2031.03.2020.pdf](https://www.pcs tech.com/investors_new/Annual%20Report%20-%20PCS%20Technology%20Limited%20-%2031.03.2020.pdf)

The Company is pleased to provide to its members the facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means. The date and time of remote e-voting facility are as under:

|  |                                |
|--|--------------------------------|
| Cut-off date for determining the eligibility to vote by electronic means or during the AGM | Tuesday, 15 September, 2020    |
| Date and time of commencement of remote e-voting   | 20 September, 2020 at 10.00 AM |
| Date and time of end of remote e-voting  | 22 September 2020 at 05.00 PM  |

This is for your information and records.

Thanking you,

Yours faithfully,  
For **PCS Technology Limited**



**Mehul Monani**  
**Company Secretary and Compliance Officer**



# **PCS Technology Limited**

**39th  
Annual Report  
2019-20**

**PCS**  
TECHNOLOGY  
**PCS TECHNOLOGY LIMITED**  
CIN - L74200MH1981PLC024279

**BOARD OF DIRECTORS**

|                                     |               |
|-------------------------------------|---------------|
| Mr. G. K. Patni (DIN - 00014163)    | Chairman      |
| Mr. A. K. Patni (DIN - 00014194)    | Vice Chairman |
| Mr. H. C. Tandon (DIN - 00037611)   | Director      |
| Mr. Satish Ajmera (DIN - 00208919)  | Director      |
| Mr. G. M. Dave (DIN - 00036455)     | Director      |
| Mr. K. K. Barjatya (DIN - 00107064) | Director      |
| Mrs. Vandana Gupta (DIN - 07117752) | Director      |

**Mr. M.P Jain**

Chief Financial Officer

**Mr. Bhaskar Patel**

Chief Executive Officer

**Mr. Mehul Monani**

Company Secretary

**AUDITORS**

**Vinod K Mehta & Co.**

Chartered Accountants, Mumbai

**REGISTERED OFFICE**

82/6/1, Solar Park, Shop no.6,  
Pune-Alandi Road, Dattanagar,  
Dighi- Pune- 411015

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059  
Tel: 022 62638200

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**Day, Date & Time**

**39<sup>th</sup> ANNUAL GENERAL MEETING**

: Wednesday, 23rd September, 2020, 12.30 p.m.

Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTICE TO MEMBERS

**NOTICE** is hereby given that the **39th ANNUAL GENERAL MEETING of PCS TECHNOLOGY LIMITED** will be held on Wednesday, 23rd September, 2020 at 12:30 p.m through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gajendra kumar Patni (DIN - 00014163) who retires by rotation and being eligible, offers himself for re-appointment.

### Registered Office

82/6/1, Solar Park, Shop no.6,  
Pune-Alandi Road, Dattanagar,  
Dighi- Pune- 411015  
CIN - L74200MH1981PLC024279

By Order of the Board  
For PCS Technology Ltd.

Mehul Monani  
Company Secretary & Compliance Officer

Mumbai

Date: 22<sup>nd</sup> June, 2020

### NOTES :

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [investorsgreivances@pcstech.com](mailto:investorsgreivances@pcstech.com) on or before 12th September, 2020..

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 15th September, 2020 till Wednesday, 23rd September, 2020.

**Information on Directors recommended for appointment/ re-appointment at the Annual General Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.**

**Re-appointment of Mr. Gajendra Kumar Patni (DIN : 00014163) (Item no. 2)**

#### Gajendra kumar Patni

Mr. Gajendra Kumar Patni serves as Non-Executive Chairman of PCS Technology Limited and has been its Director since April 22, 1981. He is a Chemical Engineer and has over 35 years of experience in finance, banking, legal and personnel functions and has contributed significantly in the past to the growth of the computer rental business / hardware, which led to the formation of PCS Data Products (PCSDP) in 1981 and PCS Data General (PCSDG) in 1987. Mr. Gajendra Kumar Patni was a Co-founder of Patni Computer Systems Ltd. from which he exited and resigned as Director as well as Promoter in year 2011.

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

Directorship in Companies: Nil

Chairperson of Board Committees: Nil

Member of Board Committee: Nil

Shareholding in the Company: 5,79,685 shares

Disclosure of relationships between directors inter-se- Brother of Mr. Ashok Kumar Patni, Promoter Director of the Company.

### 3. Voting through electronic means

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

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

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

The remote e-voting period begins on Sunday, 20th September, 2020 at 10:00 a.m and ends on Tuesday, 22nd September, 2020 at 5:00 p.m. during this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15<sup>th</sup> September, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

#### E-voting Process

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

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" module.
- (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

# PCS TECHNOLOGY LIMITED

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (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](http://www.evotingindia.com) and voted on an earlier e-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:

|  | <b>For Shareholders holding shares in Demat Form and Physical Form</b>   |
|--|--|
| 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"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>                |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul> |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 <Company Name> 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.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investorsgrievances@pcstech.com](mailto:investorsgrievances@pcstech.com), from 16th September, 2020 (9.00 a.m. IST) to 18th September, 2020 (5.00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ([investorsgrievances@pcstech.com](mailto:investorsgrievances@pcstech.com)). These queries will be replied to by the company suitably by email
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. As the AGM is being conducted through VC / OAVM, members desiring any information relating to the annual accounts of the Company are requested to send an email to the Company at [investorsgrievances@pcstech.com](mailto:investorsgrievances@pcstech.com), at least ten (10) days before the meeting, mentioning their name, complete 16 digit demat account no. / folio no., email address and mobile number. Only those requests as received from the members on the [investorsgrievances@pcstech.com](mailto:investorsgrievances@pcstech.com) on or before Saturday, September 12, 2020 shall be considered and responded to, prior / until the date of the AGM by way of email / phone call.

# THIRTY NINTH ANNUAL REPORT 2019-2020



8. The Members who have cast their vote by remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.

## INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

### (xviii) Note for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address at - [investorsgrievances@pcstech.com](mailto:investorsgrievances@pcstech.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### General:

- a. Members holding shares in Physical or dematerialized form, as on the cut-off date of 15th September, 2020, shall only be entitled to avail the facility of Remote E-voting or voting through e-voting system provided during AGM.
- b. 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 15th September, 2020.
- c. M/s A. M. Sheth & Associates failing her M/s. M. M. Sheth & Co., Practicing Company Secretary, Mumbai, has been appointed as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- d. The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favor or against, if any, forward to the Chairman of the Company.
- e. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pcstech.com](http://www.pcstech.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to BSE Limited.
- f. All correspondence regarding shares of the Company should be addressed to the Company's Registrar and Transfer Agent, Bigshare Services Pvt Ltd at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road| Marol, Andheri East, Mumbai 400059, Tel No : 022-62638200.
- g. All the documents referred to in the accompanying Notice shall be available for inspection through electronic mode, on the website of the Company at [www.pcstech.com](http://www.pcstech.com).
- h. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, shall be available for inspection upon login at CDSL e-voting system at [www.evotingindia.com](http://www.evotingindia.com). The same would also be available on the website of the Company at [www.pcstech.com](http://www.pcstech.com).
- i. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details and Contact Details to Bigshare services Pvt Ltd by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
- j. The Members are requested to register their e-mail ID or new e-mail ID (if there is any change in email ID which has already been registered) with the Depository Participant, for shares held in demat form or for shares held in physical form.
- k. SEBI vide its Notification dated June 8, 2018 and further amendment vide its Notification dated November 30, 2018, prescribed that the requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, the Members holding shares in physical form are requested to take action to dematerialise the equity shares of the Company promptly.

### Registered Office

82/6/1, Solar Park, Shop no.6,  
Pune-Alandi Road, Dattanagar,  
Dighi- Pune- 411015  
CIN - L74200MH1981PLC024279

Mumbai  
Date: 22<sup>nd</sup> June, 2020

By Order of the Board  
For PCS Technology Ltd.

Mehul Monani  
Company Secretary & Compliance Officer

# PCS TECHNOLOGY LIMITED

## DIRECTOR'S REPORT

The Members,

### PCS TECHNOLOGY LIMITED

Your Directors of the Company are pleased to present you the 39th Annual Report of the Company along with the statement of Standalone Audited Financial Statements for the financial year ended 31st March 2020.

### FINANCIAL RESULTS

Key highlights of standalone Audited Financial Results of the Company for the financial year 2019-20 are tabulated below:

| Particulars  | (Rs. In lakhs)                     |                                    |
|--|------------------------------------|------------------------------------|
|  | Financial Year ended<br>31.03.2020 | Financial Year ended<br>31.03.2019 |
| Net sales and services                                     | 29.90                              | 58.08                              |
| Gross Profit / (Loss)                                      | 153.33                             | 111.29                             |
| Depreciation   | (25.10)                            | (28.38)                            |
| Profit / (Loss) for the year from Operations               | 128.23                             | (82.91)                            |
| Provision for Taxation (Net)                               | 3.83                               | (92.92)                            |
| Profit / (Loss) for the year / available for Appropriation | (529.60)                           | (210.00)                           |

### OPERATIONS

In view of the above scenario, the company has generated meagre revenue of Rs. 29.89 lakhs from its existing line of business. The Company however, preferred to preserve its financials and with this view, had parked funds with the Banks in term deposits to derive income. The Company, in the current year earned revenue amounting to Rs 421.13 lacs (Previous year Rs 480.73 Lacs) and Profit before Exceptional Items amounting to Rs 128.23 Lacs (Previous year Rs 82.91 Lacs). The Company has maintained positive level of profitability by cutting down various costs and proper utilization of funds.

The Company has generated the profit before exception items majorly due to the receipt of interest income on Bank Deposit. However, during the year under review the Company were require to provide for diminution in the value of unrealised Investment made in Bonds of few Corporates and hence, the Company were require to provide 479.79 as exceptional items towards said diminution in value. Besides this, your Company have also settled its past disputed service tax liabilities under Sabka Vishwas (Legacy Disputes Resolution) 2019 scheme and due to this your Company have added another exceptional item for an amount of Rs. 167.58. Considering this two major exceptional items and other minor items, the Company have incurred loss of Rs. 529.60 lakhs

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

### EXTRACTS OF ANNUAL RETURN

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

### DIVIDEND

Due to loss incurred by the Company for the year under review, your Directors express their inability to recommend any dividend for Equity Shares for the financial year ended 31<sup>st</sup> March, 2020.

During the year under review, the Company by passing a Board Resolution on 7<sup>th</sup> February, 2020 has approved payment of Dividend of Rs. 35,77,500 on 3975000-9% Redeemable, Non-Convertible, Non-Cumulative Preference Shares (Preference Shares) of Rs. 10/- each fully paid up.

The dividend on preference shares amounting to Rs.43,05,796 (including dividend distribution tax of Rs.7,28,296) has been paid on 7th February, 2020.

### RESERVES

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

### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

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

### ANNUAL PERFORMANCE EVALUATIONS

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

Further, the Independent Directors at their meeting, reviewed the performance of Board as a whole and performance of Chairman of the Company and also of Non-Executive Directors

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

### Appointment

No Director has been appointed in the Company during the F.Y- 2019-20

### Cessation

No Director has resigned as Director of the Company in the F.Y- 2019-20.

### Retirement by Rotation

As per Article 135, of the Articles of Association of the Company, Mr. Gajendra Kumar Patni (Din- 00014163), Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment on the Board of your company.

## Declaration given by Independent Director

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013, that he/she meets criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Board and Audit Meetings

During the year under review, 4 (Four) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## Remuneration Policy

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

The Remuneration Policy is stated in the Corporate Governance Report.

## COMMITTEES OF THE BOARD

Currently, the Board has four Committees namely: Audit Committee, Stakeholders' Relationship Committee (SRC), Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility Committee (CSR Committee).

The Composition of each of the committee is mentioned in the **Annexure 2** of the Boards' Report.

## STATUTORY AUDITOR

Mr. Divyesh Mehta of M/s. Vinod K Mehta & Co., Chartered Accountant (Firm Registration No.111508W) was appointed as Statutory Auditors of the Company at the AGM held on 20th September, 2017 to hold office till the conclusion of the 41st AGM of the Company and as required by the provisions of the Companies Act, 2013 The requirement for annual ratification of the Auditors Appointment at the Annual General Meeting has been omitted pursuant to the Companies (Amendment) Act, 2017 notified on 7th May, 2018.

## SECRETARIAL AUDITOR

Mr. Divyesh Ninjibhai Vanpariya of M/s. DNV & Associates, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2019-20 as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit report for FY 2019-20 forms part of the Annual report as Annexure 3 to the Board's Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. Annual Accounts have been prepared on a going concern basis.
5. Internal Financial controls are followed by the Company in adequate manner and are operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In view of the provisions relating to CSR contained in Companies Act, 2013, the Board of Directors of your Company has set up a CSR Committee comprising four Directors of the Company namely :

Mr. G M Dave, Non-Executive Independent Director,

Mr. G. K. Patni, Non-Executive Director,

Mr. A. K. Patni, Non-Executive Director and

Mr. H. C. Tandon, Non-Executive Director

The Committee will oversee and monitor its CSR activities in line with the CSR policy of the Company in compliance with the provisions of the Companies Act, 2013. CSR has been integral part of the Company. The CSR policy on the Company is displayed on Company's website [www.pcstech.com](http://www.pcstech.com). CSR report along with the CSR activities are annexed herewith in the report and marked as Annexure 4.

Initiations taken by Company for CSR :

The Company has contributed Rs. 10,00,000/- (Rupees Ten Lakhs only) to Prime Minister's National Relief Fund, to comply with CSR activities as specified in Schedule VII of the Companies Act, 2013.

## CORPORATE GOVERNANCE

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



# PCS TECHNOLOGY LIMITED

## SUBSIDIARY COMPANY

PCS Technology USA, INC - Company's wholly owned foreign subsidiary (WOS) company had applied to the concerned jurisdictional authority at New Jersey to dissolve it. Accordingly, PCS Technology USA Inc., has received the certificate of dissolution dated 18th December, 2019 from state of New Jersey, Department of the Treasury Division of Revenue and Enterprise Services.

After receiving, confirmation on Certificate of Dissolution, PCS Technology USA, Inc, is ceased to be a wholly owned Subsidiary of the PCS Technology Limited and its existence comes to an end w. e. f 18<sup>th</sup> December, 2019.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies for the financial year ended 31st March 2020 namely, PCS Positioning Systems (India) Limited and PCS Infotech Limited are attached in Form AOC-1 and is annexed and marked as annexure-6(A) of the Board Report. In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its audited financial statements together with related information and other reports of each of the subsidiary companies, have also been placed on the website of the Company at [www.pcstech.com](http://www.pcstech.com)

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

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

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

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

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

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

## RELATED PARTY TRANSACTIONS

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

## DEPOSITS

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

## CODE OF CONDUCT

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

## CONSOLIDATED FINANCIAL STATEMENT

The consolidated Financial Statements have been prepared in accordance with the provisions of Section 129 of the Companies Act, 2013, applicable Accounting Standards and the provisions of the Listing Agreement with Stock Exchange and forms part of this Annual Report

## PARTICULARS OF EMPLOYEES

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

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

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

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors  
Ashok Kumar Patni  
Vice- Chairman  
DIN- 00014194

Mumbai, 22nd June, 2020

# THIRTY NINTH ANNUAL REPORT 2019-2020



## DIRECTOR'S REPORT

### Annexure 1

#### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR 31.03.2020

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  | L74200MH1981PLC024279  |
| Registration Date  | 22/04/1981   |
| Name of the Company  | PCS Technology Limited   |
| Category/Sub-category of the Company                                       | Information Technology & Information Technology Enabled Services   |
| Address of the Registered office & contact details                         | Registered Office : 82/6/1, Solar Park, Shop no.6, Pune-Alandi Road, Dattanagar, Dighi- Pune- 411015.  |
| Whether listed company   | Yes  |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. Bigshare Services Private Limited<br>1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059 Tel: 022 62638200 |

#### III. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY-the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

| S. No | Name and Address of the Company   | CIN/GLN               | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|-------|---|-----------------------|-------------------------------|------------------|--------------------|
| 1     | PCS Positioning Systems(I) Ltd,<br>Add:-S. No.1, F-1, Irani Market Compound,<br>Yerawada, Pune 411106 | U72900PN2004PLC019448 | Subsidiary (WOS)              | 100%             | 2(87)              |
| 2     | PCS Infotech Ltd<br>Add:-S. No.1, F-1, Irani Market Compound,<br>Yerawada, Pune 411106                | U72900PN2012PLC145598 | Subsidiary (WOS)              | 100%             | 2(87)              |

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

##### i. Category-wise Share Holding

| Category of Shareholders                                  | No. of Shares held at the beginning of the year |             |                 |                   | No. of Shares held at the end of the year |             |                 |                   | % Change during the year |
|---|---|-------------|-----------------|-------------------|---|-------------|-----------------|-------------------|--------------------------|
|   | Demat   | Physical    | Total           | % of Total Shares | Demat                                     | Physical    | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>                                       |   |             |                 |                   |   |             |                 |                   |                          |
| <b>(1) Indian</b>   |   |             |                 |                   |   |             |                 |                   |                          |
| (a) Individual/ HUF                                       | 1847647   | -           | 1847647         | 8.82%             | 1847647                                   | -           | 1848647         | 8.82%             | -                        |
| (b) Central Government                                    | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (c) State Government(s)                                   | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (d) Bodies Corporate/ Company                             | 5704679   | -           | 5704679         | 27.23%            | 5704679                                   | -           | 5704679         | 27.23%            | -                        |
| (e) Banks / Financial Institutions                        | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (f) Director/ Relatives                                   | 7146485   | 1184        | 7146669         | 34.12%            | 7146485                                   | 1184        | 7146669         | 34.12%            | -                        |
| (g) Any other   | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| <b>Sub Total A(1)</b>                                     | <b>14698811</b>                                 | <b>1184</b> | <b>14699995</b> | <b>70.17%</b>     | <b>14698811</b>                           | <b>1184</b> | <b>14699995</b> | <b>70.17%</b>     | -                        |
| <b>(2) Foreign</b>  |   |             |                 |                   |   |             |                 |                   |                          |
| a) Individuals (NRIs/Foreign Individuals)                 | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| b) Other Individuals                                      | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (c) State Government(s)                                   | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (d) Bodies Corporate                                      | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (e) Banks / Financial Institutions                        | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (f) Any other   | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| <b>Sub Total A(2)</b>                                     | <b>-</b>  | <b>-</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>                                  | <b>-</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoter (A) =(A) (1)+(A)(2)</b> | <b>14698811</b>                                 | <b>1184</b> | <b>14699995</b> | <b>70.17%</b>     | <b>14698811</b>                           | <b>1184</b> | <b>14699995</b> | <b>70.17%</b>     | -                        |
| <b>B. Public Shareholding</b>                             |   |             |                 |                   |   |             |                 |                   |                          |
| 1. Institutions   |   |             |                 |                   |   |             |                 |                   |                          |
| a) Mutual Funds / UTI                                     | 126690  | 4893        | 131583          | 0.63%             | 126690                                    | 4893        | 131583          | 0.63%             | -                        |
| b) Banks / Financial Institutions                         | 236   | 759         | 995             | 0.01%             | 236                                       | 759         | 995             | 0.01%             | -                        |
| (c) Central Government                                    | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (d) State Government                                      | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (e) Venture Capital Funds                                 | -   | -           | -               | -                 | -   | -           | -               | -                 | -                        |
| (f) Insurance Companies                                   | 213383  | -           | 213383          | 1.02%             | 213383                                    | -           | 213383          | 1.02%             | -                        |
| (g) Foreign Institutional Investors                       | 0   | 700         | 700             | 0.00%             | 0   | 700         | 700             | 0.00%             | -                        |

# PCS TECHNOLOGY LIMITED

| Category of Shareholders   | No. of Shares held at the beginning of the year |          |          |                   | No. of Shares held at the end of the year |          |          |                   | % Change during the year |
|--|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
|  | Demat   | Physical | Total    | % of Total Shares | Demat                                     | Physical | Total    | % of Total Shares |                          |
| h) Foreign Venture Capital Funds   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| i) Any Other   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| Sub Total (B)(1)   | 340309  | 6352     | 346661   | 1.66%             | 340309                                    | 6352     | 346661   | 1.66%             | -                        |
| 2. Non-Institutions  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| a) Bodies Corporate  | 137352  | 14192    | 151544   | 0.72%             | 88227                                     | 14192    | 102419   | 0.49%             | 0.23%                    |
| b) Individuals   |   |          |          |                   |   |          |          |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh         | 2487299   | 1392888  | 3880187  | 18.52%            | 2385019                                   | 1375308  | 3760327  | 17.95%            | 0.57%                    |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 1730434   | -        | 1730434  | 8.26%             | 1516183                                   | -        | 1516183  | 7.24%             | 1.02%                    |
| c) Any Other   |   |          |          |                   |   |          |          |                   |                          |
| Foreign Bodies - D R   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| Other Directors / Relatives  | 432   | 316      | 748      | 0.00%             | -   | 316      | 316      | 0.00%             | -                        |
| Foreign Portfolio Investor   |   |          |          |                   |   |          |          |                   |                          |
| Non Resident Indians   | 21551   | 1640     | 23191    | 0.11%             | 23134                                     | 1640     | 24774    | 0.12%             | -                        |
| OCB  | -   | 100800   | 100800   | 0.48%             | -   | 100800   | 100800   | 0.48%             | -                        |
| Clearing Members   | 12903   | -        | 12903    | 0.06%             | 25447                                     | -        | 25447    | 0.12%             | 0.06%                    |
| NBFCs registered with RBI  | 4214  | 0        | 4214     | 0.02%             | 4214                                      | 0        | 4214     | 0.02%             | -                        |
| Any other (HUF)  | -   | -        | -        | -                 | 369541                                    | -        | 369541   | 1.76%             | 1.76%                    |
| Sub-total (B)(2)   | 4394185   | 1509836  | 5904021  | 28.18%            | 4411765                                   | 1492256  | 5904021  | 28.18%            | -                        |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | 4734494   | 1516188  | 6250682  | 29.83%            | 4752074                                   | 1498608  | 6250682  | 29.83%            | -                        |
| C. Shares held by Custodian for GDRs & ADRs                                      | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| Grand Total (A+B+C)  | 19433305  | 1517372  | 20950677 | 100%              | 19450885                                  | 1499792  | 20950677 | 100%              | -                        |

## V. 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  | Gajendrakumar Patni  | 5,79,685                                  | 2.77%                            | 5,79,685                                | 2.77%                            |
| 2  | Ashokkumar S. Patni  | 5,75,995                                  | 2.75%                            | 5,75,995                                | 2.75%                            |
| 3  | Harish Chandra Tandon  | 432                                       | -                                | 432                                     | -                                |
| 4  | Kamal Kumar Barjatya   | 316                                       | -                                | 316                                     | -                                |
| 5  | Mir Prakash Jain   | 10  | -                                | 10                                      | -                                |
| 6  | Bhaskar Patel  | 100                                       | -                                | 100                                     | -                                |
| 7. | Mehul Monani   | 12  | -                                | 12                                      | -                                |

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

The Company has not availed any loan during the year and is debt free company.

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL-

- Remuneration to Managing Director, Whole-time Directors and/or Manager:- N.A
- REMUNERATION TO OTHER DIRECTORS (INDEPENDENT)

(Rupees)

| Particulars of Remuneration                  | Name of Directors   |                   |                   |                    | Total    |
|--|---|-------------------|-------------------|--------------------|----------|
|  | Mr. G. M. Dave  | Mr. Satish Ajmera | Mr. K. K Barjatya | Mrs. Vandana Gupta |          |
| Independent Directors                        |   |                   |                   |                    |          |
| Fee for attending board & committee meetings | 1,10,000  | 70,000            | 1,10,000          | 40,000             | 3,30,000 |
| Commission                                   | -   | -                 | -                 | -                  | -        |
| Others, please specify                       | -   | -                 | -                 | -                  | -        |
| Total (1)                                    | -   | -                 | -                 | -                  | -        |
| Other Non-Executive Directors                |   |                   |                   |                    |          |
| Fee for attending board committee meetings   | -   | -                 | -                 | -                  | -        |
| Commission                                   | -   | -                 | -                 | -                  | -        |
| Others, please specify                       | -   | -                 | -                 | -                  | -        |
| Total (2)                                    | -   | -                 | -                 | -                  | -        |
| Total (B)=(1+2)                              | -   | -                 | -                 | -                  | -        |
| Total Managerial Remuneration                | 1,10,000  | 70,000            | 1,10,000          | 40,000             | 3,30,000 |
| Overall Ceiling as per the Act               | Rs. 1,00,000/- per meeting.<br>The Company pays sitting fees of Rs. 10,000/- per meeting of the Board (for Board & Committee Meeting attended by the Directors) |                   |                   |                    |          |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## VIII. 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  | The Executor Of Kanchanbai S Patni –Deceased | 61286                                     | 0.29%                            | -   | 61286                               | 0.29%                            | -   | -  |
| 2  | The Executor Of Sobhagmal M Patni –Deceased  | 130936                                    | 0.62%                            | -   | 130936                              | 0.62%                            | -   | -  |
| 3  | Gajendrakumar S Patni                        | 579685                                    | 2.77%                            | -   | 579685                              | 2.77%                            | -   | -  |
| 4  | Ashokkumar S Patni                           | 575995                                    | 2.75%                            | -   | 575995                              | 2.75%                            | -   | -  |
| 5  | Apoorva Ashokkumar Patni                     | 500745                                    | 2.39%                            | -   | 500745                              | 2.39%                            | -   | -  |
| 6  | Rajkumar Barjatya                            | 760                                       | 0.00%                            | -   | 760                                 | 0.00%                            | -   | -  |
| 7  | Pankaj Patni                                 | 86  | 0.00%                            | -   | 86                                  | 0.00%                            | -   | -  |
| 8  | Ruchi Amit Kumar Patni                       | 152540                                    | 0.73%                            | -   | 152540                              | 0.73%                            | -   | -  |
| 9  | Anirudh Narendrakumar Patni                  | 559270                                    | 2.67%                            | -   | 559270                              | 2.67%                            | -   | -  |
| 10 | Poonam Narendrakumar Patni                   | 695626                                    | 3.32%                            | -   | 695626                              | 3.32%                            | -   | -  |
| 11 | Rajnikanta G Patni                           | 2391081                                   | 11.41%                           | -   | 2391081                             | 11.41%                           | -   | -  |
| 12 | Sadhana A Patni                              | 1694936                                   | 8.09%                            | -   | 1694936                             | 8.09%                            | -   | -  |
| 13 | Amit Kumar Patni                             | 261899                                    | 1.25%                            | -   | 261899                              | 1.25%                            | -   | -  |
| 14 | Munish Kumar Gangwal                         | 56  | 0.00%                            | -   | 56                                  | 0.00%                            | -   | -  |
| 15 | Rajrani Gangwal                              | 240                                       | 0.00%                            | -   | 240                                 | 0.00%                            | -   | -  |
| 16 | Sooraj Barjatya                              | 145                                       | 0.00%                            | -   | 145                                 | 0.00%                            | -   | -  |
| 17 | Vasundhara Apoorva Patni                     | 1000000                                   | 4.77%                            | -   | 1000000                             | 4.77%                            | -   | -  |
| 18 | Arihant Gajendrakumar Patni                  | 384186                                    | 1.83%                            | -   | 384186                              | 1.83%                            | -   | -  |
| 19 | Meeta Devi Gangwal                           | 184                                       | 0.00%                            | -   | 184                                 | 0.00%                            | -   | -  |
| 20 | Aakriti Amitkumar Patni                      | 2830                                      | 0.01%                            | -   | 2830                                | 0.01%                            | -   | -  |
| 21 | Ayushi Amitkumar Patni                       | 2830                                      | 0.01%                            | -   | 2830                                | 0.01%                            | -   | -  |
| 22 | Ashoka Computer Systems Private Limited      | 1901560                                   | 9.08%                            | -   | 1901560                             | 9.08%                            | -   | -  |
| 23 | PCS Cullinet Private Limited                 | 1901559                                   | 9.08%                            | -   | 1901559                             | 9.08%                            | -   | -  |
| 24 | PCS Finance Private Limited                  | 1901560                                   | 9.08%                            | -   | 1901560                             | 9.08%                            | -   | -  |
|    | Total  | 14699995                                  | 70.17%                           | -   | 14699995                            | 70.17%                           | -   | -  |

## IX. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

There is no significant change in Promoters Shareholding as on 31st March, 2020.

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

| SN | For Each of the Top 10 Shareholders    | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|--|---|----------------------------------|---|----------------------------------|
|    |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1  | BALRAM BHARWANI                        | 839115                                    | 4.01%                            | 842635                                  | 4.02%                            |
| 2  | MUKESH MOHANLAL KELAWALA HUF           | 255300                                    | 1.22%                            | 255300                                  | 1.22%                            |
| 3  | RUPANKI PRASHANT SHAH                  | 137000                                    | 0.65%                            | 137000                                  | 0.65%                            |
| 4  | GENERAL INSURANCE CORPORATION OF INDIA | 127962                                    | 0.61%                            | 127962                                  | 0.61%                            |
| 5  | CANARA ROBECO MUTUAL FUND A/C GAD      | 126690                                    | 0.60%                            | 126690                                  | 0.60%                            |
| 6  | ANJANA SINHA                           | 120671                                    | 0.58%                            | 120671                                  | 0.58%                            |
| 7  | DATA GENERAL CORPORATION, U.S.A.       | 100800                                    | 0.48%                            | 100800                                  | 0.48%                            |
| 8  | SURENDRAKUMAR DEVIPRASAD TIBREWALA     | 80,262                                    | 0.38%                            | 80262                                   | 0.38%                            |
| 9  | DILIPKUMAR LAKHI                       | 47,551                                    | 0.23%                            | 47551                                   | 0.23%                            |
| 10 | MUKESHCHANDRA MOHANLAL KELAWALA        | 42,690                                    | 0.20%                            | 42690                                   | 0.20%                            |

# PCS TECHNOLOGY LIMITED

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

(Rupees)

| SN | Particulars of Remuneration   | Name of the KMP                     |  |                       |         |
|----|---|-------------------------------------|--|-----------------------|---------|
|    |   | Mehul Monani<br>(Company Secretary) | Mr. Bhaskar Patel<br>(Chief Executive Secretary) | Mr. M. P. Jain<br>CFO | Total   |
| 1  | Gross salary  |                                     |  |                       |         |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 548340                              | 1322976  | 1300640               | 3171956 |
|    | (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   | 548340                              | 1322976  | 1300640               | 3171956 |

## XIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

The Company, its Directors or other Officers were not subject to any penalties/ Punishments/ Compounding of Offenses as at 31st March, 2020

## COMPOSITION OF THE COMMITTEE

### Audit Committee

| Name of the Members | Status  |
|---------------------|---|
| Mr. Satish Ajmera   | Non-Executive/ Independent Director- Chairman |
| Mr. K. K. Barjatya  | Non-Executive/ Independent Director           |
| Mr. G. M. Dave      | Non-Executive/ Independent Director           |
| Mr. H. C. Tandon    | Non-Executive Director                        |

### Stakeholders Relationship Committee

| Name of the Members | Status                                       |
|---------------------|--|
| Mr. G. K Patni      | Non-Executive Director                       |
| Mr. A.K Patni       | Non-Executive Director                       |
| Mr. Satish Ajmera   | Non-Executive/ Independent Director-Chairman |
| Mr. K. K. Barjatya  | Non-Executive/ Independent Director          |

### Nomination and Remuneration Committee

| Name of the Members | Status  |
|---------------------|---|
| Mr. K. K. Barjatya  | Non-Executive/ Independent Director           |
| Mr. G. M. Dave      | Non-Executive/ Independent Director- Chairman |
| Mr. Satish Ajmera   | Non-Executive/ Independent Director           |
| Mr. A. K. Patni     | Non-Executive Director                        |

### Corporate Social Responsibility Committee (CSR Committee)

| Name of the Members | Status                              |
|---------------------|-------------------------------------|
| Mr. G.K Patni       | Non-Executive Director- Chairman    |
| Mr. A.K Patni       | Non-Executive Director              |
| Mr. G. M. Dave      | Non-Executive/ Independent Director |
| Mr. H.C.Tandon      | Non-Executive Director              |

# PCS TECHNOLOGY LIMITED

Annexure 3

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,  
The Members,  
PCS TECHNOLOGY LIMITED,  
82/6/1, Solar Park, Shop no.6,  
Pune-Alandi Road, Dattanagar,  
Dighi, Pune - 411015, Maharashtra, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PCS Technology Limited** (CIN: L74200MH1981PLC024279) (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in '**Annexure-1**' for the financial year ended on **March 31, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Review Period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as SEBI (Share based Employees Benefits) Regulation, 2014; **(The Company has not introduced any such scheme);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(The Company has not issued any Debt Securities during the financial year under review);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(The Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the financial year under review);**
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(The Company has not bought back / propose to buy-back any of its securities during the financial year under review);**
  - (i) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Review Period);**
  - (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Review Period);**
  - (k) The Securities and Exchange Board of India (Listing Obligation and Disclosure requirement) Regulations, 2015;
- (vi) Other Laws specifically applicable to the Company during the relevant period ended March 31, 2020:
  1. The Income Tax Act & Rules
  2. Laws relating to Professional Tax, Wealth Tax, Service Tax, Central and State Sales Tax & Rules
  3. Bombay Shops & Establishment Act
  4. Sale of Goods Act, 1930
  5. The Payment of Bonus Act
  6. The Payment of Gratuity Act
  7. The Employees State Insurance Act, 1948
  8. The Trade Marks Act, 1999
  9. Copyright Act, 1957
  10. Information Technology Act, 2000

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- b) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited (BSE) read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

# THIRTY NINTH ANNUAL REPORT 2019-2020



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- The Company has filed with delay following forms/returns required to be submitted with the Registrar of Companies;

| Sr. No. | Form        | Particulars of form                       |
|---------|-------------|---|
| 1.      | Form MGT-14 | Appointment of Secretarial auditor – 2019 |
| 2.      | Form MGT-14 | Appointment of Secretarial auditor – 2020 |
| 3.      | Form MGT-14 | Resolution under Section 179 (3)          |

- The Company has filed with delay following forms/returns required to be submitted with the Stock Exchanges;

| Sr.No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause)  | Deviations  | Observations/ Remarks of the Practicing Company Secretary   |
|--------|---|---|---|
| 1.     | Submission of quarterly compliance report on corporate governance within 15 days of end of quarter under Regulation 27 (2) of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.   | For the quarter ended on March 31, 2020 was submitted on June 15, 2020. Extended due date was May 15, 2020. Filed with delay of 31 days   | The Management of the Company explained that the delay in submission was inadvertent and due to Covid 19.   |
| 2.     | Submission of disclosures of related party transactions on a consolidated basis within 30 days of publication of its standalone and consolidated financial results for the half year as per Regulation 23(9) of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. | Submitted for the quarter ended on September 30, 2019 on December 10, 2019 with delay of 5 days.  | The Management of the Company explained that the delay in submission was inadvertent.   |
| 3.     | Submission of Initial Disclosure /Confirmation as per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018   | Initial disclosure has been sent on email to Mangalam.lyer@bseindia.com on 28/05/2019 due to technical problem while uploading on the Listing Centre of BSE i.e. listing.bseindia.com. However due date of filing was 30/04/2019. | The Management of the Company explained that the Compliance Officer/ Company Secretary was unable to upload the said disclosure on listing.bseindia.com due to technical problem on the website and so they have reverted on email received on 21/05/2019 from Mangalam.lyer@bseindia.com |

- As per Regulation 19 (3A) of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is required to hold a Nomination and Remuneration Committee at least once in a year; However as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020, an extension is provided for holding of meeting of Nomination and Remuneration Committee till June 30, 2020. Therefore, the Company has time till June 30, 2020 to comply with the said regulation.

## I further report that–

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines. All the notices and orders received by the Company pursuant to the abovementioned laws have been adequately dealt with/ duly replied/ complied with.

I further report that during the audit period, the company has

- The Board of Directors at their meeting held on February 07, 2020 taken note of dissolution of its wholly owned foreign subsidiary (WOS) company ie. PCS Technology USA Inc which has received certificate of dissolution dated 18th December, 2019 from state of New Jersey, Department of the Treasury Division of Revenue and Enterprise Services.
- The Members, at the Annual General Meeting held on September 25, 2019, had approved and authorised the following:
  - Shifting of registered office of the Company from the outside the local limit
  - Alteration of Main Object clause by adding new Object Clause III (A) (1.2).
  - Sale of Commercial unit situated at Mahape, Navi Mumbai 701 to 705, including the rights to use car parking spaces in the building known as "Technocity IT Premises Co Op Society Limited, Plot No. X - 5/3, TTC Industrial Area, Opposite Millenium Business Park, Mahape, MIDC - Navi Mumbai Dist : Thane - 400 710
  - Power to Board for Investments / Loans /Guarantees by the Company shall not any time exceed Rs. 50 crore (Rupees Fifty Crores only) over and above the paid up capital and free reserves of the Company.
  - Approved the related party transaction under section 188 of the Companies Act, 2013.

I have relied on the representation made by the Company and its officers and for systems and mechanism framed by the Company for Compliances under other Acts, Laws and Regulations applicable to the Company as Listed above in point (vi).

This report is to be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

Thanking you.  
Yours faithfully,

**For DNV & Associates**  
Company Secretaries  
Firm Unique Code: S2018MH628300

**Divyesh N. Vanpariya**  
Proprietor



# PCS TECHNOLOGY LIMITED

## Annexure-4

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

| 1. Sr. no. | 2. CSR project/ activity identified                   | 3. Sector in which the Project is covered                | 4. Projects / Programmes<br>1.Local area / others-<br>2.specify the state /district (Name of the District/s, State/s where project / programme was undertaken | 5. Amount outlay (budget) project programme wise | 6. Amount spent on the project / programme Subheads:<br>1.Direct expenditure on project, 2.Overheads: | 7. Cumulative amount spend upto to the reporting period | 8. Amount spent: Direct /through implementing agency*            |
|------------|---|--|---|--|---|---|--|
|            | Contribution to Prime Minister's National Relief Fund | mentioned in the Schedule VII of the Companies Act, 2013 |   | -  | Contribution to Prime Minister's National Relief Fund   | Expenditure incurred upto Rs. 28,50,000/-               | Amount spent directly by PCS Technology Limited to the Govt Fund |

|   |   |   |
|---|---|---|
| 1 | A brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The CSR Policy has been placed on the website of the Company at <a href="http://www.pcstech.com">www.pcstech.com</a>  |
| 2 | The Composition of the CSR Committee  | CSR Committee comprising of four directors viz. Mr. G M Dave, a Non- Executive Independent Director, Mr. G. K Patni, Non- Executive Director, Mr. A. K. Patni, Non-Executive Director and Mr. H. C. Tandon, Director of the Company |
| 3 | Average Net Profit of the Company for last three financial years.   | Rs. 2,72,81,276   |
| 4 | Prescribed CSR expenditure (two percent of the amount as in item 3 above)   | Rs. 5,45,625/-  |
| 5 | Details of CSR spent during the financial year.   | The Company is not required to spend any amount on CSR activities as Company has made loss and therefore the CSR is not applicable to the company for the F.Y 2019-20.  |
|   | 1. Total amount to be spent for the F.Y.  |   |
|   | 2. Amount unspent, if any;  | NIL   |
|   | 3. manner in which the amount spent during the financial year:  | The Company has spent Rs.10,00,000 /- (Rupees Ten Lakhs only) during the year under review.   |

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 27 of SEBI (Listing Obligation Disclosure Regulation), Regulation, 2015

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

### 2. BOARD OF DIRECTOR (BOARD)

The Board of Directors has 7 (Seven) members on Board having 3 (Three) Non- Executive Directors, 4 (Four) Non – Executive Independent Directors on the Board, which is in conformity with the Regulation 17 (1) (b) of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

The Non Executive Directors bring independent judgment in the Board's deliberations and decisions. Independent Directors are Directors, who apart from receiving Director's Sitting Fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence of the judgment of the Director.

#### • Board Meetings held during the Financial Year 2019-2020

4 (four) Board meeting were held in financial year 2019- 2020 on the following dates:

24.05.2019, 11.07.2019, 06.11.2019, 07.02.2020.

#### • 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 25.09.2019 | No. of Equity shares held in the Company ** |
|-------------------------------|-------------------------------|--------------------------------|---|---|
| Mr. G. K. Patni Chairman      | Promoter - Non-Executive      | 3                              | No  | 579685                                      |
| Mr. A. K. Patni Vice Chairman | Promoter - Non-Executive      | 4                              | No  | 575995                                      |
| Mr. Satish Ajmera             | Non – Executive & Independent | 2                              | No  | Nil   |
| Mr. G. M. Dave                | Non – Executive & Independent | 4                              | No  | Nil   |
| Mr. K. K. Barjatya            | Non – Executive & Independent | 4                              | No  | 316   |
| Mrs. Vandana Gupta            | Non – Executive & Independent | 3                              | No  | Nil   |
| Mr. H. C. Tandon              | Non – Executive Director      | 3                              | yes                                       | 432   |

\*\*The above shareholding as at 31st March, 2020 is in respect of shares which are held by Directors as first holder and in which shares they have beneficial interest.

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

| Name of Directors | No. of public Companies in which he is a Director* | No. of Board Committees in which he is** |          |
|-------------------|--|--|----------|
|                   |  | Member                                   | Chairman |
| G. K. PATNI       | 1  | 1  | 0        |
| A. K. PATNI       | 3  | 2  | 0        |
| H. C. TANDON      | 1  | 2  | 0        |
| SATISH AJMERA     | 3  | 3  | 3        |
| K. K. BARJATYA    | 0  | 0  | 0        |
| G. M. DAVE        | 0  | 0  | 0        |
| VANDANA GUPTA     | 0  | 0  | 0        |

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

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

#### • Code of Conduct

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

All the members of the Board, and senior management have affirmed compliance to the code as on March 31, 2020. A declaration to this effect, signed by CEO and CFO is annexed to the Director's Report.

#### AUDIT COMMITTEE

The Audit Committee comprises of

Mr. Satish Ajmera, Non – Executive & Independent Director- Chairman,

Mr. G.M. Dave , Non- Executive & Independent Director

Mr. K.K. Barjatya, Non- Executive & Independent Director and

Mr. H.C Tandon, Non- Executive Director

# PCS TECHNOLOGY LIMITED

## Terms of Reference

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

## Meetings and attendance during the Financial Year ended 31st March, 2020

During the financial year 4 (Four) Audit Committee Meetings were held on 24.05.2019, 11.07.2019, 06.11.2019, 7.02.2020 respectively. The attendance of the Members at these Meetings during the Financial Year 2019-20 is as follows:

| Name of Director   | Status                              | No. of Meetings attended |
|--------------------|-------------------------------------|--------------------------|
| Mr. Satish Ajmera  | Non-executive/ Independent Director | 2                        |
| Mr. K. K. Barjatya | Non-executive/ Independent Director | 4                        |
| Mr. G. M. Dave     | Non-executive/ Independent Director | 4                        |
| Mr. H.C Tandon     | Non-executive Director              | 3                        |

## 4. NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of the following Directors namely:

Mr. G. M. Dave - Non- Executive & Independent Director- Chairman of the Committee,

Mr. Satish Ajmera- Non- Executive & Independent Director

Mr. K. K. Barjatya - Non- Executive & Independent Director and

Mr. Ashok Kumar Patni- Non- Executive Director

During the year under review, the Company has held 1 (one) meeting of Nomination and Remuneration Committee.

### Objectives of the Nomination & Remuneration Committee:

The Committee is empowered -

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

### REMUNERATION POLICY

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

#### Remuneration to Whole-time / Executive / KMP and Senior Management Personnel:

- a) Fixed pay: KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F pension scheme, medical expenses, etc. shall be decided and approved by the Board.

#### Remuneration to Non- Executive / Independent Director:

- a) Non-Executive Independent Directors are only paid sitting fees for attending the Board and Committee meetings, under the relevant provision of the Companies Act, 2013.

Details of payments made to Non-Executive Independent Directors for the financial year 2019-2020 are as under:

| Name of the Director | Sitting fees Paid (Rs) | Commission paid (Rs) |
|----------------------|------------------------|----------------------|
| Mr. Satish Ajmera    | 70,000/-               | Nil                  |
| Mr. G. M. Dave       | 1,10,000/-             | Nil                  |
| Mr. K. K. Barjatya   | 1,10,000/-             | Nil                  |
| Mrs. Vandana Gupta   | 50,000/-               | Nil                  |

## 5. Stakeholders Relationship Committee

This committee comprising of 4 (four) members, 2 (Two) Non Executive (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. K.K. Barjatya, Independent Director

Mr. Satish Ajmera, Independent Director

Mr. Mehul Monani, Company Secretary is the Compliance Officer of the Company.

During the year under review, the Company held 1 (one) Stakeholder Relationship Committee Meeting to update the status of the committee and review the compliances by the company.

During the year, 19 (Nineteen) investor complaints/queries were received. There were NIL complaints/queries pending as on March 31, 2020. There were no share transfers pending for more than 30 days as on the said date.

## 6. Independent Directors

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

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

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

Neither the Independent Directors themselves nor any of their relatives -

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

### Separate meetings of the Independent Directors

The Independent Directors held a Meeting on 7<sup>th</sup> February, 2020, to review the following matters:

At the Meeting, they –

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

## 7. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

## 8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

## 9. RELATED PARTY TRANSACTIONS

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

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

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

The policy has also been uploaded on the website of the Company at [www.pcstech.com](http://www.pcstech.com).

# PCS TECHNOLOGY LIMITED

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

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

## 10. MATERIAL SUBSIDIARY POLICY

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

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

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

## 11. MANAGEMENT OF BUSINESS ETHICS

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

Whistle Blower Policy has been established to provide a mechanism for employees of the Company.

## 12. GENERAL BODY MEETINGS

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

| AGM for the F.Y. ended | Date & time of AGM       | Place of AGM   | Special Resolutions Passed  |
|------------------------|--------------------------|--|---|
| 31-03-2017             | 20.09.2017<br>12:00 noon | Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 | <ul style="list-style-type: none"><li>Re-Appointment of Mrs. Vandana Gupta (Din: 07117752) as an Independent Director of the Company</li></ul>  |
| 31-03-2018             | 26.09.2018<br>12:30 p.m. | Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 | <ul style="list-style-type: none"><li>Appointment of Mr. Gajendra kumar Patni (DIN: 00014163) as Director of the Company.</li><li>Re-Appointment of Mr. Girish dave (DIN : 00036455) as an Independent Director of the Company</li><li>Re-Appointment of Mr. Kamal kumar barjatya (DIN: 00107064) as an Independent Director of the Company</li><li>Re-Appointment of Mr. Satish ajmera (DIN 00208919) as an Independent Director of the Company</li><li>Re-Appointment of Mr. Yash Bhardwaj (DIN 01714824) as an Executive Director (Whole-Time) of the Company.</li></ul> |
| 31-03-2019             | 25.09.2019<br>12:30 p.m. | Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 | <ul style="list-style-type: none"><li>Shifting of the Registered office of the Company.</li><li>Alteration of the Main Object Clause (Clause III (A)) of the Memorandum of Association of the Company.</li><li>Sale of the Commercial Property situated at Mahape, Navi Mumbai.</li><li>Investments/Loans/ Guarantees of the Company</li><li>Related Party Transactions</li></ul>   |

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

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

## 13. Disclosures

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

None, Transactions with the related parties are disclosed in the notes to the accounts forming part of the Annual Report.

Details of non-compliance by the Company, penalties and 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

The CEO/CFO certification forms part of this Annual Report.

## 14. Means of Communication

- The quarterly and annual 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 LODR, Regulation, 2015.
- Management discussion and Analysis forms part of the Annual Report.

The Company also issues financial results about the Company would be available on its website [www.pcstech.com](http://www.pcstech.com) and contact address: Email ID: [Investorsgrievances@pcstech.com](mailto:Investorsgrievances@pcstech.com)

# THIRTY NINTH ANNUAL REPORT 2019-2020



## 15. GENERAL SHAREHOLDER INFORMATION

|  |   |
|--|---|
| <b>Date, time &amp; venue of the Annual General Meeting to be held in financial year 2020-21- 23rd September, 2020 at 12:30 p.m.</b> |   |
| <b>Financial Calendar 2020 – 21</b>  |   |
| i  | Financial Year : April to March                                     |
| ii   | First Quarterly Results : On or before 14 <sup>th</sup> August 2020 |
| iii  | Half Yearly Results : On or before 14 <sup>th</sup> November 2020   |
| iv   | Third Quarter Results : On or before 14th February 2021             |
| v  | Audited results : On or before 30th May, 2021                       |
| <b>Dividend Payment Date</b> : Not Applicable  |   |
| <b>Listing at Stock Exchanges(Stock Code)</b> : a) The Bombay Stock Exchange Limited, Mumbai (517119) (BSE Ltd.)                     |   |
| <b>ISIN Number for CDSL</b> : INE 834B01012  |   |

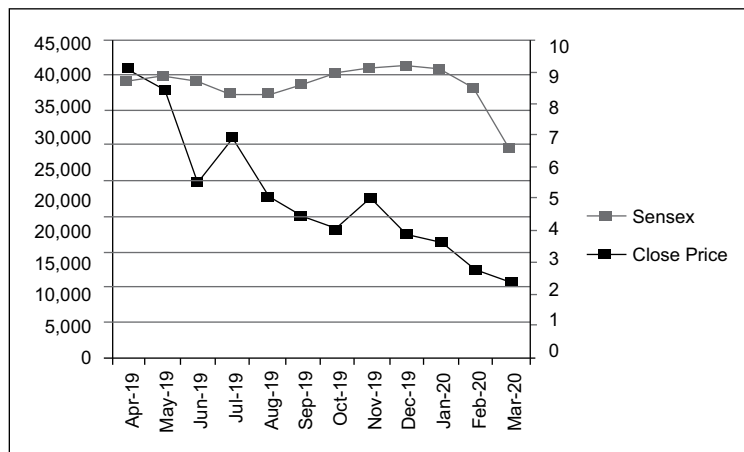
Annual Listing Fees have been tendered to Bombay stock Exchange for the financial year 2020-2021.

### Market Price Data:

High/Low of Market price of the Company's shares traded on Bombay Stock Exchange (BSE) during the financial Year 2019-20 furnished below:

| Year | Month     | Highest (Rs.) | Lowest (Rs.) |      |
|------|-----------|---------------|--------------|------|
| 2019 | April     | 10.30         | 8.4          |      |
|      | May       | 9.10          | 7.43         |      |
|      | June      | 8.78          | 4.69         |      |
|      | July      | 7.52          | 5.25         |      |
|      | August    | 7.18          | 5.06         |      |
|      | September | 5.70          | 4.28         |      |
|      | October   | 4.62          | 3.61         |      |
|      | November  | 5.88          | 4.04         |      |
|      | December  | 5.29          | 3.62         |      |
|      | 2020      | January       | 4.15         | 3.36 |
|      |           | February      | 3.69         | 2.81 |
|      |           | March         | 2.85         | 2.28 |

Graph of Share Price/ BSE Sensex : Annexure A



|  |  |
|--|--|
| <b>REGISTRARS AND TRANSFER AGENT FOR SHARES HELD IN DEMAT AS WELL AS PHYSICAL FORM</b> | M/s. Bigshare Services Private Limited,<br>1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059         |
| <b>Share Transfer system</b>   | 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. |

# PCS TECHNOLOGY LIMITED

## The distribution of shareholding as on March 31, 2020 is as follows :

| No. of equity shares held              |    |           | No. of shareholders | %      | No. of Shares | %      |
|--|----|-----------|---------------------|--------|---------------|--------|
| 1                                      | to | 5000      | 28656               | 97.04  | 2216497       | 10.57  |
| 5001                                   | to | 10000     | 433                 | 1.47   | 342287        | 1.6338 |
| 10001                                  | to | 20000     | 187                 | 0.63   | 290600        | 1.3871 |
| 20001                                  | to | 30000     | 52                  | 0.18   | 135299        | 0.6458 |
| 30001                                  | to | 40000     | 43                  | 0.15   | 153324        | 0.73   |
| 40001                                  | to | 50000     | 34                  | 0.12   | 160071        | 0.76   |
| 50001                                  | to | 100000    | 53                  | 0.18   | 386276        | 1.84   |
| 100001                                 | &  | 999999999 | 66                  | 0.22   | 17266323      | 82.41  |
| Grand Total                            |    |           | 29524               | 100.00 | 20950677      | 100.00 |
| No. of shareholders in Physical Mode   |    |           | -                   | -      | 1553643       | 07.42  |
| No. of shareholders in Electronic Mode |    |           | -                   | -      | 19397034      | 92.58  |

## Shareholding pattern as on March 31, 2020 is as follows :

| Category                           | No. of shareholders | No. of shares   | % holding     |
|------------------------------------|---------------------|-----------------|---------------|
| Indian Promoters                   | 24                  | 14699995        | 70.17         |
| Banks, FIs and Insurance Companies | 12                  | 214378          | 1.02          |
| UTI and Mutual Funds               | 7                   | 131583          | 0.63          |
| FIs, NRIs and OBC & NBFC           | 69                  | 130488          | 0.61          |
| Overseas /Domestic Companies       | 131                 | 102419          | 0.49          |
| Resident Individuals               | 29256               | 5646051         | 26.95         |
| Clearing Member                    | 19                  | 25447           | 0.065         |
| Directors/ Director Relatives      | 2                   | 316             | 0.000         |
| Trusts                             | 0                   | 0               | 00.00         |
| <b>Total</b>                       | <b>29524</b>        | <b>20950677</b> | <b>100.00</b> |

Dematerialization of shares and liquidity: As on 31st March, 2020, 92.58% of the paid-up share capital was held in dematerialized form.

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

### 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**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai -400059

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

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

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

### DECLARATION BY THE CHIEF EXECUTIVE OFFICER (CEO) UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members of,

#### PCS Technology limited

I, Bhaskar Patel, Chief Executive Officer of PCS Technology Limited confirmed that as provided in Regulation 26(3) Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2020

#### For PCS Technology Limited

Mr. Bhaskar Patel  
Chief Executive Officer

Place :Mumbai

Date : 22<sup>nd</sup> June, 2020

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

To the Members of  
**PCS TECHNOLOGY LIMITED**  
Pune

We have examined the compliance of conditions of Corporate Governance by PCS Technology Limited ('the Company') for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchanges in India (as applicable).

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

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

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

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

Divyesh V Mehta  
Partner  
Membership No.:044293

Mumbai,  
Date: 22<sup>nd</sup> June, 2020

## CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON THE FINANCIAL STATEMENTS OF THE COMPANY

We, Bhaskar Patel, Chief Executive officer and Mir Prakash 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, 2020 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

Mumbai, 22<sup>nd</sup> June, 2020

Bhaskar Patel  
CEO

Mir Prakash Jain  
CFO



# PCS TECHNOLOGY LIMITED

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**PCS TECHNOLOGY LIMITED,**  
82/6/1, Solar Park, Shop no.6,  
Pune-Alandi Road, Dattanagar,  
Dighi, Pune - 411015, Maharashtra, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PCS Technology Limited** having CIN L74200MH1981PLC024279 and having registered office at 82/6/1, Solar Park, Shop no.6, Pune-Alandi Road, Dattanagar, Dighi, Pune - 411015, Maharashtra, India (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, any such other Statutory Authority.

| Sr. No. | Name of Director               | DIN      | Date of appointment in Company |
|---------|--------------------------------|----------|--------------------------------|
| 1       | Gajendrakumar Sobhagmal Patni  | 00014163 | 22/04/1981                     |
| 2       | Ashokkumar Sobhagmal Patni     | 00014194 | 22/04/1981                     |
| 3       | Girish Mohanlal Dave           | 00036455 | 29/09/1995                     |
| 4       | Harish Chandra Tandon          | 00037611 | 25/11/1992                     |
| 5       | Kamal Kumar Tarachand Barjatya | 00107064 | 30/10/1995                     |
| 6       | Satish Ajmera                  | 00208919 | 24/04/2020                     |
| 7       | Vandana Gupta                  | 07117752 | 16/03/2015                     |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DNV & Associates  
Company Secretaries  
Firm Unique Code: S2018MH628300

Divyesh N. Vanpariya  
Proprietor  
Membership No:- A41999  
C P No: 21050

Date: 22<sup>nd</sup> June, 2020  
Place: Mumbai

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### **Business Background**

PCS Technology Ltd has earlier operated in the domestic IT sector by providing maintenance of desk top computers and peripherals like printers, networking equipment, etc. and to some extent has provided facility management services in the IT segment.

Due to original equipment suppliers enhancing after sales warranty period higher than in the past and due to rapid technological changes in the IT equipment have resulted in reduced opportunities in the company's line of computer hardware maintenance business.

### **Performance & Review of existing business**

#### **IT and FMS Services**

In view of the above scenario, the company did not enter in its existing line of business. The Company however, preferred to preserve its financials and with this view, had parked funds with the Banks in term deposits to derive income. The Company, in the current year earned revenue amounting to Rs 421.13 (Previous year Rs 480.73 Lacs) and Profit before Exceptional Items amounting to Rs 128.23 Lacs (Previous year Rs 94.22 Lacs). The Company has maintained positive level of profitability by cutting down various costs and proper utilization of funds.

### **Opportunities, Threats & Risks**

The Company at an opportune time will look into new plans, till then the present scenario may not see changes.

### **Future Outlook**

The Management will put in efforts to look for new opportunities which can add into its Financials. Till the Management arrives at a conclusion, the Company proposes to continue to generate income by investing its surplus funds in safer manner to serve its stake holders. Your Company is taking all measures to remain financially stable and cost efficient.

### **Overseas Subsidiaries**

#### **PCS Technology USA, Inc.**

PCS Technology USA Inc., one of the wholly owned subsidiary of the company stands dissolved and its existence comes to an end on the 18th December 2019.

### **Indian Subsidiary**

#### **PCS Positioning Systems (India) Limited**

The subsidiary did not involve in business.

#### **PCS Infotech Limited**

The subsidiary did not involve in business.

The management is evaluating various options to restructure the base in the best interest of the Company.

### **Internal Control and Adequacy**

The Company has an appropriate internal control system commensurate to the size of business process and operations, financial reporting and compliance with applicable regulations and laws and to ensure that all the assets are safeguarded, 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**

The Company has retained requisite resources to safeguard company's assets and to adhere legal compliances as per requirement. Your Directors acknowledge and thank employees for their continued contribution.

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

# PCS TECHNOLOGY LIMITED

## AOC-I

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

Statement containing salient features of the financial statement of subsidiaries as on 31<sup>st</sup> March, 2020

### Part "A": Subsidiaries

(Information with respect to each subsidiary are mentioned as follows)

#### Annexure 6(A)

(Amount in Rs.)

| Sr. No. | Particulars  | Name of the Subsidiaries companies         |  |
|---------|--|--|--|
|         |  | PCS Positioning Systems (India) Ltd.       | PCS Infotech Limited                       |
| 1       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | Same as holding company's reporting period | Same as holding company's reporting period |
| 2       | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Rupees                                     | Rupees                                     |
| 3       | Share capital  | 1,76,00,000                                | 50,00,000                                  |
| 4       | Reserves & surplus   | -5,32,40,910                               | 38,03,195                                  |
| 5       | Total assets   | 11,18,690                                  | 88,41,545                                  |
| 6       | Total Liabilities  | 367,59,600                                 | 38,350                                     |
| 7       | Investments  | -  | -  |
| 8       | Turnover   | -  | -  |
| 9       | Profit before taxation   | -171959                                    | 4,77,265                                   |
| 10      | Provision for taxation   | -  | 1,13,610                                   |
| 11      | Profit after taxation  | -171959                                    | 2,93,455                                   |
| 12      | Proposed Dividend  | 0  | 0  |
| 13      | % of shareholding  | 100%                                       | 100%                                       |

#### Notes:

- Names of subsidiaries which are yet to commence operations: Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year: PCS Technology USA, Inc, has been dissolved as on 18th December, 2019.

Annexure – 6(B)

#### FORM NO. AOC -2

#### Particulars of contracts/arrangements made with related parties

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

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

| Name of related party   | Nature of Relationship | Duration of arrangement | Salient terms (1) | Amount (Rupees) |
|---|------------------------|-------------------------|-------------------|-----------------|
| Kalpavruksh Systems Pvt Limited<br>Rendering sales and services like Facility Management Services etc.. | Affiliates Company     | April 2014 – Ongoing    | Not applicable    | 23,26,788/-     |
| Patni Healthcare Pvt Limited<br>Rendering sales and services like Facility Management Services etc..    | Affiliates Company     | April 2014 – Ongoing    | Not applicable    | 3,66,928/-      |

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

**Particulars of employees**

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

- i. The percentage increase in remuneration of each Director, Chief Executive Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration

| Sr. No | Name of Director/KMP and Designation                       | Remuneration of Director/ KMP for financial year 2019-20 (Rs. in Lacs) | % increase in Remuneration in the Financial Year 2019-20 | Ratio of remuneration of each Director/ to median remuneration of employees |
|--------|--|--|--|---|
| 1      | Gajendrakumar Patni<br>Chairman & Non-Executive Director   | -  | -  | -   |
| 2      | Ashokkumar Patni<br>Vice-Chairman & Non-Executive Director | -  | -  | -   |
| 3      | Harish Chandra Tandon<br>Non-Executive Director            | -  | -  | -   |
| 4      | Mr. G. M. Dave<br>Non-Executive Independent Director       |  |  |   |
| 5      | Mr. K. K. Barjatya<br>Non-Executive Independent Director   |  |  |   |
| 6      | Mr. Satish Ajmera<br>Non-Executive Independent Director    |  |  |   |
| 7      | Mrs. Vandana Gupta<br>Non-Executive Independent Director   |  |  |   |
| 8      | Mr. M. P. Jain<br>CFO                                      | 13.00  |  | N. A.   |
| 9      | Mr. Bhaskar Patel<br>CEO                                   | 13.22  | -  | N. A.   |
| 10     | Mr. Mehel Monani<br>Company Secretary                      | 5.4  |  | N. A.   |

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

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

- The median remuneration of employees of the Company during the financial year was Rs. 73,958 (Previous year 1,14,285 /-)
- There were 16 permanent employees on the rolls of the Company as on March 31, 2020.
- No Average percentage increase was made in the salaries of employees in the financial year i.e. 2019-20.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**ANNEXURE 8**

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

**(A) Conservation of Energy**

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

**(B) Technology Absorption**

Not applicable

**(C) Foreign Exchange Earnings/Outgo**

Your Company has not earned any foreign exchange and has not spent any foreign exchange under the following heads.

| Particulars:         | (Rs. in Lacs) |
|----------------------|---------------|
| (i) Stores & Spares  | -             |
| (ii) Capital Goods   | -             |
| (iii) Other Expenses | -             |
| Total                | -             |

On behalf of the Board of Directors

Mumbai, 22<sup>nd</sup> June, 2020

**A.K. Patni**  
DIN: 00014194  
Vice Chairman

# PCS TECHNOLOGY LIMITED

Annexure 9

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

### A. Amount outstanding as on March 31, 2020:

| Particulars      | Amount (Rs.) |
|------------------|--------------|
| Loans given      | Nil          |
| Guarantee given  | Nil          |
| Investments Made | 3,16,04,500  |

### B. Loans, Guarantee and Investments made during financial year 2020:

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

On behalf of the Board of Directors

Mumbai, 22<sup>nd</sup> June, 2020

**A.K. Patni**  
DIN: 00014194  
Vice Chairman

# THIRTY NINTH ANNUAL REPORT 2019-2020



## INDEPENDENT AUDITORS' REPORT

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion:

We have audited the accompanying Standalone financial statements of PCS TECHNOLOGY LIMITED ("the Company") which comprise the standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters:

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| SR NO | KEY AUDIT MATTER  | AUDIT PROCEDURE  |
|-------|---|--|
| 1     | IND AS 115- REVENUE FROM CONTRACTS WITH CUSTOMERS   |  |
|       | The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Note 2.(D) to the Standalone Financial Statements | We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br><br>1. Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.<br><br>2. Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. |

|  |                                   |  |
|--|-----------------------------------|--|
|  |                                   | <p>3. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p> <p>4. On selected samples of contracts, we tested that the revenue recognized is in accordance with the accounting standard by –</p> <p>a) Evaluating the identification of performance obligation;</p> <p>b) Testing management's calculation of the estimation of contract cost and onerous obligation, if any</p>  |
|  |                                   | <p>We:</p> <ul style="list-style-type: none"> <li>Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management;</li> <li>Performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract;</li> <li>Assessed the appropriateness of work in progress (contract assets) , if any, on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which may require change in estimated costs to complete the remaining performance obligations; and</li> <li>Performed test of details including analytics to determine reasonableness of contract costs</li> <li>The operations for IT and IT enabled Services is much lower as compared to previous years due to the management decisions.</li> <li>The operational income from these IT and ITeS is not exceeding the Interest Income that is generated from Investment in Bonds and Other Securities.</li> </ul> |
|  | IND AS 109- FINANCIAL INSTRUMENTS |  |

# PCS TECHNOLOGY LIMITED

|   |  |
|---|--|
| The application of this Accounting Standard involves identification, valuation and reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements | Our audit procedures included:   |
| The most significant areas are:   | 1. Evaluation of the appropriateness of procedure of the identification and classification by the Company  |
| 1. Preference Share Capital   | 2. Assessed the measurement and valuation done by the company of the above identified assets and liability   |
| 2. Security Deposits  | 3. Evaluation of the impact of above transactions in the financial statements of the Company   |
| 3. Impairment of Bonds  | 4. Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109  |
|   | 5. We obtained an understanding of the management's processes, systems and controls implemented in relation to impairment allowance process.       |
|   | 6. Assessed the design and implementation of key internal financial controls over loan impairment process used to determine the impairment charge. |
|   | 7. We used our internal specialist to test the model methodology and reasonableness of assumptions used.   |
|   | 8. We tested the management review controls over measurement of impairment allowances and disclosures in financial statements.                     |

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated. If, based on work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Standalone IND AS financial statements, including the disclosures, and whether the Standalone IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- 1) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 2) In our opinion, proper books of account as required by law have been kept by Company so far as it appears from our examination of those books.
- 3) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- 4) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- 5) On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements -Refer Note 30 to the standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

Divyesh V Mehta  
Partner  
Membership No.:044293  
Mumbai  
Date: 22/06/2020  
UDIN: 20044293AAAABT7892



# PCS TECHNOLOGY LIMITED

## Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company in respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification physical stock and book records were not material.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
4. The Company has not directly or indirectly advanced loan to the persons covered under section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. The Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under Section 186 of the Act during the year and has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security outstanding at the year end.
5. The Company has not accepted any deposits from the public within the meaning of the directives issued by Reserve bank of India and under provision of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
6. The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
7. In respect of Statutory dues :
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted /accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following

| Nature of Statute                                    | Nature of Dues      | Forum where Dispute is pending          | Period to which the amount relates | Amount      |
|--|---------------------|---|------------------------------------|-------------|
| Custom Act, 1962                                     | Custom Duty         | Commissioner of Central Excise, Chennai | F.Y. 2006-07                       | 2,15,40,551 |
| Foreign Trade (Development and Regulation) Act, 1992 | Export/ Import Duty | Director General Foreign Trade          | F.Y. 2001-02 to F.Y. 2003-04       | 9,50,074    |

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
9. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company
10. To the best of knowledge and according to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. To the best of our knowledge and as explained, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

Divyesh V Mehta  
Partner  
Membership No.:044293

Place : Mumbai  
Date: 22/06/2020  
Udin: 20044293AAAABT7892

## Annexure B to the Independent Auditors' Report

### Annexure B to the Independent Auditors' Report on the standalone financial statements of PCS TECHNOLOGY LIMITED

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the Internal Financial Controls over financial reporting of PCS TECHNOLOGY LIMITED ("the Company") incorporated in India as at 31st March, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended as at on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

#### Management Responsibility for the Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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 (hereinafter referred to as "the Act").

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such Financial Controls, assessing the risk that material weakness exists, and the testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements

#### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

#### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

Divyesh V Mehta  
Partner  
Membership No.:044293

Mumbai  
Date: 22/06/2020  
Udin: 20044293AAAABT7892

# PCS TECHNOLOGY LIMITED

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs.)

| Particulars                              | Note | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|--|------|----------------------|----------------------|
| <b>I. ASSETS</b>                         |      |                      |                      |
| <b>1 Non-Current Assets</b>              |      |                      |                      |
| (a) Property, plant and equipment        | 3    | 92,857,398           | 95,332,599           |
| (b) Financial assets                     |      |                      |                      |
| (i) Investments                          | 4    | 5,020,000            | 5,020,000            |
| (c) Other Non- Current assets            | 5    | 12,600,008           | 15,578,835           |
| <b>Total non-current assets</b>          |      | <b>110,477,406</b>   | <b>115,931,434</b>   |
| <b>2 Current assets</b>                  |      |                      |                      |
| (a) Financial assets                     |      |                      |                      |
| (i) Investments                          | 6    | 31,604,500           | 360,883,964          |
| (ii) Trade receivables                   | 7    | 68,977               | -                    |
| (iii) Cash and cash equivalents          | 8    | 8,213,064            | 12,501,321           |
| (iv) Other balances with banks           | 9    | 296,512,068          | -                    |
| (v) Loans                                | 10   | 2,990,301            | 17,196,499           |
| (b) Current income tax liabilities (net) | 11   | 1,535,870            | -                    |
| (c) Other Current assets                 | 12   | 92,131               | 163,519              |
| <b>Total current assets</b>              |      | <b>341,016,911</b>   | <b>390,745,303</b>   |
| <b>TOTAL ASSETS</b>                      |      | <b>451,494,317</b>   | <b>506,676,737</b>   |
| <b>II. EQUITY AND LIABILITIES</b>        |      |                      |                      |
| <b>1 Equity</b>                          |      |                      |                      |
| (a) Share capital                        | 13   | 209,506,770          | 209,506,770          |
| (b) Other equity                         | 14   | 199,986,681          | 253,305,515          |
| <b>Total Equity</b>                      |      | <b>409,493,451</b>   | <b>462,812,285</b>   |
| <b>2 Liabilities</b>                     |      |                      |                      |
| <b>Non-current liabilities</b>           |      |                      |                      |
| (a) Financial liabilities                |      |                      |                      |
| (i) Long-term borrowings                 | 15   | 37,477,428           | 37,178,104           |
| (ii) Other financial liabilities         | 16   | 2,474,738            | 2,270,403            |
| (b) Provisions                           | 17   | 350,380              | 292,801              |
| (c) Other liabilities                    | 18   | -                    | 214,339              |
| <b>Total non- current liabilities</b>    |      | <b>40,302,546</b>    | <b>39,955,647</b>    |
| <b>3 Current Liabilities</b>             |      |                      |                      |
| (a) Financial liabilities                |      |                      |                      |
| (i) Trade and other payables             | 19   | 772,000              | 1,623,403            |
| (b) Current income tax liabilities (net) | 20   | -                    | 1,493,379            |
| (c) Provisions                           | 21   | 473,259              | 472,028              |
| (d) Other liabilities                    | 22   | 453,061              | 319,995              |
| <b>Total current liabilities</b>         |      | <b>1,698,320</b>     | <b>3,908,805</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>      |      | <b>451,494,317</b>   | <b>506,676,737</b>   |

Notes forming part of the financial statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 22.06.2020

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

# THIRTY NINTH ANNUAL REPORT 2019-2020

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020



(Amount in Rs.)

| Particulars   | Note No. | Year ended 31-Mar-2020 | Year ended 31-Mar-2019 |
|---|----------|------------------------|------------------------|
| I. Revenue from operations  | 23       | 2,989,797              | 5,808,368              |
| II. Other income (net)  | 24       | 39,123,015             | 42,265,023             |
| <b>III. TOTAL INCOME</b>  |          | <b>42,112,812</b>      | <b>48,073,391</b>      |
| <b>IV. Expenses:</b>  |          |                        |                        |
| Employee benefit expenses   | 25       | 8,445,850              | 13,270,591             |
| Finance costs   | 26       | 4,931,006              | 4,929,105              |
| Depreciation and amortisation expenses  | 27       | 2,509,513              | 2,837,620              |
| Other expenses  | 28       | 13,402,680             | 18,744,633             |
| <b>TOTAL EXPENSES</b>   |          | <b>29,289,049</b>      | <b>39,781,949</b>      |
| <b>V. PROFIT BEFORE TAX (III-IV)</b>  |          | <b>12,823,763</b>      | <b>8,291,442</b>       |
| <b>VI. EXCEPTIONAL ITEMS</b>  | 29       | <b>(66,166,893)</b>    | <b>(20,000,000)</b>    |
| <b>VII. PROFIT AFTER EXCEPTIONAL ITEMS</b>  |          | <b>(53,343,130)</b>    | <b>(11,708,558)</b>    |
| <b>VIII. Tax expense:</b>   |          |                        |                        |
| (a) Current tax   |          | -                      | 2,400,000              |
| (b) Deferred tax  |          | -                      | -                      |
| (c) Taxation pertaining to earlier years  |          | (382,712)              | 6,891,940              |
| <b>TOTAL TAX EXPENSE</b>  |          | <b>(382,712)</b>       | <b>9,291,940</b>       |
| <b>IX. PROFIT FOR THE YEAR (VII-VIII)</b>   |          | <b>(52,960,418)</b>    | <b>(21,000,498)</b>    |
| <b>X. OTHER COMPREHENSIVE INCOME / (LOSSES)</b>   |          |                        |                        |
| (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:       |          |                        |                        |
| (a) Net changes in fair values of financial liabilities carried at fair value through OCI           |          | (358,416)              | 1,791,487              |
| (ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss |          | 89,604                 | (447,872)              |
| <b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (A-B)</b>  |          | <b>(268,812)</b>       | <b>1,343,615</b>       |
| <b>XI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)</b>   |          | <b>(53,229,230)</b>    | <b>(19,656,883)</b>    |
| <b>XII. Earning per equity share of face value of Rs.10 each</b>                                    |          |                        |                        |
| <b>I) For Continuing operation</b>  |          |                        |                        |
| Basic (in Rs.)  |          | (2.53)                 | (1.00)                 |
| Diluted (in Rs.)  |          |                        |                        |
| <b>II) For Discontinued Operations</b>  |          |                        |                        |
| Basic (in Rs.)  |          |                        |                        |
| Diluted (in Rs.)  |          |                        |                        |
| <b>II) For Discontinued &amp; Continuing Operations</b>   |          |                        |                        |
| Basic (in Rs.)  |          | (2.53)                 | (1.00)                 |
| Diluted (in Rs.)  |          |                        |                        |

### Notes forming part of the Financial Statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 22.06.2020

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

# PCS TECHNOLOGY LIMITED

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

### A Equity Share Capital

(Amount in Rs.)

| Particulars                                     | Amount             |
|---|--------------------|
| <b>As at April 01, 2018</b>                     | 209,506,770        |
| Changes in Equity share capital during the year | -                  |
| <b>As at March 31, 2019</b>                     | <b>209,506,770</b> |
| Changes in Equity share capital during the year | -                  |
| <b>As at March 31, 2020</b>                     | <b>209,506,770</b> |

### B Other Equity

(Amount in Rs.)

| Particulars   | Reserves and Surplus       |                 |                 |                            |                     |                     | Total Other Equity  |
|---|----------------------------|-----------------|-----------------|----------------------------|---------------------|---------------------|---------------------|
|   | Securities Premium Reserve | General Reserve | Capital reserve | Capital redemption reserve | Retained Earnings   | Revaluation Reserve |                     |
| <b>As at April 01, 2018</b>                         | -                          | -               | -               | -                          | 272,514,526         | -                   | 272,514,526         |
| Profit for the year                                 | -                          | -               | -               | -                          | (21,000,498)        | -                   | (21,000,498)        |
| Other Comprehensive Income                          | -                          | -               | -               | -                          | 1,791,487           | -                   | 1,791,487           |
| <b>Total comprehensive income for the year</b>      | -                          | -               | -               | -                          | <b>(19,209,011)</b> | -                   | <b>(19,209,011)</b> |
| Dividend paid (including dividend distribution tax) | -                          | -               | -               | -                          | -                   | -                   | -                   |
| <b>As at March 31, 2019</b>                         | -                          | -               | -               | -                          | <b>253,305,515</b>  | -                   | <b>253,305,515</b>  |
| Profit for the year                                 | -                          | -               | -               | -                          | (52,960,418)        | -                   | (52,960,418)        |
| Other Comprehensive Income                          | -                          | -               | -               | -                          | (358,416)           | -                   | (358,416)           |
| <b>Total comprehensive income for the year</b>      | -                          | -               | -               | -                          | <b>(53,318,834)</b> | -                   | <b>(53,318,834)</b> |
| Dividend paid (including dividend distribution tax) | -                          | -               | -               | -                          | -                   | -                   | -                   |
| <b>As at March 31, 2020</b>                         | -                          | -               | -               | -                          | <b>199,986,681</b>  | -                   | <b>199,986,681</b>  |

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 **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

Place : Mumbai  
Date : 22.06.2020

# THIRTY NINTH ANNUAL REPORT 2019-2020



## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2020

(Amt in Rs.)

| Particulars   | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|---|-------------------------|-------------------------|
| <b>A. Cash flow from operating activities</b>                     |                         |                         |
| Net profit before tax and extra ordinary items                    | (52,960,418)            | (21,000,498)            |
| Adjustments for:  |                         |                         |
| Tax Provision   | (382,712)               | 9,291,940               |
| CSR Provision   | -                       | 2,450,000               |
| CSR Paid  | (1,000,000)             | (2,850,000)             |
| Depreciation  | 2,509,513               | 2,837,620               |
| Finance cost  | 4,931,006               | 4,929,105               |
| Sundry balances written off                                       | 69,271,726              | 20,574,621              |
| Fixed assets written off / Profit or Loss of Sale of Fixed Assets | -                       | 1,165,249               |
| Interest received   | (25,686,550)            | (32,042,076)            |
| <b>Operating profit before working capital changes</b>            | <b>(3,317,435)</b>      | <b>(14,644,039)</b>     |
| Decrease/ (increase) in trade and others receivables              | 8,588,405               | 17,305,741              |
| Decrease/ (increase) in inventories                               | -                       | -                       |
| (Decrease)/ increase in trade and other payables                  | (2,863,586)             | (2,363,870)             |
| <b>Cash generated from operations</b>                             | <b>2,407,384</b>        | <b>297,832</b>          |
| Income tax paid (net of refunds)                                  | 32,388                  | 6,741,278               |
| <b>Net cash flow from/ (used in) operating activities</b>         | <b>2,439,772</b>        | <b>7,039,110</b>        |
| <b>B. Cash flow from investing activities</b>                     |                         |                         |
| Purchase of fixed assets  | (34,312)                | (2,312,548)             |
| Purchase of non-current investments                               | (37,023,777)            | (34,201,200)            |
| Proceeds from sale of fixed assets                                | -                       | 680,000                 |
| Interest received   | 39,892,748              | 36,163,020              |
| <b>Net cash from/ (used in) investing activities</b>              | <b>2,834,659</b>        | <b>329,272</b>          |
| <b>C. Cash from financing activities</b>                          |                         |                         |
| Repayment of borrowings (net)                                     | (5,135,341)             | (186,667)               |
| Finance cost  | (4,427,347)             | (4,476,122)             |
| <b>Net cash from/ (used in) financing activities</b>              | <b>(9,562,688)</b>      | <b>(4,662,789)</b>      |
| Net increase/ (decrease) in cash and cash equivalents             | (4,288,257)             | 2,705,593               |
| Cash and cash equivalents at beginning of the year                | 12,501,321              | 9,795,728               |
| Cash and cash equivalents at end of the year                      | 8,213,064               | 12,501,321              |

| Particulars   | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|---|-------------------------|-------------------------|
| <b>COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT</b>                        |                         |                         |
| Cash on hand  | 43,413                  | 13,881                  |
| Balance with banks  | 8,169,651               | 12,487,440              |
| Cheques on hand   | -                       | -                       |
| Fixed deposits with banks, having original maturity of three months or less | -                       | -                       |
| Cash and cash equivalents at the end of the year                            | 8,213,064               | 12,501,321              |

# PCS TECHNOLOGY LIMITED

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2020

### RECONCILIATION STATEMENT OF CASH AND BANK BALANCE

(Amt in Rs.)

| Particulars   | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents at the end of the year as per above                         | 8,213,064               | 12,501,321              |
| Add: Balance with bank in dividend / unclaimed dividend accounts                      | -                       | -                       |
| Add: Fixed deposits with banks, having remaining maturity for less than twelve months | -                       | -                       |
| Add: Fixed deposits with banks (lien marked)  | -                       | -                       |
| Less: Fixed deposit with banks, having remaining maturity for more than twelve months | -                       | -                       |
| <b>Cash and bank balance as per balance sheet (refer note 8 and 9)</b>                | <b>8,213,064</b>        | <b>12,501,321</b>       |

### DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

(Amt in Rs.)

| December 31, 2019                                  | Opening balance   | Cash flows | Non cash changes | Closing balance   |
|--|-------------------|------------|------------------|-------------------|
| Short term secured borrowings                      | -                 | -          | -                | -                 |
| Long term secured borrowings                       | 37,178,104        | -          | 299,324          | 37,477,428        |
| <b>Total liabilities from financing activities</b> | <b>37,178,104</b> | <b>-</b>   | <b>299,324</b>   | <b>37,477,428</b> |

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 22.06.2020

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 1. CORPORATE INFORMATION

The Company is incorporated as at 22nd April 1981. The Company is engaged mainly in IT and related FMS services. The Company has now applied for NBFC license. The Company is a public limited company incorporated and domiciled in India. The address of the office is 82/6/1, Solar Park, Shop no.6, Pune-Alandi Road, Dattanagar, Dighi- Pune-411015. The financial statements of the Company for the year ended 31st March 2020 are approved by the Board of Directors in Board Meeting.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (A) Statement of Compliance

(i) 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. The standalone financial statements as at and for the year ended 31 March 2020 are approved and authorized for issue by the Board of Directors on 22nd June 2020.

The standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These standalone financial statements are presented in lakhs of Indian rupees which is also the Company's functional currency, except per share data and as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

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.

#### (B) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for

- (i) certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
- (ii) Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### (C) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of IndAS requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### Dividend Declaration

Dividend on Preference Shares has been declared by the company on the basis of sec 123 of the companies act 2013.

#### Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

The company in total has invested aggregating to Rs. 2204.85 lacs in bonds in the earlier years(31st March 2019). However, due to external factors arising during the quarter ending 30th September 2019, 31st December 2019 and 31st March 2020 there is a sharp decline in the market price / realisable value of some of its investments. There is a foreseeable possibility of realising an amount (recoverable amount ) much lower than carrying value. On the grounds of such external factors , the excess of carrying value over recoverable amount of Rs 328.15 lacs for their quarter ended 30th September 2019 , and Rs 27.20 lacs for the quarter ended 31st December 2019 and Rs 124.44 lacs for the quarter ended 31st March 2020 totalling to Rs 479.79 lacs for the year ended 31st March 2020 is accounted as "Exceptional item". Exceptional items for the year ended 31st March 2019 includes loss of Rs 200 lacs on intercorporate deposit on the basis of management assessment.

#### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. A deferred tax asset shall be recognised for all deductible temporary differences and unused losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and unused losses can be utilised.

#### Provisions and contingent liabilities

A provision is required when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### CSR Provisions

The company is not required to make CSR provision for the year ended 31st March 2020 as per the provisions of the sec 135(5) of the companies act 2013.

The COVID -19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of offices following nationwide lockdown by the Government of India. The Company shall resume operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial results as at 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.



# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### (D) Revenue recognition

The Company earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process services and maintenance of equipment. The Company also sales the products ancillary to supply of above services.

The Company recognises revenue as follows:

Revenue from sale of services is recognized for the work completed in terms of the contract. Income from maintenance contracts is recognized on a time proportionate basis.

Revenue from sale of products is recognized when risk and reward are passed on to the customer which is generally on dispatch of goods.

Revenues is reported net of discounts, indirect and service taxes.

(E) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

### (F) Leases

No assets are taken on lease by the Company.

### (G) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such commission and brokerage, recruitment and training, entertainment etc.

### (H) Foreign currency

The functional currency of the Company is Indian Rupee (INR).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit & Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

### (I) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and Deferred taxes are recognised in Statement of Profit & Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

#### Deferred income taxes

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and

liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### (J) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

#### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

#### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### (K) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

### (L) Property, plant and equipment

Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation.

# THIRTY NINTH ANNUAL REPORT 2019-2020

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

| SN | Type of asset            | Method        | Useful lives |
|----|--------------------------|---------------|--------------|
| 1  | Buildings                | Straight line | 60 years     |
| 2  | Leasehold improvements   | Straight line | 38 years     |
| 3  | Plant and equipment      | Straight line | 15 years     |
| 4  | Computer equipment       | Straight line | 03 years     |
| 5  | Vehicles                 | Straight line | 08 years     |
| 6  | Office equipments        | Straight line | 05 years     |
| 7  | Electrical installations | Straight line | 10 years     |
| 8  | Furniture and fixtures   | Straight line | 10 years     |

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

### (M) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

### (N) Impairment

#### Financial assets (other than at fair value)

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. IndAS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### Financial assets (other than at fair value)

#### Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (of CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (of CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

### (O) Employee benefits

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit & Loss for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

#### Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

### (P) Inventories

In view of nature of business of the company, it does not have any inventory of stock & spares as on year ended 31st March 2019 hence provision of clause 3(II) of the order are not applicable.

### (R) 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.

### (S) Foreign currency transactions:

**Functional and presentation currency:** The standalone financial statements are presented in Indian Rupees, which is also the functional currency of the Company. **Foreign currency transactions and balances:** Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions, duly approximated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized as other income in statement of profit and loss. Non-monetary items are not re-translated at yearend and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined

### (T) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

Diluted earnings per share are computed by dividing net profit net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares unless the results would be anti - dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

### (U) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 3 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(Amount in Rs.)

| Description                                       |                    |                        |                     |                    |                  |                   |                        | Intangible Assets | Total              |
|---|--------------------|------------------------|---------------------|--------------------|------------------|-------------------|------------------------|-------------------|--------------------|
|   | Buildings          | Leasehold improvements | Plant and equipment | Computer equipment | Vehicles         | Office equipments | Furniture and fixtures | Software          |                    |
| <b>Cost as at 1-Apr-2016</b>                      | 109,784,870        | 1,177,904              | 2,424,172           | 488,650            | 8,513,016        | 17,305,561        | 6,152,703              | 977,214           | 146,824,090        |
| Additions   | 244,900            | -                      | -                   | -                  | -                | -                 | -                      | -                 | 244,900            |
| Disposals   | (9,188,295)        | -                      | (2,424,172)         | (177,450)          | -                | (105,925)         | (912,909)              | (977,214)         | (13,785,965)       |
| <b>Cost as at 31-Mar-2017</b>                     | <b>100,841,475</b> | <b>1,177,904</b>       | -                   | <b>311,200</b>     | <b>8,513,016</b> | <b>17,199,636</b> | <b>5,239,794</b>       | -                 | <b>133,283,025</b> |
| Additions   | -                  | -                      | -                   | -                  | -                | 10,500            | 225,000                | -                 | 235,500            |
| Disposals   | (6,098,014)        | -                      | -                   | -                  | (876,747)        | -                 | -                      | -                 | (6,974,761)        |
| <b>Cost as at 31-Mar-2018</b>                     | <b>94,743,461</b>  | <b>1,177,904</b>       | -                   | <b>311,200</b>     | <b>7,636,269</b> | <b>17,210,136</b> | <b>5,464,794</b>       | -                 | <b>126,543,764</b> |
| Additions   | -                  | -                      | -                   | 37,760             | -                | -                 | -                      | -                 | 37,760             |
| Disposals   | -                  | (1,177,904)            | -                   | -                  | (3,586,875)      | (821,042)         | (336,919)              | -                 | (5,922,740)        |
| <b>Cost as at 31-Mar-2019</b>                     | <b>94,743,461</b>  | -                      | -                   | <b>348,960</b>     | <b>4,049,394</b> | <b>16,389,094</b> | <b>5,127,875</b>       | -                 | <b>120,658,784</b> |
| Additions   | -                  | -                      | -                   | 34,312             | -                | -                 | -                      | -                 | 34,312             |
| Disposals   | -                  | -                      | -                   | -                  | -                | -                 | -                      | -                 | -                  |
| <b>Cost as at 31-Mar-2020</b>                     | <b>94,743,461</b>  | -                      | -                   | <b>383,272</b>     | <b>4,049,394</b> | <b>16,389,094</b> | <b>5,127,875</b>       | -                 | <b>120,693,096</b> |
| <b>Accumulated depreciation as at 1-Apr-2016</b>  | -                  | 568,866                | 895,660             | 306,986            | 4,134,832        | 10,943,411        | 2,351,034              | 507,402           | 19,708,191         |
| Depreciation for the year                         | 3,597,432          | 27,492                 | 227,281             | 85,275             | 1,123,510        | 4,711,870         | 645,851                | 155,364           | 10,574,075         |
| Disposals   | (875,481)          | -                      | (1,122,941)         | (109,211)          | -                | (77,428)          | (702,974)              | (662,766)         | (3,550,801)        |
| <b>Accumulated depreciation as at 31-Mar-2017</b> | <b>2,721,951</b>   | <b>596,358</b>         | -                   | <b>283,050</b>     | <b>5,258,342</b> | <b>15,577,853</b> | <b>2,293,911</b>       | -                 | <b>26,731,465</b>  |
| Depreciation for the year                         | 1,824,170          | 27,492                 | -                   | 12,669             | 1,018,245        | 535,888           | 552,765                | -                 | 3,971,229          |
| Disposals   | (3,713,522)        | -                      | -                   | -                  | (319,386)        | -                 | -                      | -                 | (4,032,908)        |
| <b>Accumulated depreciation as at 31-Mar-2018</b> | <b>832,599</b>     | <b>623,850</b>         | -                   | <b>295,719</b>     | <b>5,957,201</b> | <b>16,113,741</b> | <b>2,846,676</b>       | -                 | <b>26,669,786</b>  |
| Depreciation for the year                         | 1,817,751          | 5,197                  | -                   | 1,016              | 343,064          | 126,029           | 544,563                | -                 | 2,837,620          |
| Disposals   | -                  | (629,047)              | -                   | -                  | (2,672,813)      | (689,044)         | (190,317)              | -                 | (4,181,221)        |
| <b>Accumulated depreciation as at 31-Mar-2019</b> | <b>2,650,350</b>   | -                      | -                   | <b>296,735</b>     | <b>3,627,452</b> | <b>15,550,726</b> | <b>3,200,922</b>       | -                 | <b>25,326,185</b>  |
| Depreciation for the year                         | 1,817,751          | -                      | -                   | 18,480             | 125,315          | 19,157            | 528,809                | -                 | 2,509,512          |
| Disposals   | -                  | -                      | -                   | -                  | -                | -                 | -                      | -                 | -                  |
| <b>Accumulated depreciation as at 31-Mar-2020</b> | <b>4,468,101</b>   | -                      | -                   | <b>315,215</b>     | <b>3,752,767</b> | <b>15,569,883</b> | <b>3,729,731</b>       | -                 | <b>27,835,697</b>  |
| <b>Net carrying amount as at 31-Mar-2017</b>      | <b>98,119,524</b>  | <b>581,546</b>         | -                   | <b>28,150</b>      | <b>3,254,674</b> | <b>1,621,783</b>  | <b>2,945,883</b>       | -                 | <b>106,551,560</b> |
| <b>Net carrying amount as at 31-Mar-2018</b>      | <b>93,910,862</b>  | <b>554,054</b>         | -                   | <b>15,481</b>      | <b>1,679,068</b> | <b>1,096,395</b>  | <b>2,618,118</b>       | -                 | <b>99,873,978</b>  |
| <b>Net carrying amount as at 31-Mar-2019</b>      | <b>92,093,111</b>  | -                      | -                   | <b>52,225</b>      | <b>421,942</b>   | <b>838,368</b>    | <b>1,926,953</b>       | -                 | <b>95,332,599</b>  |
| <b>Net carrying amount as at 31-Mar-2020</b>      | <b>90,275,360</b>  | -                      | -                   | <b>68,057</b>      | <b>296,627</b>   | <b>819,211</b>    | <b>1,398,144</b>       | -                 | <b>92,857,398</b>  |

- Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.
- Hypothication details: Cash credit and Working Capital Demand Loan were hypothecated on inventories, bookdebts and first charge on the fixed assets in the year ended 31-Mar-17 and 31-Mar-2016. The said charge has been satisfied and surrendered in the year ended 31-Mar-18 and fixed assets are free from charge in the year ended 31st March 2019.

(Amount in Rs.)

| Particulars  |               |                        | As at 31-Mar-20  | As at 31-Mar-19  |
|--|---------------|------------------------|------------------|------------------|
| <b>4 NON-CURRENT INVESTMENTS</b>                       |               |                        |                  |                  |
| <b>I) Investment carried at cost</b>                   |               |                        |                  |                  |
|  | <b>Number</b> | <b>Face Value p.u.</b> |                  |                  |
| a) Investments in equity instruments                   |               |                        |                  |                  |
| In subsidiary companies (Unquoted)                     |               |                        |                  |                  |
| PCS Infotech Limited                                   | 50000         | INR 10                 | 5,000,000        | 5,000,000        |
| PCS Positioning Systems (India) Limited                | 1,760,000     | INR 10                 | 17,510,000       | 17,510,000       |
| PCS Technology Inc., USA *                             | 2,500         | USD 2                  | -                | 217,850          |
|  |               |                        | 22,510,000       | 22,727,850       |
| Less: Provision for diminution in value of investments |               |                        | 17,510,000       | 17,727,850       |
| <b>Net investment in subsidiaries</b>                  |               |                        | <b>5,000,000</b> | <b>5,000,000</b> |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

| Particulars  |       |    | As at<br>31-Mar-20 | As at<br>31-Mar-19 |
|--|-------|----|--------------------|--------------------|
| <b>II) Investment carried at fair value through profit or loss</b> |       |    |                    |                    |
| a) In Other Companies (Quoted)                                     |       |    | -                  | -                  |
| b) In Others (Unquoted)  |       |    |                    |                    |
| Saraswat Coop Bank Limited   | 1,000 | 10 | 10,000             | 10,000             |
|  |       |    | 10,000             | 10,000             |
| <b>Total of investments in equity instruments</b>                  |       |    | 5,010,000          | 5,010,000          |
| c) Investment in Share Certificates                                |       |    |                    |                    |
| Membership of Technocity Co-operative Society                      |       |    | 10,000             | 10,000             |
|  |       |    | 10,000             | 10,000             |
| <b>Net investments</b>   |       |    | 5,020,000          | 5,020,000          |
| Aggregate amount of quoted Investments                             |       |    | -                  | -                  |
| (Market value Rs.Nil previous year Rs.Nil)                         |       |    |                    |                    |
| Aggregate amount of Unquoted Investments                           |       |    | 22,530,000         | 22,747,850         |
| Aggregate provision for diminution in value of investments         |       |    | 17,510,000         | 17,727,850         |

\* Investment written down on account of voluntary dissolution of the subsidiary in the current year.

(Amount in Rs.)

| Particulars  |  |  | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|--|--|--|----------------------|----------------------|
| <b>5 OTHER ASSETS</b>  |  |  |                      |                      |
| Security Deposits with Excise & Customs Authorities & Others |  |  | 6,082,184            | 6,877,524            |
| Advances recoverable in cash or in kind                      |  |  | 404,000              | -                    |
| Advances - Related Parties                                   |  |  | -                    | -                    |
| Income tax paid (Net of provisions) **                       |  |  | 1,561,928            | 4,091,225            |
| Non Current Bank Balances                                    |  |  | 344,430              | 344,430              |
| Other Non Current Assets                                     |  |  | 4,207,466            | 4,265,656            |
|  |  |  | 12,600,008           | 15,578,835           |
| <b>b) Unsecured, Considered doubtful</b>                     |  |  |                      |                      |
| Advances - Related Parties (refer note no.44)                |  |  | 25,000,000           | 25,000,000           |
|  |  |  | 37,600,008           | 40,578,835           |
| Less: Provision for doubtful loans and advances              |  |  | 25,000,000           | 25,000,000           |
|  |  |  | 12,600,008           | 15,578,835           |
| <b>6 CURRENT INVESTMENTS</b>                                 |  |  |                      |                      |
| Corporate Bonds & Debentures                                 |  |  | 74,561,858           | 360,883,964          |
| Less : Provision for dimulation in value of investments *    |  |  | 42,957,358           | -                    |
|  |  |  | 31,604,500           | 360,883,964          |
| <b>7 TRADE RECEIVABLES</b>                                   |  |  |                      |                      |
| <b>a) Unsecured, Considered good</b>                         |  |  | 68,977               | -                    |
| <b>b) Unsecured, Considered doubtful</b>                     |  |  | 11,733,050           | 19,543,465           |
| Total trade receivables                                      |  |  | 11,802,027           | 19,543,465           |
| Less: Provision for doubtful trade receivables               |  |  | 11,733,050           | 19,543,465           |
|  |  |  | 68,977               | -                    |
| <b>8 CASH AND BANK BALANCES</b>                              |  |  |                      |                      |
| <b>Cash &amp; Cash Equivalents</b>                           |  |  |                      |                      |
| Cash in hand   |  |  | 44,091               | 13,881               |
| Balances with Banks  |  |  |                      |                      |
| In Current account   |  |  | 8,168,973            | 12,487,440           |
| Deposits with original maturity of less than 3 months        |  |  | -                    | -                    |
| <b>Total Cash &amp; Bank Balances</b>                        |  |  | 8,213,064            | 12,501,321           |

# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

| Particulars   | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>9 OTHER BALANCES WITH BANKS</b>  |                      |                      |
| Deposits with Original maturity of more than 3 months but less than 12 months | 296,512,068          | -                    |
|   | 296,512,068          | -                    |
| <b>10 LOANS</b>   |                      |                      |
| Interest Accrued  | 2,990,301            | 17,196,499           |
|   | 2,990,301            | 17,196,499           |
| <b>11 CURRENT INCOME TAX ASSETS - NET</b>                                     |                      |                      |
| Income tax paid (Net of provisions)   | 1,535,870            | -                    |
|   | 1,535,870            | -                    |
| <b>12 OTHER CURRENT ASSETS</b>  |                      |                      |
| Prepaid Expenses  | 92,131               | 163,519              |
|   | 92,131               | 163,519              |

\* Considering the current market valuations, the Company has made provision for impairment of investments during the current year.

\*\* The amount includes unrealised credit of TDS relating to past assessment year.

(Amount in Rs.)

| Particulars   | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>13 SHARE CAPITAL</b>   |                      |                      |
| <b>Authorised:</b>  |                      |                      |
| 2,10,25,000 Equity share of Rs.10 each  | 210,250,000          | 210,250,000          |
| 39,75,000 Preference Shares of Rs.10 each<br>(Redeemable, Non-Convertible & Non-Cumulative) | 39,750,000           | 39,750,000           |
|   | 250,000,000          | 250,000,000          |
| <b>Issued, Subscribed and paid up:</b>  |                      |                      |
| 2,09,50,677 (Previous Year - 2,09,50,677) Equity Share of Rs.10 each                        | 209,506,770          | 209,506,770          |
|   | 209,506,770          | 209,506,770          |

**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.

**c) Reconciliation of the shares outstanding at the beginning and end of the year 31-03-2020 & 31-03-2019:**

| Particulars                                     | Equity Shares |             |
|---|---------------|-------------|
|   | Number        | Amount      |
| Shares outstanding at the beginning of the year | 20,950,677    | 209,506,770 |
| Shares outstanding at the end of the year       | 20,950,677    | 209,506,770 |

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

| Name of Shareholder               | As at 31/03/2020 |           | As at 31/03/2019 |           |
|-----------------------------------|------------------|-----------|------------------|-----------|
|                                   | No. of shares    | % holding | No. of shares    | % holding |
| Mrs. Rajnikanta Patni             | 2,428,930        | 11.39     | 2,428,930        | 11.39     |
| PCS Finance Private Limited       | 1,901,560        | 9.08      | 1,901,560        | 9.08      |
| Ashoka Computer Systems Pvt. Ltd. | 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             | 1,657,087        | 7.89      | 1,657,087        | 7.89      |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

| Particulars   | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>14 OTHER EQUITY</b>                                    |                      |                      |
| Retained Earnings   |                      |                      |
| Opening balance   | 253,305,515          | 272,514,526          |
| Add: OCI Reserves   | -                    | -                    |
| Add: Profit for the year                                  | (52,960,418)         | (21,000,498)         |
| Add: Remeasurement gain   (loss) on defined benefit plans | (358,416)            | 1,791,487            |
| <b>Closing balance</b>                                    | <b>199,986,681</b>   | <b>253,305,515</b>   |

(Amount in Rs.)

| Particulars                        | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|------------------------------------|----------------------|----------------------|
| <b>15 LONG TERM BORROWINGS</b>     |                      |                      |
| (carried at amortised value)       |                      |                      |
| Unsecured                          |                      |                      |
| Loan from Related Parties          |                      |                      |
| a) Preference Shares               | 37,477,428           | 37,178,104           |
| <b>Total financial liabilities</b> | <b>37,477,428</b>    | <b>37,178,104</b>    |

**The above Long term borrowings include:**

- a) 39,75,000 (Previous Year - 39,75,000) 9% Preference Share of Rs.10 each (Redeemable, Non-Convertible & Non-Cumulative) carried at amortised cost
- b) **Terms/ Rights attached to Preference Shares:**

The Company has only one class of preference shares having a par value of Rs.10 per share, allotted on 31st January 2013 and redeemable in the 12th and 13th year from the date of allotment or earlier, shall be redeemable at such redemption price including premium not exceeding Rs. 125/- per share having regard to the financial conditions of the Company, at the time of redemption, 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) **Details of shareholding more than 5% Preference Shares of total Preference Shares in the company:**

| Name of Shareholder      | As at 31/03/2020 |           | As at 31/03/2019 |           |
|--------------------------|------------------|-----------|------------------|-----------|
|                          | No. of shares    | % holding | No. of shares    | % holding |
| Ashok Patni Family Trust | 1,965,000        | 49.43     | 1,965,000        | 49.43     |
| Mr. Gajendra Kumar Patni | 1,480,000        | 37.23     | 1,480,000        | 37.23     |

- d) Board of Directors of the Company at its Meeting held on 7th February 2020 has approved the payment of 9% dividend aggregating to the value of Rs.35,77,500 on 3975000- 9% Redeemable, Non-Convertible, Non-Cumulative Preference Shares (Preference Shares) of Rupees 10/- each fully paid up to the Preference Shareholders of the Company. The dividend on preference shares amounting to Rs.43,12,867 (including dividend distribution tax of Rs.7,35,367) has been paid on 07-February-2020 as per sec 123 of the Companies Act ,2013.

(Amount in Rs.)

| Particulars                                 | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>16 OTHER FINANCIAL LIABILITIES</b>       |                      |                      |
| Deposits received on rental premises        | 2,474,738            | 2,270,403            |
|   | <b>2,474,738</b>     | <b>2,270,403</b>     |
| <b>17 PROVISIONS</b>                        |                      |                      |
| Long-term provision for leave benefits      | 350,380              | 292,801              |
|   | <b>350,380</b>       | <b>292,801</b>       |
| <b>18 OTHER LIABILITIES</b>                 |                      |                      |
| Deferred Rental Deposits                    | -                    | 214,339              |
|   | -                    | <b>214,339</b>       |
| <b>19 TRADE AND OTHER PAYABLES</b>          |                      |                      |
| Due to Micro , Small and Medium Enterprises | -                    | -                    |
| Others                                      | 772,000              | 1,623,403            |
|   | <b>772,000</b>       | <b>1,623,403</b>     |

# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

| Particulars                                    | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|--|----------------------|----------------------|
| <b>20 CURRENT INCOME TAX LIABILITIES - NET</b> |                      |                      |
| Income tax paid (Net of provisions)            |                      | 1,493,379            |
|  | -                    | 1,493,379            |
| <b>21 PROVISIONS</b>                           |                      |                      |
| Short-term provision for leave benefits        | 473,259              | 472,028              |
|  | 473,259              | 472,028              |
| <b>22 OTHER CURRENT LIABILITIES</b>            |                      |                      |
| Deferred Rental Deposits                       | 75,262               | 65,258               |
| Statutory dues and taxes payable               | 197,828              | 74,766               |
| Income received in advance                     | -                    | -                    |
| Trade advances                                 | 179,971              | 179,971              |
|  | 453,061              | 319,995              |

(Amount in Rs.)

| Particulars  | Year ended<br>31-Mar-2020 | Year ended<br>31-Mar-2019 |
|--|---------------------------|---------------------------|
| <b>23 REVENUE FROM OPERATIONS</b>  |                           |                           |
| Sales / Services: IT & related FMS services  | 2,989,797                 | 5,808,368                 |
| <b>Net Sales</b>   | 2,989,797                 | 5,808,368                 |
| <b>24 OTHER INCOME</b>   |                           |                           |
| i) Interest income from Financial Assets measured at amortised cost : Interest income from NCD & Bonds | 15,415,409                | 32,042,076                |
| ii) Interest on Bank Deposits  | 10,233,224                | -                         |
| iii) Rent income   | 5,855,714                 | 5,556,399                 |
| iv) Other non-operating income   | 7,618,668                 | 4,666,548                 |
|  | 39,123,015                | 42,265,023                |
| <b>25 EMPLOYEE BENEFIT EXPENSES</b>  |                           |                           |
| Salaries & Wages   | 7,890,342                 | 12,477,961                |
| Contribution to Provident fund etc   | 535,398                   | 693,025                   |
| Staff Welfare expenses   | 20,110                    | 99,605                    |
|  | 8,445,850                 | 13,270,591                |
| <b>26 FINANCE COST</b>   |                           |                           |
| Interest expense   | 114,480                   | 160,418                   |
| Dividend on Preference Shares (including DDT)  | 4,312,867                 | 4,305,796                 |
| Interest on financial liabilities carried at amortised cost  | 503,659                   | 452,983                   |
| Other borrowing cost   | -                         | 9,908                     |
|  | 4,931,006                 | 4,929,105                 |
| <b>27 DEPRECIATION AND AMORTISATION EXPENSES</b>   |                           |                           |
| Depreciation and amortisation expenses   | 2,509,513                 | 2,837,620                 |
|  | 2,509,513                 | 2,837,620                 |
| <b>28 OTHER EXPENSES</b>   |                           |                           |
| Power & fuel   | 177,526                   | 655,485                   |
| Rent   | 1,255,747                 | 1,556,776                 |
| Rates & taxes  | 248,702                   | 482,616                   |
| Insurance  | 298,930                   | 453,063                   |
| Advertisement & sales promotion  | 316,336                   | 307,812                   |
| Travelling and conveyance expenses   | 419,658                   | 717,783                   |
| Consumable, stores and spares  | 16,607                    | 5,300                     |
| Office maintainence  | 141,280                   | 355,884                   |
| Printing & stationery  | 648,522                   | 720,636                   |
| Communication expenses   | 196,613                   | 889,416                   |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

| Particulars   | Year ended        | Year ended        |
|---|-------------------|-------------------|
|   | 31-Mar-2020       | 31-Mar-2019       |
| Auditor's remuneration as Auditors for Tax audit      | 500,000           | 200,000           |
| Legal, professional & consultancy charges             | 30,000            | 50,000            |
| Freight & forwarding                                  | 3,726,225         | 4,860,493         |
| Directors sitting fees                                | 248,983           | 236,989           |
| Bad debts and remissions                              | 290,000           | 405,800           |
| Subcontracting charges paid                           | -                 | 655,000           |
| Sales & Work contract tax paid                        | -                 | 88,577            |
| Loss on Sale of Fixed Assets                          | 248,480           | 179,302           |
| Net Loss disposal of Investments                      | -                 | 1,165,249         |
| Contribution to CSR                                   | 3,624,280         | 170,535           |
| Miscellaneous expenses                                | -                 | 2,450,000         |
|   | 1,014,791         | 2,137,917         |
|   | <b>13,402,680</b> | <b>18,744,633</b> |
| <b>29 EXCEPTIONAL ITEMS</b>                           |                   |                   |
| Net loss on disposal of Property, Plant and Equipment | -                 | 20,000,000        |
| Loss on impairment of investment                      | 47,978,527        | -                 |
| Interest Receivable Written-Off                       | 1,430,488         | -                 |
| Settlement Expenses (Service Tax)                     | 16,757,878        | -                 |
|   | <b>66,166,893</b> | <b>20,000,000</b> |

30. (a) In the previous year, out of the the contingent liability which the Company has carried on in respect service tax demand raised by the Service tax department and which were disputed and pending before the adjudicating authorities/Tribunal, the Company in the current period has paid Rs.1,67,57,878/- to Government in full settlement of demand by availing provisions of Sabka Vishwas (Legacy Disputes Resolution) 2019 scheme and satisfied respective Contingent Liabilities.

(Amount in Rs.)

| Period of Demand | Amount of Demand | Amount Paid Under the Scheme |
|------------------|------------------|------------------------------|
| April 2004-09    | 22,904,559       | 11,452,279                   |
| April 2006-07    | 3,426,553        | 1,027,966                    |
| April 2009-10    | 5,045,046        |                              |
| April 2010-11    | 2,913,810        | 4,277,633                    |
| April 2011-12    | 596,410          |                              |

30. (b) Contingent Liability (in the current Period)

The Company has received a Show Cause Notice from Director of Revenue Intelligence demanding Rs. 2,15,40,551 u/s 28 of Custom Act 1962 on account of Custom Duty on import of OPK from Microsoft during the period of Apr2006 - Mar2007.

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

The Jt. Director Foreign, Trade has passed as order for demand of Rs.9,50,074 citing non-submission of proof of export obligations for the company's earstwhile CCL division for the periods 2001-04.

The Company has filed an appeal along with full payment of pre-deposit before Director General Foreign Trade, Mumbai on the facts and grounds substaigthing documentary evidences.

With reference to note no 15(b) there could be possibility of payment of premium on redemption of 39,75,000 Redeemable Non cumulative Preference shares. In terms of Letter of Offer for the preference shares, the premium on redemption would not exceed Rs.125 per preference shares having regards to the Financial condition of the company, at the time of redemption. as the Board of Directors may decide. The Company's management is of the opinion that liability in respect of these premium on preference shares (if any payable) shall be provided in books of account at the time of redemption.

31. i. Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.



# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

| Particulars   | As at<br>31-Mar-20 | As at<br>31-Mar-19 |
|---|--------------------|--------------------|
| Principle amount due to suppliers under MSMED Act at the year end                               | -                  | -                  |
| Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end | -                  | -                  |
| Payment made to suppliers (other than interest) beyond the appointed day during the year        | -                  | -                  |
| Interest paid to suppliers under MSMED Act during the year                                      | -                  | -                  |
| Interest due & payable to suppliers under MSMED Act for payments already made                   | -                  | -                  |
| Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.         | -                  | -                  |

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management

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

| Particulars | 31-Mar-20 |   | 31-Mar-19 |   |
|-------------|-----------|---|-----------|---|
|             | Value     | % | Value     | % |
| Imported    | -         | - | -         | - |
| Indigenous  | -         | - | -         | - |
|             | -         | - | -         | - |

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

| Particulars   | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Raw Material, Store & spares and Computer Peripherals | -         | -         |

### (C) Expenditure in foreign currency:

| Particulars | 31-Mar-20 | 31-Mar-19 |
|-------------|-----------|-----------|
| Traveling   | -         | -         |

### (D) Earning in foreign currency:

| Particulars               | 31-Mar-20 | 31-Mar-19 |
|---------------------------|-----------|-----------|
| Export sales and services | -         | -         |

### 34. Particulars of Earnings per Shares:

| Particulars  | 31-Mar-20    | 31-Mar-19    |
|--|--------------|--------------|
| a) Net Profit for the year   | (52,960,418) | (21,000,498) |
| b) Number of equity shares outstanding at the beginning and at the end of the year | 20,950,677   | 20,950,677   |
| c) Nominal Value of the shares (Rs.)   | 10.00        | 10.00        |
| d) Basic and diluted Earning per share (Rs.) (a/b)                                 | (2.53)       | (1.00)       |

### 35 CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:\

#### a) Income tax expense

| Particulars                                       | 2019-20 | 2018-19   |
|---|---------|-----------|
| <b>i) Current tax</b>                             |         |           |
| Current tax on profits for the year               | -       | 2,400,000 |
| Adjustments for current tax of prior period       | -       | -         |
| <b>Total current tax expense</b>                  | -       | 2,400,000 |
| <b>ii) Deferred tax</b>                           |         |           |
| (Decrease)   Increase in deferred tax liabilities | -       | -         |
| Decrease   (Increase) in deferred tax assets      | -       | -         |
| Trfd to OCI on actuarial gain or loss             | -       | -         |
| <b>Total deferred tax expense (benefit)</b>       | -       | -         |
| <b>Income tax expense</b>                         | -       | 2,400,000 |

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- b) The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows

| Particulars                                 | 2019-20      | 2018-19        |
|---|--------------|----------------|
| a) Statutory income tax rate                | 26.00%       | 26.00%         |
| b) Differences due to:                      |              |                |
| i) Expenses not deductible for tax purposes | 103.31%      | 121.92%        |
| ii) Income exempt from income tax           | 0.00%        | 0.00%          |
| iii) Income tax incentives                  | 0.00%        | 0.00%          |
| iv) Others                                  | -129.31%     | -168.41%       |
| <b>Effective income tax rate</b>            | <b>0.00%</b> | <b>-20.50%</b> |

- c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.\

- d) Current tax assets (net)

| Particulars   | 2019-20          | 2018-19            |
|---|------------------|--------------------|
| Add: Tax paid in advance, net of provisions during the year | 1,535,870        | 906,621            |
| Less: Current tax payable for the year                      | -                | (2,400,000)        |
| <b>Closing balance</b>                                      | <b>1,535,870</b> | <b>(1,493,379)</b> |

- e) Unrecognised temporary differences

The Company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

### 36 EMPLOYEE BENEFIT OBLIGATIONS

#### Funded Scheme

- a) Defined Benefit Plans:

##### Gratuity

The Company operates a gratuity plan through the 'PCS TECHNOLOGY LIMITED Employees Gratuity Trust'. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

##### Balance sheet amount (Gratuity Liability)

| Particulars   | Amount in Rs.      |
|---|--------------------|
| <b>April 1, 2017</b>  |                    |
| <b>Present Value of obligations at beginning of the year</b>                  | 11,065,599         |
| Current service cost  | 589,047            |
| Interest expense (income)   | 422,293            |
| Past service Cost   | 460,998            |
| <b>Total amount recognised in profit and loss</b>                             | <b>12,537,937</b>  |
| Remeasurements  |                    |
| Benefits paid   | (9,817,650)        |
| (Gain )   Loss from change in financial assumptions                           | 2,453,307          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(7,364,343)</b> |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2018</b>   | <b>5,173,594</b>   |
| Current service cost  | 268,309            |
| Interest expense (income)   | 253,951            |
| <b>Total amount recognised in profit and loss</b>                             | <b>522,260</b>     |
| Remeasurements  |                    |
| Return on plan assets, excluding amount included in interest expense (income) | (3,852,290)        |
| (Gain )   Loss from change in financial assumptions                           | 1,333,717          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(2,518,573)</b> |
| Employer contributions  | -                  |
| Benefit payments  | -                  |

# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| Particulars   | Amount in Rs.    |
|---|------------------|
| <b>March 31, 2019</b>   | <b>3,177,281</b> |
| Current service cost  | 170,541          |
| Interest expense (income)   | 156,970          |
| <b>Total amount recognised in profit and loss</b>                             | <b>327,511</b>   |
| Remeasurements  | -                |
| Return on plan assets, excluding amount included in interest expense (income) | (130,800)        |
| (Gain )   Loss from change in financial assumptions                           | 25,932           |
| Experience (gains) losses   | -                |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(104,868)</b> |
| Employer contributions  | -                |
| Benefit payments  | -                |
| <b>March 31, 2020</b>   | <b>3,399,924</b> |

### Balance sheet amount (Gratuity Asset)

| Particulars   | Amount in Rs.      |
|---|--------------------|
| <b>April 1, 2017</b>  |                    |
| <b>Fair Value of Plan Assets at the beginning of the year</b>                 | 14,154,755         |
| Interest income/ (Expense)  | 685,621            |
| Contribution by Employer  | 1,500,000          |
| <b>Total amount recognised in profit and loss</b>                             | <b>16,340,376</b>  |
| Remeasurements  | -                  |
| Benefits paid   | (9,817,650)        |
| Return on plan assets, excluding amount included in interest expense (income) | 1,194,557          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(8,623,093)</b> |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2018</b>   | <b>7,717,283</b>   |
| Interest income/ (Expense)  | 452,740            |
| Contribution by Employer  | -                  |
| <b>Total amount recognised in profit and loss</b>                             | <b>452,740</b>     |
| Remeasurements  | -                  |
| Benefits paid   | (3,852,290)        |
| Return on plan assets, excluding amount included in interest expense (income) | 3,125,204          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(727,086)</b>   |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2019</b>   | <b>7,442,937</b>   |
| Interest income/ (Expense)  | 653,669            |
| Contribution by Employer  | -                  |
| <b>Total amount recognised in profit and loss</b>                             | <b>653,669</b>     |
| Remeasurements  | -                  |
| Benefits paid   | (130,800)          |
| Return on plan assets, excluding amount included in interest expense (income) | (358,416)          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(489,216)</b>   |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2020</b>   | <b>7,607,390</b>   |

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The net liability disclosed above relates to funded and unfunded plans are as follows:

Amount in Rs.

| Particulars                         | As at<br>31-03-2020 | As at<br>31-03-2019 | As at<br>31-03-2018 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Present value of funded obligations | 3,399,924           | 3,177,281           | 5,173,594           |
| Fair value of plan assets           | 7,607,390           | 7,442,937           | 7,717,283           |
| <b>Deficit of Gratuity plan</b>     | <b>(4,207,466)</b>  | <b>(4,265,656)</b>  | <b>(2,543,689)</b>  |

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

| Particulars                   | As at<br>31-03-2020 | As at<br>31-03-2019 | As at<br>31-03-2018 |
|-------------------------------|---------------------|---------------------|---------------------|
| Discount rate                 | 6.54%               | 7.46%               | 7.82%               |
| Attrition rate                | 1.00%               | 1.00%               | 1.00%               |
| Rate of return on plan assets | 12.00%              | 12.00%              | 12.00%              |
| Salary escalation rate        | 5.00%               | 5.00%               | 5.00%               |

**Major category of plan assets are as follows:**

| Particulars                       | 31-Mar-20 |           |           |      |
|-----------------------------------|-----------|-----------|-----------|------|
|                                   | Quoted    | Unquoted  | Total     | in % |
| <b>Government of India assets</b> |           |           |           |      |
| <b>Debt instruments</b>           |           |           |           |      |
| Corporate bonds                   | -         | -         | -         | -    |
| <b>Investment funds</b>           |           |           |           |      |
| Fixed Deposit                     | -         | 7,607,390 | 7,607,390 | 100% |
| <b>Others</b>                     |           |           |           |      |
| Special deposit scheme            | -         | -         | -         | -    |
|                                   | -         | 7,607,390 | 7,607,390 | 100% |

**Major category of plan assets are as follows:**

| Particulars                       | 31-Mar-19 |           |           |      |
|-----------------------------------|-----------|-----------|-----------|------|
|                                   | Quoted    | Unquoted  | Total     | in % |
| <b>Government of India assets</b> |           |           |           |      |
| <b>Debt instruments</b>           |           |           |           |      |
| Corporate bonds                   | -         | -         | -         | -    |
| <b>Investment funds</b>           |           |           |           |      |
| Fixed Deposit                     | -         | 7,442,937 | 7,442,937 | 100% |
| <b>Others</b>                     |           |           |           |      |
| Special deposit scheme            | -         | -         | -         | -    |
|                                   | -         | 7,442,937 | 7,442,937 | 100% |

| Particulars                       | 31-Mar-18 |           |           |      |
|-----------------------------------|-----------|-----------|-----------|------|
|                                   | Quoted    | Unquoted  | Total     | in % |
| <b>Government of India assets</b> |           |           |           |      |
| <b>Debt instruments</b>           |           |           |           |      |
| Corporate bonds                   | -         | -         | -         | -    |
| <b>Investment funds</b>           |           |           |           |      |
| Fixed Deposit                     | -         | 7,717,283 | 7,717,283 | 100% |
| <b>Others</b>                     |           |           |           |      |
| Special deposit scheme            | -         | -         | -         | -    |
|                                   | -         | 7,717,283 | 7,717,283 | 100% |

### Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 is NIL

The weighted average duration of the defined benefit obligation is 5 years (2015-16: 5 years). The expected maturity analysis of gratuity is as follows:

Amount in Rs.

| Particulars                           | Total     |
|---------------------------------------|-----------|
| Defined benefit obligation (gratuity) |           |
| As at March 31, 2020                  | 3,399,924 |
| As at March 31, 2019                  | 3,177,281 |

**b) Defined contribution plans:**

Amount of Rs.1,65,987 (March 31, 2019: Rs.69,520) is recognised as expense and included in the Note 25 'Salary and Wages'.

**c) Provident fund:**

The Company makes monthly contribution to Government approved Provident Fund.

**d) Compensated absences amount of Rs.1,07,642 (March 31, 2019: Rs.1,59,860) is recognised as expense and included in the Note 25 "Salaries & Wages"**

**37 Fair Value Measurement**

| Particulars                        | 31-Mar-20     |          |                   | 31-Mar-19     |          |                   |
|------------------------------------|---------------|----------|-------------------|---------------|----------|-------------------|
|                                    | FVPL          | FVOCI    | Amortised cost    | FVPL          | FVOCI    | Amortised cost    |
| <b>Financial assets</b>            |               |          |                   |               |          |                   |
| Investments:                       |               |          |                   |               |          |                   |
| Equity instruments                 | 20,000        |          | -                 | 20,000        |          | -                 |
| Trade receivables                  |               |          | 68,977            |               |          | -                 |
| Cash and bank balances             |               |          | 8,213,064         |               |          | 12,501,321        |
| Other receivables                  |               |          | 2,990,301         |               |          | 17,196,499        |
| <b>Total Financial assets</b>      | <b>20,000</b> | <b>-</b> | <b>11,272,342</b> | <b>20,000</b> | <b>-</b> | <b>29,697,820</b> |
| <b>Financial liabilities</b>       |               |          |                   |               |          |                   |
| Trade payables                     |               |          | 772,000           |               |          | 1,623,403         |
| Security deposits                  |               |          | 2,474,738         |               |          | 2,270,403         |
| Directors Loan                     |               |          | -                 |               |          | -                 |
| Preference Shares                  |               |          | 37,477,428        |               |          | 37,178,104        |
| <b>Total financial liabilities</b> | <b>-</b>      | <b>-</b> | <b>40,724,166</b> | <b>-</b>      | <b>-</b> | <b>41,071,910</b> |

**Fair Value Hierarchy**

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**i) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2020**

| Particulars                        | Notes | Level 1 | Level 2 | Level 3              | Total                |
|------------------------------------|-------|---------|---------|----------------------|----------------------|
| <b>Financial liabilities</b>       |       |         |         |                      |                      |
| Directors Loan                     |       |         |         | -                    | -                    |
| Preference Shares                  |       |         |         | 37,477,428.00        | 37,477,428.00        |
| Security deposits                  |       |         |         | 2,474,738.00         | 2,474,738.00         |
| <b>Total financial liabilities</b> |       |         |         | <b>39,952,166.00</b> | <b>39,952,166.00</b> |

**ii) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2019**

| Particulars                        | Notes | Level 1 | Level 2 | Level 3              | Total                |
|------------------------------------|-------|---------|---------|----------------------|----------------------|
| <b>Financial liabilities</b>       |       |         |         |                      |                      |
| Directors Loan                     |       |         |         | -                    | -                    |
| Preference Shares                  |       |         |         | 37,178,104.00        | 37,178,104.00        |
| Security deposits                  |       |         |         | 2,270,403.00         | 2,270,403.00         |
| <b>Total financial liabilities</b> |       |         |         | <b>37,178,104.00</b> | <b>37,178,104.00</b> |

There were no transfers between any levels during the year:

**Level 1:**

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted

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## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

### Level 2:

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- i) the use of quoted market prices or dealer quotes for similar instruments
- ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- iii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- iv) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- v) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2.

#### c) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

#### d) Fair value of financial assets and liabilities measured at amortised cost

| Particulars                        | As at March 31, 2020 |                   | As at March 31, 2019 |                   |
|------------------------------------|----------------------|-------------------|----------------------|-------------------|
|                                    | Carrying amount      | Fair value        | Carrying amount      | Fair value        |
| <b>Financial assets:</b>           |                      |                   |                      |                   |
| Loans to subsidiary companies      | -                    | -                 | -                    | -                 |
| Loans to Employees                 | -                    | -                 | -                    | -                 |
| <b>Total financial assets</b>      | -                    | -                 | -                    | -                 |
| <b>Financial liabilities</b>       |                      |                   |                      |                   |
| Security deposits                  | 2,550,000            | 2,474,738         | 2,550,000            | 2,270,403         |
| Directors Loan                     | -                    | -                 | -                    | -                 |
| Preference Shares                  | 39,750,000           | 37,477,428        | 39,750,000           | 37,178,104        |
| <b>Total financial liabilities</b> | <b>42,300,000</b>    | <b>39,952,166</b> | <b>42,300,000</b>    | <b>39,448,507</b> |

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 38 CAPITAL MANAGEMENT

### Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital plus total debt.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt.

| Particulars       | 31-Mar-20      | 31-Mar-19      |
|-------------------|----------------|----------------|
| Total Debt        | 37,477,428.00  | 37,178,104.00  |
| Total Equity      | 409,493,451.00 | 462,812,285.00 |
| Debt-Equity ratio | 0.09           | 0.08           |

# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 39 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

a) Gross amount paid by the Company to Chief Minister/ Prime Minister National Relief Fund from the F.Y 2014-15 to F.Y 2018-19 was Rs. 63.50 lakhs as mentioned in the table below.

b) Amount paid during the year on:

| Particulars                                | Paid      | Yet to be paid in | Total     |
|--|-----------|-------------------|-----------|
| i) Construction   acquisition of any asset | -         | -                 | -         |
| ii) On purposes other than (i) above       |           |                   |           |
| For the year 14-15                         | 1,000,000 |                   | 1,000,000 |
| For the year 15-16                         | 1,400,000 |                   | 1,400,000 |
| For the year 16-17                         | 1,550,000 |                   | 1,550,000 |
| For the year 17-18                         | 1,400,000 |                   | 1,400,000 |
| For the year 18-19                         | 1,000,000 | -                 | 1,000,000 |
| Total                                      | 6,350,000 | -                 | 6,350,000 |

### 40 REGROUPED | RECAST | RECLASSIFIED

Figures of the earlier year have been reclassified to confirm to Ind AS presentation requirements

### 41 ROUNDING OFF

Figures less than Rs. 50,000 if any has been shown at actual in bracket.

### 42. Segment Reporting:

The Company is engaged mainly in IT & related FMS services, as such it is the only reportable business segment. The export sales of the company are NIL and hence there is single reportable geographical segment.

### 43.1 Related parties disclosures:

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

1. PCS Technology USA, Inc. (Voluntary Dissolved in December 2019)
2. PCS Positioning Systems (India) Limited
3. PCS Infotech Limited, India

#### 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 (Director)
- b) Relatives of key management personnel
  1. Mrs. Rajnikanta Patni  
(Wife of Mr. G.K. Patni)
  2. Mrs. Sadhna Patni  
(Wife of Mr. A.K. Patni)
  3. Mr. Apoorva Patni  
(Son of Mr. A.K.Patni)
  4. Mr. Arihant Patni  
(Son of Mr. G.K. Patni)
  5. Mrs. Ruchi Patni  
(Daughter-in-law of Mr. G.K. Patni)
  6. Sobhagmal M. Patni HUF  
(Mr.G.K.Patni & Mr.A.K.Patni are members of HUF)
- c) Affiliates (Enterprises over which Key Management personnel or their relatives have significant influence)
  1. Kalpavruksh Systems Private Limited  
(Formerly known as Kalpavruksh Systems Limited and before that Vraksh Technologies Limited)
  2. Patni Healthcare Private Limited (Formerly known as Patni Healthcare Limited)
  3. Ashok Patni Family Trust

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

|    | Description                           | Subsidiaries Companies | Key Management Personnel | Relative of key Management Personnel | Affiliates               | Total                    |
|----|---------------------------------------|------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|
| 1  | Sales of goods and services           |                        |                          |                                      | 2,693,716<br>(4,056,089) | 2,693,716<br>(4,056,089) |
| 2  | Rent paid                             | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | -                      | (-)                      | -                                    | -                        | -                        |
| 3  | Reimbursement of expenses paid        | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | -                      | -                        | -                                    | (59,999)                 | (59,999)                 |
| 4  | Recovery of expenses received         | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | (5,270)                | -                        | -                                    | -                        | (5,270)                  |
| 5  | Loan Taken                            | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | -                      | (-)                      | -                                    | -                        | -                        |
| 6  | Loan Refunded                         | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | -                      | (-)                      | -                                    | (-)                      | -                        |
| 7  | Security Deposit (Rent) received back | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | -                      | (-)                      | (100,000)                            | -                        | (100,000)                |
| 8  | Payment returned for receivables      | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | -                      | -                        | -                                    | -                        | -                        |
| 9  | Remuneration to Directors             | -                      | -                        | -                                    | -                        | -                        |
|    |                                       | -                      | (5,118,290)              | -                                    | -                        | (5,118,290)              |
| 10 | Dividend Paid                         | -                      | 1,332,000                | -                                    | 2,245,500                | 3,577,500                |
|    |                                       | -                      | (1,332,000)              | -                                    | (2,245,500)              | (3,577,500)              |

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

| Description | Subsidiaries Companies                  | Key Management Personnel | Relative of key Management Personnel | Affiliates  |
|-------------|---|--------------------------|--------------------------------------|-------------|
| 1           | <b>Sales of goods and services</b>      |                          |                                      |             |
|             | Kalapvruksh Systems Private Limited     | -                        | -                                    | 2,326,788   |
|             |   | -                        | -                                    | (3,422,289) |
|             | Patni Healthcare Private Limited        | -                        | -                                    | 366,928     |
|             |   | -                        | -                                    | (633,800)   |
| 2           | <b>Rent paid</b>                        |                          |                                      |             |
|             | Mr. A. K. Patni                         | -                        | -                                    | -           |
|             |   | -                        | (-)                                  | -           |
|             | Mr. Apoorva Patni                       | -                        | -                                    | -           |
|             |   | -                        | (-)                                  | -           |
| 3           | Reimbursement of expenses paid          |                          |                                      |             |
|             | Patni Healthcare Private Limited        | -                        | -                                    | -           |
|             |   | -                        | -                                    | (59,999)    |
| 4           | <b>Recovery of expenses received</b>    |                          |                                      |             |
|             | PCS Positioning Systems (India) Limited | -                        | -                                    | -           |
|             |   | (5,270)                  | -                                    | -           |
| 5           | <b>Loan Taken</b>                       |                          |                                      |             |
|             | Mr. A. K. Patni                         | -                        | -                                    | -           |
|             |   | -                        | (-)                                  | -           |
| 6           | <b>Loan Refunded</b>                    |                          |                                      |             |
|             | Mr. A. K. Patni                         | -                        | -                                    | -           |
|             |   | -                        | (-)                                  | -           |
|             | Mr. G. K. Patni                         | -                        | -                                    | -           |
|             |   | -                        | (-)                                  | -           |



# PCS TECHNOLOGY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| Description | Subsidiaries Companies                       | Key Management Personnel | Relative of key Management Personnel | Affiliates  |
|-------------|--|--------------------------|--------------------------------------|-------------|
| 7           | <b>Security Deposit (Rent) received back</b> |                          |                                      |             |
|             | Sobhagmal Patni (HUF)                        | -                        | -                                    | -           |
|             |  | -                        | (100,000)                            | -           |
|             | Sadhana Patni                                | -                        | -                                    | -           |
|             |  | -                        | (-)                                  | -           |
|             | Apoorva Patni                                | -                        | -                                    | -           |
|             |  | -                        | (-)                                  | -           |
|             | Apoorva Patni                                | -                        | -                                    | -           |
|             |  | -                        | (-)                                  | -           |
|             | A.K. Patni                                   | -                        | -                                    | -           |
|             |  | -                        | (-)                                  | -           |
|             |  | (-)                      | (-)                                  | -           |
| 8           | <b>Payment returned for receivables</b>      |                          |                                      |             |
|             | PCS Positioning Systems (India) Limited      | -                        | -                                    | -           |
|             |  | (-)                      | -                                    | -           |
| 9           | <b>Remuneration to Directors</b>             |                          |                                      |             |
|             | H.C.Tandon                                   | -                        | -                                    | -           |
|             |  | -                        | (-)                                  | -           |
|             | Yash Bhardwaj                                | -                        | -                                    | -           |
|             |  | -                        | (5,118,294)                          | -           |
| 10          | <b>Dividend Paid</b>                         |                          |                                      |             |
|             | Ashok Patni Family Trust                     | -                        | -                                    | 1,768,500   |
|             |  | -                        | -                                    | (1,768,500) |
|             | A.K. Patni                                   | -                        | -                                    | -           |
|             |  | -                        | (-)                                  | -           |
|             | G K Patni                                    | -                        | 1,332,000                            | -           |
|             |  | -                        | (1,332,000)                          | -           |
|             | Ashoka Computer Systems Pvt Ltd              | -                        | -                                    | 162,000     |
|             |  | -                        | -                                    | (162,000)   |
|             | PCS Cullinet Pvt Ltd                         | -                        | -                                    | 162,000     |
|             |  | -                        | -                                    | (162,000)   |
|             | PCS Finance Pvt Ltd                          | -                        | -                                    | 153,000     |
|             |  | -                        | -                                    | (153,000)   |

### 43.4 Balance outstanding as at year end:

|   | Description                                      | Subsidiaries Companies | Key Management Personnel | Relative of key Management Personnel | Affiliates | Total             |
|---|--|------------------------|--------------------------|--------------------------------------|------------|-------------------|
| 1 | Receivable                                       | -                      | -                        | -                                    | -          | -                 |
|   |  | (-)                    | -                        | -                                    | -          | -                 |
| 2 | Loan taken                                       | -                      | -                        | -                                    | -          | -                 |
|   |  | -                      | (-)                      | -                                    | -          | -                 |
| 3 | Property deposits                                | -                      | -                        | -                                    | -          | -                 |
|   |  | -                      | (-)                      | (-)                                  | -          | -                 |
| 4 | Provision for diminution in value of investments | <b>17,727,850</b>      | -                        | -                                    | -          | <b>17,727,850</b> |
|   |  | (17,727,850)           | -                        | -                                    | -          | (17,727,850)      |
| 5 | Provision for diminution in receivables          | <b>19,543,465</b>      | -                        | -                                    | -          | <b>19,543,465</b> |
|   |  | (19,543,465)           | -                        | -                                    | -          | (19,543,465)      |
| 6 | Provision for diminution in advances             | <b>25,000,000</b>      | -                        | -                                    | -          | <b>25,000,000</b> |
|   |  | (25,000,000)           | -                        | -                                    | -          | (25,000,000)      |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## 43.5 Significance closing balances outstanding as at year end:

|   | Description  | Subsidiaries Companies     | Key Management Personnel | Relative of key Management Personnel | Affiliates |
|---|--|----------------------------|--------------------------|--------------------------------------|------------|
| 1 | <b>Receivable</b><br>PCS Positioning Systems (India) Limited                                       | -<br>(-)                   | -<br>-                   | -<br>-                               | -<br>-     |
|   |  | -                          | -                        | -                                    | (-)        |
| 2 | <b>Loan Taken</b><br>A.K. Patni  | -                          | -<br>(-)                 | -                                    | -          |
|   | G.K. Patni   | -                          | -<br>(-)                 | -                                    | -          |
| 3 | <b>Property Deposits</b><br>Rajnikanta Patni   | -                          | -                        | -<br>(-)                             | -          |
|   | Sadhana Patni  | -                          | -                        | -                                    | -          |
|   | Apoorva Patni  | -                          | -                        | -<br>(-)                             | --         |
|   | Arihant Patni  | -                          | -                        | -<br>(-)                             | -          |
|   | Sobhagmal Maganmal Patni HUF   | -                          | -                        | -<br>(-)                             | -          |
|   | A.K. Patni   | -                          | -                        | -                                    | -          |
| 4 | <b>Provision for diminution in value of investments</b><br>PCS Positioning Systems (India) Limited | 17,510,000<br>(17,510,000) | -                        | -                                    | -          |
|   | PCS Technology Inc., USA   | 217,850<br>(217,850)       | -                        | -                                    | -          |
| 5 | <b>Provision for diminution in receivables</b><br>PCS Positioning Systems (India) Limited          | 11,733,050<br>(11,733,050) | -                        | -                                    | -          |
|   | PCS Technology Inc., USA *   | 7,810,415<br>(7,810,415)   | -                        | -                                    | -          |
| 6 | <b>Provision for diminution in advances</b><br>PCS Positioning Systems (India) Limited             | 25,000,000<br>(25,000,000) | -                        | -                                    | -          |

\* Increase in provision is on account of reinstatement of overseas receivables

## 44.1 Disclosure requirement of loans & Advances / Investments as per schedule V of SEBI (LODR) Regulations, 2015:

Amount of loans and advances in nature of loans outstanding from subsidiaries:

|   | (Amount in Rs.)            |
|---|----------------------------|
| PCS Positioning Systems (India) Limited | 25,000,000<br>(25,000,000) |

Note: Previous year figures are shown in brackets

## 44.2 Details of Investment by the Loanee in the shares of the company:

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

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

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

Place : Mumbai  
Date : 22.06.2020

# ANNUAL REPORT 2019-2020

## PCS POSITIONING SYSTEMS (INDIA) LTD.

### MANAGEMENT & ADMINISTRATION

**DIRECTORS** : Harish Chandra Tandon,  
Ashok Kumar Patni,  
Mir Prakash Jain  
**Registered Office:** S. No. 1-A, F-1, Irani Market  
Compound, Yerawada, Pune - 411 106.  
**CIN** : U72900PN2004PLC019448

### DIRECTORS' REPORT

The Members,

#### PCS POSITIONING SYSTEMS (INDIA) LIMITED

Your Directors of the Company are pleased to present you the Sixteenth Annual Report with the statement of Audited financial accounts for the financial year ended 31st March, 2020.

### FINANCIAL RESULTS

(Rs in lakhs)

| Particulars   | Financial Year ended 31.03.2020 | Financial Year ended 31.03.2019 |
|---|---------------------------------|---------------------------------|
| Sales and other Income                                  | 0                               | 0.09                            |
| Expenses  | 1.71                            | 15.16                           |
| Profit/ (Loss) before interest, depreciation & taxation | -1.71                           | -15.06                          |
| Interest  | -                               | -                               |
| Depreciation  | -                               | -                               |
| Profit/(Loss) before taxation                           | -1.71                           | -15.06                          |
| Provision for Taxation (Net)                            | -                               | -                               |
| Net Profit/(Loss) for the year                          | -1.71                           | -15.06                          |

### OPERATIONS

During the year under review, the management is evaluating various options to restructure the activities in the best interest of the Company.

### EXTRACTS OF ANNUAL RETURN

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

### DIVIDEND

In view of accumulated losses incurred by the Company, your Directors express their inability to recommend any dividend for the financial year ended 31st March 2020.

### RESERVES

The Company has not transferred any amount to the General Reserve of the Company for the year under review.

### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

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

### SUBSIDIARY COMPANY

As on March 31, 2020, the Company does not have any subsidiary

### CORPORATE SOCIAL RESPONSIBILITY

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

### DECLARATION BY INDEPENDENT DIRECTORS

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

### DIRECTORS

#### Retirement by Rotation

As per Article 105 of the Articles of Association of the Company, Mr. Harish Chandra Tandon, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment on the Board of your company.

#### CESSATION

Mr. Yash Bhardwaj resigned as Director of the Company w.e.f 20th May, 2019. Company takes on record the invaluable contributions made by him during his tenure as the Director towards the progress of the Company.

#### Meetings

During the year under review, 4 (four) Board Meetings were convened and held as on 20th May, 2019, 10<sup>th</sup> July, 2019, 21st October, 2019 and 4th February, 2020. 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 11th Annual General Meeting Annual to hold office until the conclusion of the 16th 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, 2020 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, 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.

No, Related party transactions were carried out by the Company for F.Y 2019-20.

### 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: 22nd June, 2020

**A.K Patni**  
Director  
(DIN: 00014194)

**Mir Prakash Jain**  
Director  
(DIN :01638730)

# PCS POSITIONING SYSTEMS (INDIA) LIMITED



## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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:

|    |  |   |
|----|--|---|
| 1. | CIN  | U72900PN2004PLC019448   |
| 2. | Registration Date  | 29-06-2004  |
| 3. | Name of the Company  | PCS POSITIONING SYSTEMS (INDIA) LIMITED   |
| 4. | Category/Sub-category of the Company                                       | Computer Software, Information Technology & Information Technology Enabled Services |
| 5. | Address of the Registered office & contact details                         | S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune- 411006                       |
| 6. | Whether listed company   | No  |
| 7. | 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.    | PCS TECHNOLOGY LIMITED          | L74200MH1981PLC024279 | HOLDING                       | 100%             | 2 (87)             |

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

##### i. Category-wise Share Holding

| Category of Shareholders                                 | No. of Shares held at the beginning of the year [As on 31-March-2019] |           |           |                   | No. of Shares held at the end of the year [As on 31-March-2020] |           |           |                   | %Change during the year |
|--|---|-----------|-----------|-------------------|---|-----------|-----------|-------------------|-------------------------|
|  | Demat   | Physical  | Total     | % of Total Shares | Demat   | Physical  | Total     | % of Total Shares |                         |
| <b>A. Promoters</b>                                      |   |           |           |                   |   |           |           |                   |                         |
| (1) Indian   |   |           |           |                   |   |           |           |                   |                         |
| a) Individual/ HUF                                       | -   | 10,004    | 10,004    | 0.57%             | -   | 10,004    | 10,004    | 0.57%             | -                       |
| b) Central Government                                    | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |
| c) State Government(s)                                   | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |
| d) Bodies Corporate/Company                              | -   | 17,49,996 | 17,49,996 | 99.43%            | -   | 17,49,996 | 17,49,996 | 99.43%            |                         |
| e) Banks / Financial Institutions                        | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |
| f) Director/ Relatives                                   | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |
| g) Any other   | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |
| <b>Sub Total A(1)</b>                                    | -   | 17,60,000 | 17,60,000 | 100%              | -   | 17,60,000 | 17,60,000 | 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   | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |
| <b>Sub Total A(2)</b>                                    | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |
| <b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b> | -   | -         | -         | -                 | -   | -         | -         | -                 | -                       |

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## PCS POSITIONING SYSTEMS (INDIA) LTD.



| Category of Shareholders   | No. of Shares held at the beginning of the year<br>[As on 31-March-2019] |          |         |                      | No. of Shares held at the end of the year [As on<br>31-March-2020] |          |         |                      | %Change<br>during the<br>year |
|--|--|----------|---------|----------------------|--|----------|---------|----------------------|-------------------------------|
|  | Demat  | Physical | Total   | % of Total<br>Shares | Demat  | Physical | Total   | % of Total<br>Shares |                               |
| <b>B. Public Shareholding</b>  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| 1. Institutions  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| a) Mutual Funds / UTI  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| b) Banks / Financial Institutions  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| c) Central Government  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| d) State Government  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| e) Venture Capital Funds   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| f) Insurance Companies   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| g) Foreign Institutional Investors   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| h) Foreign Venture Capital Funds   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| i) Any Other   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| <b>Sub Total (B)(1)</b>  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| <b>2. Non-Institutions</b>   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| a) Bodies Corporate  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| b) Individuals   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| i) Individual shareholders holding<br>nominal share capital upto Rs.<br>1 lakh         | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| ii) Individual shareholders<br>holding nominal share capital in<br>excess of Rs 1 lakh | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| c) Any Other   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| Foreign Bodies - D R   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| Other Directors / Relatives  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| Foreign Portfolio Investor   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| Non Resident Indians   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| OCB  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| Clearing Members   | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| <b>Sub-total (B)(2)</b>  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| Total Public Shareholding<br>(B)=(B)(1)+ (B)(2)  | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| <b>C. Shares held by Custodian<br/>for GDRs &amp; ADRs</b>                             | -  | -        | -       | -                    | -  | -        | -       | -                    | -                             |
| <b>Grand Total (A+B+C)</b>   | -  | 1760000  | 1760000 | 100%                 | -  | 1760000  | 1760000 | 100%                 | -                             |

### ii. Shareholding of Promoter & Promoter Group

| Sn | Shareholder's Name                      | Shareholding at the beginning of the year |  |   | Shareholding at the end of the year |  |   | % change in<br>shareholding<br>during the<br>year |
|----|---|---|--|---|-------------------------------------|--|---|---|
|    |   | No. of Shares                             | % of total<br>Shares of the<br>company | %of Shares<br>Pledged/<br>encumbered<br>to total shares | No. of Shares                       | % of total<br>Shares of the<br>company | %of Shares<br>Pledged/<br>encumbered<br>to total shares |   |
| 1  | M/s PCS Technology<br>limited (PTL)     | 17,49,996                                 | 99.43%                                 | -   | 17,49,996                           | 99.43%                                 | -   | -   |
| 2  | Mr. Arianth G Patni-<br>Nominee of PTL  | 9990                                      | 0.57%                                  | -   | 9990                                | 0.57%                                  | -   | -   |
| 3  | Mr. Pramod Jain -<br>Nominee of PTL     | 10  | 0%                                     | -   | 10                                  | 0%                                     | -   | -   |
| 4  | Mr. D.K Jain- Nominee<br>of PTL         | 1   | 0%                                     | -   | 1                                   | 0%                                     | -   | -   |
| 5  | Mr. Sharad Hedukar<br>Nominee of PTL    | 1   | 0%                                     | -   | 1                                   | 0%                                     | -   | -   |
| 6  | Mr. Harish C.Tandon<br>-Nominee of PTL  | 1   | 0%                                     | -   | 1                                   | 0%                                     | -   | -   |
| 7  | Mr. Mir Prakash Jain-<br>Nominee of PTL | 1   | 0%                                     | -   | 1                                   | 0%                                     | -   | -   |

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

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

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

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

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

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|--|---|----------------------------------|---|----------------------------------|
|    |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1  | Mr. Ashokkumar S. Patni  | 0   | 0%                               | 0                                       | 0%                               |
| 2  | Mr. Harish C. Tandon   | 1   | 0%                               | 1                                       | 0%                               |
| 3  | Mr. Mir Prakash Jain   | 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                                 | -                                | 2,50,00,000     | -        | 2,50,00,000        |
| ii) Interest due but not paid                       | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| Total (i+ii+iii)                                    | -                                | 2,50,00,000     | -        | 2,50,00,000        |
| Change in Indebtedness during the financial year    | -                                | -               | -        | -                  |
| * Addition  | -                                | -               | -        | -                  |
| * Reduction   | -                                | -               | -        | -                  |
| Net Change  | -                                | -               | -        | -                  |
| Indebtedness at the end of the financial year       | -                                | -               | -        | -                  |
| i) Principal Amount                                 | -                                | 2,50,00,000     | -        | 2,50,00,000        |
| ii) Interest due but not paid                       | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| Total (i+ii+iii)                                    | -                                | 2,50,00,000     | -        | 2,50,00,000        |

**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<br>- as % of profit<br>- others, specify...                              | -                         | -                |
| 5   | Others, please specify  | -                         | -                |
|     | Total (A)   | -                         | -                |
|     | Ceiling as per the Act  |                           |                  |

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

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

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

(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   | -               | - | - |

### VII. 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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |

## Independent Auditor's Report to the members of PCS Positioning Systems (India) Limited

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the accompanying financial statements of **PCS Positioning Systems (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020 and the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and loss for the year ended on that date.

#### Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. My responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, I give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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2. As required by Section 143(3) of the Act, based on my audit, I report that:

- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
- (c) The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
- (d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.C. Bandi  
Proprietor  
Membership No. 16932  
UDIN 20016932AAAAFG9039

Place: Mumbai  
Date: 22/06/2020

**Annexure A to Independent Auditor's Report to the members of PCS Positioning Systems (India) Limited on the financial statements for the year ended 31st March 2020 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of my report of even date.**

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to me and the books and records examined by me in the normal course of audit and such checks as I considered appropriate, to the best of my knowledge and belief, I state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification. The title deeds of all immovable properties are held in the name of the Company
2. In view of the nature of business of the Company, it does not have any inventories and hence the provisions of clause 3(ii) of the Order are not applicable to the Company.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered

in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.

4. The Company has not granted any loans, or made any investments, or provided any guarantees or security to the parties covered under section 185 and section 186 of the Companies Act, 2013 and hence the provisions of clause 3(iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company.
7. The Company is generally regular in depositing undisputed statutory dues including income tax and other statutory dues with the appropriate authorities. No payments were due in respect of provident fund, employee's state insurance, sales tax, service-tax, duty of customs, duty of excise, value added tax, goods and service tax and cess. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31st March 2020 for a period of more than six months from the date they become payable.

There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax, goods and service tax, which have not been deposited on account of disputes.
8. The Company does not have any borrowings from financial institutions or bank or Government or by way of debentures and hence the provisions of clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. No fraud on or by the Company has been noticed or reported during the course of my audit.
11. The Company has not paid/provided any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. 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 etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

S.C. Bandi  
Proprietor  
Membership No. 16932  
UDIN 20016932AAAAFG9039

Date: 22/06/2020  
Place: Mumbai

## BALANCE SHEET AS AT 31ST MARCH 2020

(Amount in Rs.)

| Particulars                      | Note | As at<br>31-Mar-20  | As at<br>31-Mar-19  |
|----------------------------------|------|---------------------|---------------------|
| <b>I ASSETS</b>                  |      |                     |                     |
| <b>1 Non-Current Assets</b>      |      |                     |                     |
| (a) Long Term Loans and Advances | 3    | -                   | -                   |
| <b>Total non-current assets</b>  |      | -                   | -                   |
| <b>2 Current assets</b>          |      |                     |                     |
| (b) Financial assets             |      |                     |                     |
| (i) Trade receivables            | 4    | -                   | 139,439             |
| (ii) Cash and cash equivalents   | 5    | 1,118,690           | 1,142,360           |
| (iii) Loans                      | 6    | -                   | -                   |
| (c) Other assets                 | 7    | -                   | -                   |
| <b>Total current assets</b>      |      | <b>1,118,690</b>    | <b>1,281,799</b>    |
| <b>TOTAL ASSETS</b>              |      | <b>1,118,690</b>    | <b>1,281,799</b>    |
| <b>II EQUITY AND LIABILITIES</b> |      |                     |                     |
| <b>1 Equity</b>                  |      |                     |                     |
| (a) Share capital                | 8    | 17,600,000          | 17,600,000          |
| (b) Other equity                 | 9    | (53,240,910)        | (53,068,951)        |
| <b>Total Equity</b>              |      | <b>(35,640,910)</b> | <b>(35,468,951)</b> |
| <b>2 Current Liabilities</b>     |      |                     |                     |
| (a) Financial liabilities        |      |                     |                     |
| (i) Trade and other payables     | 10   | 11,759,600          | 11,750,750          |
| (b) Other liabilities            | 11   | 25,000,000          | 25,000,000          |
| <b>Total current liabilities</b> |      | <b>36,759,600</b>   | <b>36,750,750</b>   |
|                                  |      | <b>1,118,690</b>    | <b>1,281,799</b>    |

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 the Board of Directors**

**S C Bandi**  
Proprietor  
Membership No. 16932

**A K Patni**  
(Director)  
**H C Tandon**  
(Director)

M.P Jain  
(Director)

Place : Mumbai  
Date: 22.06.2020

Place : Mumbai  
Date: 22.06.2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

| Particulars  | Note | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|--|------|-------------------------|-------------------------|
| <b>I. Revenue from Operations (net)</b>  |      | -                       | -                       |
| <b>II. Other Income</b>  |      | -                       | 9,720                   |
| <b>III. Total Revenue (I+II)</b>   |      | -                       | 9,720                   |
| <b>IV. Expenses</b>  |      |                         |                         |
| Other expenses   | 12   | 171,959                 | 1,516,102               |
| <b>Total expenses</b>  |      | <b>171,959</b>          | <b>1,516,102</b>        |
| <b>V. Profit Before Tax</b>  |      | <b>(171,959)</b>        | <b>(1,506,382)</b>      |
| <b>VI. Tax expense</b>   |      | -                       | -                       |
| <b>VII. Profit for the year (V - VI)</b>   |      | <b>(171,959)</b>        | <b>(1,506,382)</b>      |
| <b>VIII. OTHER COMPREHENSIVE INCOME / (LOSSES)</b>   |      |                         |                         |
| i Items that will be reclassified subsequently to the statement of profit and loss:            |      | -                       | -                       |
| Income tax on items that will be reclassified subsequently to statement of profit and loss     |      | -                       | -                       |
| ii Items that will not be reclassified subsequently to the statement of profit and loss:       |      | -                       | -                       |
| Income tax on items that will not be reclassified subsequently to statement of profit and loss |      | -                       | -                       |
| <b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>                                      |      | -                       | -                       |
| <b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>                                   |      | <b>(171,959)</b>        | <b>(1,506,382)</b>      |
| Earning per equity share of face value of Rs.10 each   |      |                         |                         |
| I) For Continuing operation  |      |                         |                         |
| Basic (in Rs.)   |      | <b>(0.10)</b>           | (0.86)                  |
| Diluted (in Rs.)   |      |                         |                         |
| II) For Discontinued Operations  |      |                         |                         |
| Basic (in Rs.)   |      |                         |                         |
| Diluted (in Rs.)   |      |                         |                         |
| II) For Discontinued & Continuing Operations   |      |                         |                         |
| Basic (in Rs.)   |      | <b>(0.10)</b>           | <b>(0.86)</b>           |
| Diluted (in Rs.)   |      |                         |                         |

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 the Board of Directors**

**S C Bandi**  
Proprietor  
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**A K Patni**  
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**H C Tandon**  
(Director)

M.P Jain  
(Director)

Place : Mumbai  
Date: 22.06.2020

Place : Mumbai  
Date: 22.06.2020

# ANNUAL REPORT 2019-2020

## PCS POSITIONING SYSTEMS (INDIA) LTD.

### Statement of Changes in Equity for the year ended 31 March, 2020

#### A Equity Share Capital

| Particulars                                     | Amount            |
|---|-------------------|
| As at April 01, 2018                            | 17,600,000        |
| Changes in Equity share capital during the year | -                 |
| <b>As at March 31, 2019</b>                     | <b>17,600,000</b> |
| Changes in Equity share capital during the year | -                 |
| <b>As at March 31, 2020</b>                     | <b>17,600,000</b> |

#### 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, 2018                           | -                          | -               | -               | -                          | (51,562,569)       | -                   | (51,562,569)       |
| Profit for the year                            | -                          | -               | -               | -                          | (1,506,382)        | -                   | (1,506,382)        |
| <b>Total comprehensive income for the year</b> | -                          | -               | -               | -                          | <b>(1,506,382)</b> | -                   | <b>(1,506,382)</b> |
| As at March 31, 2019                           | -                          | -               | -               | -                          | (53,068,951)       | -                   | (53,068,951)       |
| Profit for the year                            | -                          | -               | -               | -                          | (171,959)          | -                   | (171,959)          |
| Other Comprehensive Income                     | -                          | -               | -               | -                          | -                  | -                   | -                  |
| <b>Total comprehensive income for the year</b> | -                          | -               | -               | -                          | <b>(171,959)</b>   | -                   | <b>(171,959)</b>   |
| As at March 31, 2020                           | -                          | -               | -               | -                          | (53,240,910)       | -                   | (53,240,910)       |

The accompanying notes form an integral part of the Financial Statements

Significant Accounting Policies and Notes to Financial Statements

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

**S C Bandi**  
Proprietor  
Membership No. 16932

Place : Mumbai  
Date: 22.06.2020

**For and on behalf of the Board of Directors**

**A K Patni**  
(Director)

**M.P Jain**  
(Director)

Place : Mumbai  
Date: 22.06.2020

**H C Tandon**  
(Director)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

| PARTICULARS   | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|---|-------------------------|-------------------------|
| <b>Cash flow arising from operating activities:</b>                 |                         |                         |
| <b>Net loss before tax</b>  | <b>(171,959)</b>        | (1,506,382)             |
| Adjustment for:   | -                       | <b>133,503</b>          |
| Fixed assets written-off  | -                       | -                       |
| Depreciation  | -                       | -                       |
| <b>Operating loss before working capital changes</b>                | <b>(171,959)</b>        | <b>(1,372,879)</b>      |
| Decrease/ (Increase) in Trade and other Receivables                 | <b>139,439</b>          | <b>2,670,336</b>        |
| (Decrease)/ Increase in Trade and other payables                    | <b>8,850</b>            | <b>(1,333,262)</b>      |
| <b>Cash generated from operations</b>                               | <b>(23,670)</b>         | (35,805)                |
| Income Tax paid (net of refunds)                                    | -                       | -                       |
| <b>Net cash flow from/used operating activities</b>                 | <b>(23,670)</b>         | (35,805)                |
| <b>Cash flow arising from investing activities</b>                  | -                       | -                       |
| <b>Cash flow arising from financing activities</b>                  |                         |                         |
| Proceeds from Unsecured Loans taken from holding company            | -                       | -                       |
| Repayment of Unsecured Loan taken from Directors                    | -                       | -                       |
| <b>Net Cash from financing activities</b>                           | -                       | -                       |
| <b>Net Increase/(Decrease) in Cash/Cash Equivalents</b>             | <b>(23,670)</b>         | (35,805)                |
| <b>Cash and Cash Equivalents at the beginning of the year</b>       | <b>1,142,360</b>        | 1,178,165               |
| <b>Cash and Cash Equivalents at end of the year 31st March,2018</b> | <b>1,118,690</b>        | 1,142,360               |

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

A K Patni  
(Director)  
H C Tandon  
(Director)

M.P Jain  
(Director)

Place : Mumbai  
Date: 22.06.2020

Place : Mumbai  
Date: 22.06.2020

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 1 Basis of Preparation

The Company is Incorporated on 29th June 2004 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.

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

#### 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.

#### Borrowing cost

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

| Particulars                              | As at<br>31-Mar-20 | As at<br>31-Mar-19 |
|--|--------------------|--------------------|
| <b>3 LONG TERM LOANS AND ADVANCES</b>    |                    |                    |
| Income tax paid (net)                    | -                  | -                  |
| FBT paid (net)                           | -                  | -                  |
|  | -                  | -                  |
| <b>4 TRADE RECEIVABLE</b>                |                    |                    |
| Unsecured, considered good               | -                  | 139,439            |
|  | -                  | 139,439            |
| <b>5 CASH AND BANK BALANCES</b>          |                    |                    |
| <b>Cash and Cash Equivalent</b>          |                    |                    |
| Balances with Banks - in Current account | <b>1,118,690</b>   | 1,142,360          |
|  | <b>1,118,690</b>   | 1,142,360          |
| <b>6 SHORT TERM LOANS AND ADVANCES</b>   |                    |                    |
| Earnest Money Deposit                    | -                  | -                  |
| Advance recoverable in cash or in kind   | -                  | -                  |
|  | -                  | -                  |
| <b>7 Other assets</b>                    |                    |                    |
| Deposits                                 | -                  | -                  |
| Advances to Suppliers                    | -                  | -                  |
|  | -                  | -                  |

# ANNUAL REPORT 2019-2020

## PCS POSITIONING SYSTEMS (INDIA) LTD.

| Particulars   | As at<br>31-Mar-20  | As at<br>31-Mar-19  |
|---|---------------------|---------------------|
| <b>8 SHARE CAPITAL</b>  |                     |                     |
| <b>Authorised</b>   |                     |                     |
| 3,000,000 Equity shares of Rs.10/- each   | <b>30,000,000</b>   | 30,000,000          |
| <b>Issued, Subscribed and Paid up</b>   |                     |                     |
| 1,760,000 Equity shares of Rs.10/- each fully paid up   | <b>17,600,000</b>   | 17,600,000          |
|   | <b>17,600,000</b>   | 17,600,000          |
| (a) Terms /Rights attached to equity shares   |                     |                     |
| The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. |                     |                     |
| (b) Details of shareholders holding more than 5% shares in the company  |                     |                     |
| Name of shareholder   | <b>No. %</b>        | <b>No. %</b>        |
| PCS Technology Limited  | <b>1760000 100</b>  | 1760000 100         |
| <b>9 OTHER EQUITY</b>   |                     |                     |
| <b>Deficit in the statement of profit and loss</b>  |                     |                     |
| Balance as per last Financial Statement   | <b>(53,068,951)</b> | (51,562,569)        |
| Loss for the year   | <b>(171,959)</b>    | (1,506,382)         |
|   | <b>(53,240,910)</b> | <b>(53,068,951)</b> |
| <b>10 TRADE PAYABLE</b>   |                     |                     |
| Trade Payable   | <b>11,759,600</b>   | 11,750,750          |
|   | <b>11,759,600</b>   | 11,750,750          |
| <b>11 OTHER CURRENT LIABILITIES</b>   |                     |                     |
| Inter corporate deposits  | <b>25,000,000</b>   | 25,000,000          |
| Trade Advances  | -                   | -                   |
|   | <b>25,000,000</b>   | 25,000,000          |
| <b>12 OTHER EXPENSES</b>  |                     |                     |
| Rates & Taxes   | <b>4,200</b>        | 13,670              |
| Legal, Professional & Consultancy charges   | <b>19,470</b>       | 16,520              |
| Auditor's Remuneration - As auditors  | <b>8,850</b>        | 8,850               |
| Bank Charges  | -                   | 2,215               |
| Debit Credit Balance W/off  | <b>139,439</b>      | 1,471,447           |
|   | <b>171,959</b>      | 1,516,102           |

| <b>13 CURRENT AND DEFERRED TAX</b>  |                             |                             |
|---|-----------------------------|-----------------------------|
| The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:   |                             |                             |
| <b>a) Income tax expense</b>  |                             |                             |
| <b>Particulars</b>  | <b>2019-20</b>              | <b>2018-19</b>              |
| <b>i) Current tax</b>   |                             |                             |
| Current tax on profits for the year   | -                           | -                           |
| Adjustments for current tax of prior period   | -                           | -                           |
| <b>Total current tax expense</b>  | -                           | -                           |
| <b>ii) Deferred tax</b>   |                             |                             |
| (Decrease)   Increase in deferred tax liabilities   | -                           | -                           |
| Decrease   (Increase) in deferred tax assets  | -                           | -                           |
| Trfd to OCI on actuarial gain or loss   | -                           | -                           |
| <b>Total deferred tax expense (benefit)</b>   | -                           | -                           |
| <b>Income tax expense</b>   | -                           | -                           |
| <b>b) The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows</b>   |                             |                             |
| <b>Particulars</b>  | <b>2019-20</b>              | <b>2018-19</b>              |
| a) Statutory income tax rate  | 0.00%                       | 0.00%                       |
| b) Differences due to:  |                             |                             |
| i) Expenses not deductible for tax purposes   | 0.00%                       | 0.00%                       |
| ii) Income exempt from income tax   | 0.00%                       | 0.00%                       |
| iii) Income tax incentives  | 0.00%                       | 0.00%                       |
| iv) Others  | 0.00%                       | 0.00%                       |
| <b>Effective income tax rate</b>  | <b>0.00%</b>                | <b>0.00%</b>                |
| <b>c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.</b> |                             |                             |
| <b>d) Current tax liabilities (net)</b>   |                             |                             |
| <b>Particulars</b>  | <b>As at<br/>31-03-2020</b> | <b>As at<br/>31-03-2019</b> |
| Opening balance   | -                           | -                           |
| Add: Current tax payable for the year   | -                           | -                           |
| Less: Taxes paid  | -                           | -                           |
| <b>Closing balance</b>  | -                           | -                           |
| <b>e) Current tax assets (net)</b>  |                             |                             |
| <b>Particulars</b>  | <b>As at<br/>31-03-2020</b> | <b>As at<br/>31-03-2019</b> |
| Opening balance   | -                           | -                           |
| Add: Tax paid in advance, net of provisions during the year   | -                           | -                           |
| Less: Current tax payable for the year  | -                           | -                           |
| <b>Closing balance</b>  | -                           | -                           |

## f) Deferred tax liabilities (net)

i) The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

| Particulars                                   | As at<br>31-03-2020 | (charged)<br>  Credited<br>to profit or<br>loss | As at<br>31-03-2019 | (charged)  <br>Credited to<br>profit or loss<br>  OCI |
|---|---------------------|---|---------------------|---|
| Property, plant and equipment                 | -                   | -   | -                   | -   |
| Other Intangible assets                       | -                   | -   | -                   | -   |
| Fair valuation of Investments                 | -                   | -   | -                   | -   |
| Export Incentives                             | -                   | -   | -                   | -   |
| <b>Total deferred tax liabilities</b>         | -                   | -   | -                   | -   |
| Impairment in value of investments            | -                   | -   | -                   | -   |
| Provision for Warranty expenses               | -                   | -   | -                   | -   |
| Provision for leave encashment                | -                   | -   | -                   | -   |
| Provision for gratuity                        | -                   | -   | -                   | -   |
| Provision for VRS                             | -                   | -   | -                   | -   |
| Fair valuation of loans to subsidiary company | -                   | -   | -                   | -   |
| <b>Total deferred tax assets</b>              | -                   | -   | -                   | -   |
| <b>Net deferred tax (asset)   liability</b>   | -                   | -   | -                   | -   |

## f) Unrecognised temporary differences

The Company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

## 14 EMPLOYEE BENEFIT OBLIGATIONS

### Gratuity

Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. However, the Company do not have any employee on employment basis. Therefore all disclosures associated with employee benefit obligations are not applicable.

## 15 Fair Value Measurement

### Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. There are no financial assets and liabilities which needs to be measured at amortised cost.

**There were no transfers between any of the following levels during the year:**

#### Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

#### Level 2:

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2.

## c) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

## d) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 16 CAPITAL MANAGEMENT

### Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt.

# ANNUAL REPORT 2019-2020

## PCS POSITIONING SYSTEMS (INDIA) LTD.

| Particulars       | 31-Mar-20       | 31-Mar-19       |
|-------------------|-----------------|-----------------|
| Total Debt        | 25,000,000.00   | 25,000,000.00   |
| Total Equity      | (35,640,910.00) | (35,468,951.00) |
| Debt-Equity ratio | (0.70)          | (0.70)          |

### 17 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

- (a) The criteria for Corporate Social Responsibilities are not applicable to the Company.
- (b) Amount spent during the year: Nil

### 18 REGROUPED | RECAST | RECLASSIFIED

Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements

### 19 ROUNDING OFF

Figures are round off the nearest Rupee.

### 20

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.

### 21

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.

### 22 Particulars of Earnings per share :

| Particulars   | 31-Mar-20 | 31-Mar-19   |
|---|-----------|-------------|
| (a) Net (Loss) for the year (Rs.)   | (171,959) | (1,506,382) |
| (b) Number of equity shares outstanding at the beginning and at the end of the year | 1,760,000 | 1,760,000   |
| (c) Weighted average number of shares outstanding during the year                   | 1,760,000 | 1,760,000   |
| (d) Nominal value of the shares (Rs.)   | 10        | 10          |
| (e) Basic Earning per share (Rs.)   | (0.10)    | (0.86)      |

### 23 Related parties disclosures:

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

- a) Holding Company
1. PCS Technology Limited

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

- a) Key Management Personnel
1. Mr. A.K.Patni (Director)
- b) Affiliates (Enterprises over which key management personnel or relatives has significant influence):
1. PCS Technology USA, Inc (dissolved as on 18 December 2019)

### 24 Balance outstanding as on 31/03/2020

| Description              | Holding Compay | Key Management Personnel | Affiliates | Total        |
|--------------------------|----------------|--------------------------|------------|--------------|
| Receivable               |                |                          |            |              |
| PCS Technology Inc., USA |                |                          | -          | -            |
|                          |                |                          | (139,439)  | (139,439)    |
| Payables                 |                |                          |            |              |
| PCS Technology Limited   | 11,733,050     |                          |            | 11,733,050   |
|                          | (11,733,050)   |                          |            | (11,733,050) |
| Inter corporate deposits |                |                          |            |              |
| PCS Technology Limited   | 25,000,000     |                          |            | 25,000,000   |
|                          | (25,000,000)   |                          |            | (25,000,000) |

Note: Previous year figure are shown in brackets

### 25

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 the Board of Directors

S C Bandi  
Proprietor  
Membership No. 16932

A K Patni  
(Director)

H C Tandon  
(Director)

M.P Jain  
(Director)

Place : Mumbai  
Date: 22.06.2020

Place : Mumbai  
Date: 22.06.2020

# ANNUAL REPORT 2019-2020

## PCS INFOTECH LIMITED



### MANAGEMENT & ADMINISTRATION

**DIRECTORS** : Gajendra kumar Patni, Ashok Kumar Patni, 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 8th Annual Report with the statement of Audited financial accounts for the financial year ended 31st March 2020.

#### FINANCIAL RESULTS (Rs in lakhs)

| Particulars   | Financial Year ended 31.03.2020 | Financial Year ended 31.03.2019 |
|---|---------------------------------|---------------------------------|
| Net Sales and other Income  | 05.21                           | 05.25                           |
| Expenses  | 0.44                            | 01.23                           |
| Profit/ (Loss) before interest, depreciation & taxation & Exceptional Items | 04.77                           | 04.01                           |
| Interest  | -                               | -                               |
| Depreciation  | -                               | -                               |
| Profit/(Loss) before Taxation   | 04.07                           | 04.01                           |
| Provision for Taxation (Net)  | 01.14                           | 01.30                           |
| Net Profit / (loss) for the year  | 02.93                           | 02.72                           |

#### 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 31<sup>st</sup> March 2020.

#### RESERVES

During the year under review, the Company did not transfer any amount to the Reserves.

#### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

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

#### SUBSIDIARY COMPANY

As on March 31, 2020, the Company does not have any subsidiary

#### CORPORATE SOCIAL RESPONSIBILITY

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

#### DECLARATION BY INDEPENDENT DIRECTORS

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

#### DIRECTORS

##### Retirement by Rotation

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

#### Cessation

Mr. Yash Bhardwaj resigned as Director of the Company w.e.f 20th May, 2019. Company takes on record the invaluable contributions made by him during his tenure as the Director towards the progress of the Company.

#### Meetings

During the year under review, 4 (four) Board Meetings were convened and held as on 20th May, 2019, 10th July, 2019, 21st October, 2019 and 4<sup>th</sup> February, 2020. 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:

- 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, 2020 and of the profit of the company for the said year;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- Annual Accounts have been prepared on a going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

#### 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: 22<sup>nd</sup> June, 2020

A.K.Patni  
Director  
(Din:00014194)

G.K Patni  
Director  
(Din: 00014163)



# PCS INFOTECH LIMITED

Annexure 1

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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:

|    |  |   |
|----|--|---|
| 1. | CIN  | U72900PN2012PLC145598   |
| 2. | Registration Date  | 05/12/2012  |
| 3. | Name of the Company  | PCS Infotech Limited  |
| 4. | Category/Sub-category of the Company                                       | Computer Information Technology & Information Technology Enabled Services |
| 5. | Address of the Registered office & contact details                         | S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune- 411006             |
| 6. | Whether listed company   | No  |
| 7. | 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.    | PCS TECHNOLOGY LIMITED          | L74200MH1981PLC024279 | HOLDING                       | 100%             | 2 (87)             |

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

#### i. Category-wise Share Holding

| Category of Shareholders                   | No. of Shares held at the beginning of the year<br>[As on 31-March-2019] |          |        |                   | No. of Shares held at the end of the year<br>[As on 31-March-2020] |          |        |                   | % Change during the year |
|--|--|----------|--------|-------------------|--|----------|--------|-------------------|--------------------------|
|  | Demat  | Physical | Total  | % of Total Shares | Demat  | Physical | Total  | % of Total Shares |                          |
| <b>A. Promoters</b>                        | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>(1) Indian</b>                          | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| a) Individual/ HUF                         | -  | 7        | 7      | 0%                | -  | 7        | 7      | 0%                | -                        |
| b) Central Government                      | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| c) State Government(s)                     | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| d) Bodies Corporate/ Companies             | -  | 499993   | 499993 | 100%              | -  | 499993   | 499993 | 100%              | -                        |
| e) Banks / Financial Institutions          | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| f) Director/ Relatives                     | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| g) Any other                               | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>Sub Total A(1)</b>                      | -  | 500000   | 500000 | 100%              | -  | 500000   | 500000 | 100%              | -                        |
| <b>(2) Foreign</b>                         |  |          |        |                   |  |          |        |                   |                          |
| a) Individuals (NRIs /Foreign Individuals) | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| b) Other Individuals                       | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| c) State Government(s)                     | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| d) Bodies Corporate                        | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| e) Banks / Financial Institutions          | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| f) Any other                               | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>Sub Total A(2)</b>                      | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |

# ANNUAL REPORT 2019-2020

## PCS INFOTECH LIMITED



| Category of Shareholders   | No. of Shares held at the beginning of the year<br>[As on 31-March-2019] |          |        |                   | No. of Shares held at the end of the year<br>[As on 31-March-2020] |          |        |                   | % Change during the year |
|--|--|----------|--------|-------------------|--|----------|--------|-------------------|--------------------------|
|  | Demat  | Physical | Total  | % of Total Shares | Demat  | Physical | Total  | % of Total Shares |                          |
| <b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>                          | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>B. Public Shareholding</b>  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| 1. Institutions  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| a) Mutual Funds / UTI  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| b) Banks / Financial Institutions  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| c) Central Government  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| d) State Government  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| e) Venture Capital Funds   | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| f) Insurance Companies   | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| g) Foreign Institutional Investors   | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| h) Foreign Venture Capital Funds   | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| i) Any Other   | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>Sub Total (B)(1)</b>  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>2. Non-Institutions</b>   | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| 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   | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>Sub-total (B)(2)</b>  | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>Grand Total (A+B+C)</b>   | -  | 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.Sharad Hedukar- Nominee of PTL         | 1   | 0%                               | -   | 2                                   | 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%                               | -   | 0                                   | 0%                               | -   | -  |

# PCS INFOTECH LIMITED

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

There is inter-se transfer of share from Mr. Dinesh Maheshwari to Mr. Sharad Hedekar.

#### 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. Ravi kumar Sankaran  | 1   | 0%                               | 1                                       | 0%                               |

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

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

### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

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

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

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

(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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             | -                            | -                 | -   | -                            | -                                  |
| Punishment                          | -                            | -                 | -   | -                            | -                                  |
| Compounding                         | -                            | -                 | -   | -                            | -                                  |

# PCS INFOTECH LIMITED

## Independent Auditor's Report to the members of PCS Infotech Limited

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the accompanying financial statements of **PCS Infotech Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020 and the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020 and profit for the year ended on that date.

#### Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing,

as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, I give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

# ANNUAL REPORT 2019-2020

## PCS INFOTECH LIMITED



2. As required by Section 143(3) of the Act, based on my audit, I report that:
- I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - 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:
    - The Company does not have any pending litigations which would impact its financial position;
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.C. Bandi  
Proprietor  
Membership No. 16932  
UDIN 20016932AAAAFH6368

Date: 22/06/2020  
Place: Mumbai

### **Annexure A to Independent Auditor's Report to the members of PCS Infotech Limited on the financial statements for the year ended 31<sup>st</sup> March 2020 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of my report of even date.**

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to me and the books and records examined by me in the normal course of audit and such checks as I considered appropriate, to the best of my knowledge and belief, I state as under:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification. The title deeds of all immovable properties are held in the name of the Company
- In view of the nature of business of the Company, it does not have any inventories and hence the provisions of clause 3(ii) of the Order are not applicable to the Company.
- The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies

Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.

- The Company has not granted any loans, or made any investments, or provided any guarantees or security to the parties covered under section 185 and section 186 of the Companies Act, 2013 and hence the provisions of clause 3(iv) of the Order are not applicable to the Company.
- The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
- The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company.
- The Company is generally regular in depositing undisputed statutory dues including income tax and other statutory dues with the appropriate authorities. No payments were due in respect of provident fund, employee's state insurance, sales tax, service-tax, duty of customs, duty of excise, value added tax, goods and service tax and cess. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they become payable.

There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax, goods and service tax, which have not been deposited on account of disputes.
- The Company does not have any borrowings from financial institutions or bank or Government or by way of debentures and hence the provisions of clause 3(viii) of the Order are not applicable to the Company.
- The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
- No fraud on or by the Company has been noticed or reported during the course of my audit.
- The Company has not paid/provided any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
- The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 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 etc. as required by the applicable accounting standards.
- The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
- The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

S.C. Bandi  
Proprietor  
Membership No. 16932  
UDIN 20016932AAAAFH6368

Place: Mumbai  
Date: 22/06/2020

# PCS INFOTECH LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs.)

| Particulars                   | Note | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|-------------------------------|------|----------------------|----------------------|
| <b>ASSETS</b>                 |      |                      |                      |
| <b>Non-Current assets</b>     |      |                      |                      |
| Other assets                  | 3    | -                    | -                    |
| <b>Current assets</b>         |      |                      |                      |
| Financial assets              |      |                      |                      |
| Investments                   | 4    | -                    | 6,016,200            |
| Trade receivables             | 5    | -                    | -                    |
| Cash and cash equivalents     | 6    | 1,238,584            | 2,383,336            |
| Other balances with banks     | 7    | 7,500,000            | -                    |
| Loans                         | 8    | 97,398               | 153,904              |
| Current tax assets (net)      | 9    | 5,563                | -                    |
| Current assets                | 10   | -                    | -                    |
|                               |      | <b>8,841,545</b>     | <b>8,553,440</b>     |
| <b>EQUITY AND LIABILITIES</b> |      |                      |                      |
| Equity                        |      |                      |                      |
| Share Capital                 | 11   | 5,000,000            | 5,000,000            |
| Other equity                  | 12   | 3,803,195            | 3,509,740            |
| Non-current liabilities       |      |                      |                      |
| Other liabilities             | 13   | -                    | 26,000               |
| Current Liabilities           |      |                      |                      |
| Trade and other payables      | 14   | 38,350               | 17,700               |
| Other liabilities             | 15   | -                    | -                    |
|                               |      | <b>8,841,545</b>     | <b>8,553,440</b>     |

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)

Place: Mumbai  
Date : 22.06.2020

**Ravi Kumar Sankaran**  
(Director)

Place: Mumbai  
Date : 22.06.2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

| Particulars  | Note | Period ended<br>31-Mar-2020 | Period ended<br>31-Mar-2019 |
|--|------|-----------------------------|-----------------------------|
| <b>REVENUE</b>   |      |                             |                             |
| Revenue from operations (Net)  | 16   | -                           | -                           |
| Other Income   | 17   | 521,639                     | 525,000                     |
| <b>Total Revenue</b>   |      | <b>521,639</b>              | <b>525,000</b>              |
| <b>EXPENSES</b>  |      |                             |                             |
| Employee benefits expense  | 18   | -                           | -                           |
| Other expenses   | 19   | 44,374                      | 123,068                     |
| <b>Total Expenses</b>  |      | <b>44,374</b>               | <b>123,068</b>              |
| <b>Profit before tax</b>   |      | <b>477,265</b>              | <b>401,932</b>              |
| EXCEPTIONAL ITEMS  |      |                             |                             |
| PROFIT AFTER EXCEPTIONAL ITEMS   | 20   | (70,200)                    | -                           |
|  |      | <b>407,065</b>              | <b>401,932</b>              |
| <b>Tax expenses:</b>   |      |                             |                             |
| Current tax  |      | 110,000                     | 126,000                     |
| Short Provision for Income Tax   |      | 3,610                       | 4,352                       |
| <b>Total tax expenses</b>  |      | <b>113,610</b>              | <b>130,352</b>              |
| <b>Profit after tax</b>  |      | <b>293,455</b>              | <b>271,580</b>              |
| OTHER COMPREHENSIVE INCOME / (LOSSES)  |      |                             |                             |
| i) Items that will be reclassified subsequently to the statement of profit and loss:           |      | -                           | -                           |
| Income tax on items that will be reclassified subsequently to statement of profit and loss     |      | -                           | -                           |
| ii) Items that will not be reclassified subsequently to the statement of profit and loss:      |      | -                           | -                           |
| Income tax on items that will not be reclassified subsequently to statement of profit and loss |      | -                           | -                           |
| <b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>                                      |      | <b>-</b>                    | <b>-</b>                    |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>                                      |      | <b>293,455</b>              | <b>271,580</b>              |
| Earning per equity share of face value of Rs.10 each   |      |                             |                             |
| I) For Continuing operation  |      |                             |                             |
| Basic (in Rs.)   |      | 0.59                        | 0.54                        |
| Diluted (in Rs.)   |      | -                           | -                           |
| II) For Discontinued Operations  |      |                             |                             |
| Basic (in Rs.)   |      | -                           | -                           |
| Diluted (in Rs.)   |      | -                           | -                           |
| II) For Discontinued & Continuing Operations   |      |                             |                             |
| Basic (in Rs.)   |      | 0.59                        | 0.54                        |
| Diluted (in Rs.)   |      | -                           | -                           |

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)

Place: Mumbai  
Date : 22.06.2020

Place: Mumbai  
Date : 22.06.2020

**Ravi Kumar Sankaran**  
(Director)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020**

**A Equity Share Capital**

| Particulars                                     | Amount           |
|---|------------------|
| <b>As at April 01, 2018</b>                     | 5,000,000        |
| Changes in Equity share capital during the year | -                |
| <b>As at March 31, 2019</b>                     | <b>5,000,000</b> |
| Changes in Equity share capital during the year | -                |
| <b>As at March 31, 2020</b>                     | <b>5,000,000</b> |

**B Other Equity**

| Particulars   | Reserves and Surplus       |                 |                 |                            |                   |                     | Total Other Equity |
|---|----------------------------|-----------------|-----------------|----------------------------|-------------------|---------------------|--------------------|
|   | Securities Premium Reserve | General Reserve | Capital reserve | Capital redemption reserve | Retained Earnings | Revaluation Reserve |                    |
| <b>As at April 01, 2018</b>                         | -                          | -               | -               | -                          | 3,238,160         | -                   | 3,238,160          |
| Profit for the year                                 | -                          | -               | -               | -                          | 271,580           | -                   | 271,580            |
| Other Comprehensive Income                          | -                          | -               | -               | -                          | -                 | -                   | -                  |
| <b>Total comprehensive income for the year</b>      | -                          | -               | -               | -                          | <b>271,580</b>    | -                   | <b>271,580</b>     |
| Dividend paid (including dividend distribution tax) | -                          | -               | -               | -                          | -                 | -                   | -                  |
| <b>As at March 31, 2019</b>                         | -                          | -               | -               | -                          | <b>3,509,740</b>  | -                   | <b>3,509,740</b>   |
| Profit for the year                                 | -                          | -               | -               | -                          | 293,455           | -                   | 293,455            |
| Other Comprehensive Income                          | -                          | -               | -               | -                          | -                 | -                   | -                  |
| <b>Total comprehensive income for the year</b>      | -                          | -               | -               | -                          | <b>293,455</b>    | -                   | <b>293,455</b>     |
| Dividend paid (including dividend distribution tax) | -                          | -               | -               | -                          | -                 | -                   | -                  |
| <b>As at March 31, 2020</b>                         | -                          | -               | -               | -                          | <b>3,803,195</b>  | -                   | <b>3,803,195</b>   |

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

**For and on behalf of the Board of Directors**

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

**A. K. Patni**  
 (Director)

**G. K. Patni**  
 (Director)

Place: Mumbai  
 Date : 22.06.2020

**Ravi Kumar Sankaran**  
 (Director)

Place: Mumbai  
 Date : 22.06.2020



# PCS INFOTECH LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

| Particulars   | Year ended<br>31-Mar-2020 | Year ended<br>31-Mar-2019 |
|---|---------------------------|---------------------------|
| <b>A. Cash flow from operating activities</b>             |                           |                           |
| Net profit before tax and extra ordinary items            | 407,065                   | 401,932                   |
| <b>Operating profit before working capital changes</b>    | 407,065                   | 401,932                   |
| Decrease/ (increase) in trade and others receivables      | (5,563)                   | 80,718                    |
| (Decrease)/ increase in trade and other payables          | (5,350)                   | (120,398)                 |
| <b>Cash generated from operations</b>                     | 396,152                   | 362,252                   |
| Income tax paid (net of refunds)                          | (113,610)                 | (130,352)                 |
| <b>Net cash flow from/ (used in) operating activities</b> | 282,542                   | 231,900                   |
| <b>B. Cash flow from investing activities</b>             | (1,427,294)               | -                         |
|   | (1,427,294)               | -                         |
| <b>C. Cash from financing activities</b>                  |                           |                           |
| Repayment of long-term borrowings (net)                   | -                         | -                         |
| Issue of share capital                                    | -                         | -                         |
| Purchase of non-current investments                       | -                         | -                         |
| <b>Net cash from/ (used in) financing activities</b>      | -                         | -                         |
| Net increase/ (decrease) in cash and cash equivalents     | (1,144,752)               | 231,900                   |
| Cash and cash equivalents at beginning of the period      | 2,383,336                 | 2,151,436                 |
| Cash and cash equivalents at end of the period            | 1,238,584                 | 2,383,336                 |

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)

Place: Mumbai  
Date : 22.06.2020

Ravi Kumar Sankaran  
(Director)

Place: Mumbai  
Date : 22.06.2020

## Notes to financial statements for the year ended 31 March 2020

### 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.

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 Indian Accounting Standards 18 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.

(Amount in Rs.)

| Particulars                                       | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>3 Other assets</b>                             |                      |                      |
| Income tax paid (Net of provisions)               | -                    | -                    |
|   | -                    | -                    |
| <b>4 Current Investments</b>                      |                      |                      |
| <b>Unsecured, considered good</b>                 |                      |                      |
| (Previous Year 8.75% Axis Bank - Perpetual Bonds) | -                    | 6,016,200            |
| (Unquoted) (Book Value 6016200/-)                 | -                    | 6,016,200            |
|   | -                    | 6,016,200            |
| <b>5 Trade receivables</b>                        |                      |                      |
| Sundry Debtors                                    | -                    | -                    |
|   | -                    | -                    |
| <b>6 Cash and Bank Balances</b>                   |                      |                      |
| <b>Cash &amp; Cash Equivalents</b>                |                      |                      |
| Cash in hand                                      | -                    | -                    |
| Balances with Banks                               |                      |                      |
| In Current account                                | 1,238,584            | 2,383,336            |
|   | 1,238,584            | 2,383,336            |

# ANNUAL REPORT 2019-2020

## PCS INFOTECH LIMITED



| Particulars   | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>7 OTHER BALANCES WITH BANKS</b>  |                      |                      |
| Deposits with Original maturity of more than 3 months but less than 12 months | 7,500,000            | -                    |
|   | <b>7,500,000</b>     | -                    |
| <b>8 Short Term Loans and Advances</b>  |                      |                      |
| Prepaid Expenses  | -                    | -                    |
| Inter Corporate Deposits: In Others (Unquoted)                                |                      |                      |
| Other receivables   | 97,398               | 153,904              |
|   | <b>97,398</b>        | <b>153,904</b>       |
| <b>9 Current tax assets (net)</b>   |                      |                      |
| Income tax paid (Net of provisions)   | <b>5,563</b>         | -                    |
|   | <b>5,563</b>         | -                    |
| <b>10 Other Current Assets</b>  |                      |                      |
| Prepaid expenses  | -                    | -                    |
| Security Deposits   | -                    | -                    |
|   | -                    | -                    |

| Particulars  | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|--|----------------------|----------------------|
| <b>11 SHARE CAPITAL</b>  |                      |                      |
| <b>Authorised</b>  |                      |                      |
| 10,00,000 (Previous Year - 1,00,000) Equity Share of Rs.10 each        | <b>10,000,000</b>    | 10,000,000           |
| <b>Issued, Subscribed and Paid-up</b>                                  |                      |                      |
| 500,000 (Previous Year - 500,000) Equity Shares of Rs.10 fully paid-up | <b>5,000,000</b>     | 5,000,000            |
|  | <b>5,000,000</b>     | <b>5,000,000</b>     |

**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 in Rs. |
|---|---------|---------------|
| Shares outstanding at the beginning of the year | 500,000 | 5,000,000     |
| Shares issued during the year                   | -       | -             |
| Shares outstanding at the end of the year       | 500,000 | 5,000,000     |

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

| Name of shareholder    | As at 31/03/2020 |           | As at 31/03/2019 |           |
|------------------------|------------------|-----------|------------------|-----------|
|                        | No. of shares    | % holding | No. of shares    | % holding |
| PCS Technology Limited | 500,000          | 100.00    | 500,000          | 100.00    |

| (Amount in Rs.)                          |                      |                      |
|--|----------------------|----------------------|
| Particulars                              | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
| <b>12 Reserves and Surplus</b>           |                      |                      |
| Opening balance                          | <b>3,509,740</b>     | 3,238,160            |
| Add: Profit for the year                 | <b>293,455</b>       | 271,580              |
| Closing balance                          | <b>3,803,195</b>     | 3,509,740            |
| <b>13 Other non-current liabilities</b>  |                      |                      |
| Income tax Provision (Net of taxes paid) | -                    | 26,000               |
|  | -                    | 26,000               |
| <b>14 Trade Payables</b>                 |                      |                      |
| Trade Payables                           | <b>38,350</b>        | 17,700               |
|  | <b>38,350</b>        | 17,700               |
| <b>15 Other current liabilities</b>      |                      |                      |
| Statutory dues and taxes payable         | -                    | -                    |
|  | -                    | -                    |

| (Amount in Rs.)                     |                             |                             |
|-------------------------------------|-----------------------------|-----------------------------|
| Particulars                         | Period ended<br>31-Mar-2020 | Period ended<br>31-Mar-2019 |
| <b>16 Revenue from Operations</b>   |                             |                             |
| Sale of Goods                       |                             |                             |
| Sales of Services                   |                             |                             |
|                                     | -                           | -                           |
| <b>17 Other Income</b>              |                             |                             |
| Interest Received                   | <b>496,874</b>              | <b>525,000</b>              |
| Misc Income                         | <b>24,765</b>               | -                           |
|                                     | <b>521,639</b>              | <b>525,000</b>              |
| <b>18 Employee benefit expenses</b> |                             |                             |
| Staff Welfare expenses              | -                           | -                           |
|                                     | -                           | -                           |
| <b>19 Other expenses</b>            |                             |                             |
| Rates & Taxes                       | <b>4,200</b>                | 11,700                      |
| Audit Fees                          | <b>8,850</b>                | 8,850                       |
| Bad Debts                           | -                           | -                           |
| Legal & Professional Charges        | <b>31,270</b>               | 30,090                      |
| Telephone Expense                   | -                           | -                           |
| Sales Tax Paid                      | -                           | -                           |
| Miscellaneous expenses              | <b>54</b>                   | 72,428                      |
|                                     | <b>44,374</b>               | <b>123,068</b>              |
| <b>20 EXCEPTIONAL ITEMS</b>         |                             |                             |
| Loss on impairment of investment    | <b>70,200</b>               | -                           |
|                                     | <b>70,200</b>               | -                           |

# PCS INFOTECH LIMITED

## 21 CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

### a) Income tax expense

| Particulars                                       | 2019-20 | 2018-19 |
|---|---------|---------|
| <b>i) Current tax</b>                             |         |         |
| Current tax on profits for the year               | -       | -       |
| Adjustments for current tax of prior period       | -       | -       |
| <b>Total current tax expense</b>                  | -       | -       |
| <b>ii) Deferred tax</b>                           |         |         |
| (Decrease)   Increase in deferred tax liabilities | -       | -       |
| Decrease   (Increase) in deferred tax assets      | -       | -       |
| Trfd to OCI on actuarial gain or loss             | -       | -       |
| <b>Total deferred tax expense (benefit)</b>       | -       | -       |
| <b>Income tax expense</b>                         | -       | -       |

### b) The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows

| Particulars                                 | 2019-20      | 2018-19      |
|---|--------------|--------------|
| a) Statutory income tax rate                | 0.00%        | 0.00%        |
| b) Differences due to:                      |              |              |
| i) Expenses not deductible for tax purposes | 0.00%        | 0.00%        |
| ii) Income exempt from income tax           | 0.00%        | 0.00%        |
| iii) Income tax incentives                  | 0.00%        | 0.00%        |
| iv) Others                                  | 0.00%        | 0.00%        |
| <b>Effective income tax rate</b>            | <b>0.00%</b> | <b>0.00%</b> |

### c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.

### d) Current tax liabilities (net)

| Particulars                           | As at 31-03-2020 | As at 31-03-2019 |
|---------------------------------------|------------------|------------------|
| Opening balance                       | -                | -                |
| Add: Current tax payable for the year | -                | -                |
| Less: Taxes paid                      | -                | -                |
| <b>Closing balance</b>                | -                | -                |

### e) Current tax assets (net)

| Particulars   | As at 31-03-2020 | As at 31-03-2019 |
|---|------------------|------------------|
| Opening balance   | -                | -                |
| Add: Tax paid in advance, net of provisions during the year | -                | -                |
| Less: Current tax payable for the year                      | -                | -                |
| <b>Closing balance</b>                                      | -                | -                |

## f) Deferred tax liabilities (net)

i) The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

| Particulars                                   | As at 31-03-2020 | (charged)   Credited to profit or loss | As at 31-03-2019 | (charged)   Credited to profit or loss   OCI |
|---|------------------|--|------------------|--|
| Property, plant and equipment                 | -                | -                                      | -                | -  |
| Other Intangible assets                       | -                | -                                      | -                | -  |
| Fair valuation of Investments                 | -                | -                                      | -                | -  |
| Export Incentives                             | -                | -                                      | -                | -  |
| <b>Total deferred tax liabilities</b>         | -                | -                                      | -                | -  |
| Impairment in value of investments            | -                | -                                      | -                | -  |
| Provision for Warranty expenses               | -                | -                                      | -                | -  |
| Provision for leave encashment                | -                | -                                      | -                | -  |
| Provision for gratuity                        | -                | -                                      | -                | -  |
| Provision for VRS                             | -                | -                                      | -                | -  |
| Fair valuation of loans to subsidiary company | -                | -                                      | -                | -  |
| <b>Total deferred tax assets</b>              | -                | -                                      | -                | -  |
| <b>Net deferred tax (asset)   liability</b>   | -                | -                                      | -                | -  |

### g) Unrecognised temporary differences

The Company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

## 22 EMPLOYEE BENEFIT OBLIGATIONS

### Gratuity

Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. However, the Company do not have any employee on employment basis. Therefore all disclosures associated with employee benefit obligations are not applicable.

## 23 Fair Value Measurement

### Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. There are no financial assets and liabilities which needs to be measured at amortised cost.

**There were no transfers between any of the following levels during the year:**

#### Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are

traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

### Level 2:

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- i) the use of quoted market prices or dealer quotes for similar instruments
- ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- iii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- iv) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- v) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2.

#### c) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

#### d) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 24 CAPITAL MANAGEMENT

### Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt.

| Particulars       | 31-Mar-20    | 31-Mar-19    |
|-------------------|--------------|--------------|
| Total Debt        | -            | 26,000.00    |
| Total Equity      | 5,000,000.00 | 5,000,000.00 |
| Debt-Equity ratio | -            | 0.01         |

## 25 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

(a) The criteria for Corporate Social Responsibilities are not applicable to the Company.

(b) Amount spent during the year: Nil

## 26 REGROUPED | RECAST | RECLASSIFIED

Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements

## 27 ROUNDING OFF

Figures are round off the nearest Rupee.

25 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.

## 26 Particulars of Earnings Per Shares:

| Particulars  | 31-Mar-20 | 31-Mar-19 |
|--|-----------|-----------|
| a) Net Profit for the year   |           |           |
| Before extraordinary items (Rs.)   | 293,455   | 271,580   |
| After extraordinary items (Rs.)  | 293,455   | 271,580   |
| 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)                                 | 0.59      | 0.54      |

## 27 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)

Place: Mumbai  
Date : 22.06.2020

Place: Mumbai  
Date : 22.06.2020

Ravi Kumar Sankaran  
(Director)

# PCS TECHNOLOGY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion:

We have audited the accompanying Consolidated financial statements of PCS TECHNOLOGY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including summary of the significant accounting policies and other explanatory information (the Consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiary companies referred to in the 'Information other than the Consolidated Financial Statements and Auditor's Report Thereon' below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at 31st March 2020, and its Consolidated Profit, Consolidated Total Comprehensive Income, Consolidated changes in equity and consolidated cash flows for the year ended.

#### Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters:

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matters

| SR NO | KEY AUDIT MATTER  | AUDIT PROCEDURE  |
|-------|---|--|
| 1     | IND AS 115- REVENUE FROM CONTRACTS WITH CUSTOMERS   |  |
|       | The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Note 2.(D) to the Standalone Financial Statements | We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br>1. Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.<br>2. Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. |

| SR NO | KEY AUDIT MATTER | AUDIT PROCEDURE   |
|-------|------------------|---|
|       |                  | <p>3. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p> <p>4. On selected samples of contracts, we tested that the revenue recognized is in accordance with the accounting standard by –</p> <p>a) Evaluating the identification of performance obligation;</p> <p>b) Testing management's calculation of the estimation of contract cost and onerous obligation, if any</p>   |
|       |                  | <p>We:</p> <ul style="list-style-type: none"> <li>Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management;</li> <li>Performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract;</li> <li>Assessed the appropriateness of work in progress (contract assets), if any, on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which may require change in estimated costs to complete the remaining performance obligations; and</li> <li>Performed test of details including analytics to determine reasonableness of contract costs</li> <li>The operations for IT and IT enabled Services is much lower as compared to previous years due to the management decisions.</li> <li>The operational income from these IT and ITeS is not exceeding the Interest Income that is generated from Investment in Bonds and Other Securities.</li> </ul> |

# THIRTY NINTH ANNUAL REPORT 2019-2020

## INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)



| SR NO | KEY AUDIT MATTER  | AUDIT PROCEDURE  |
|-------|---|--|
| 2     | IND AS 109- FINANCIAL INSTRUMENTS   |  |
|       | The application of this Accounting Standard involves identification, valuation and reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements | Our audit procedures included:   |
|       | The most significant areas are:   | 1. Evaluation of the appropriateness of procedure of the identification and classification by the Company  |
|       | 1. Preference Share Capital   | 2. Assessed the measurement and valuation done by the company of the above identified assets and liability   |
|       | 2. Security Deposits  | 3. Evaluation of the impact of above transactions in the financial statements of the Company   |
|       | 3. Impairment of Bonds  | 4. Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109  |
|       |   | 5. We obtained an understanding of the management's processes, systems and controls implemented in relation to impairment allowance process.       |
|       |   | 6. Assessed the design and implementation of key internal financial controls over loan impairment process used to determine the impairment charge. |
|       |   | 7. We used our internal specialist to test the model methodology and reasonableness of assumptions used.   |
|       |   | 8. We tested the management review controls over measurement of impairment allowances and disclosures in financial statements.                     |

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated. If, based on work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Information other than the Consolidated Financial Statements and Auditor's Report Thereon

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of 49.60 Lakhs as at 31st March, 2020, total revenues of Rs 5.21 lakhs and net cash outflows amounting to Rs 23,57,274 for the year ended on that date, as considered in the Consolidated Ind AS financial statements. These financial statements have been audited by other auditors

whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sec 143 (3) of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated IND AS financial statements and our auditor's report thereon.

Our opinion on the consolidated IND AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated IND AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

# PCS TECHNOLOGY LIMITED

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's and Board of Directors of the Holding Company use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities within the Group and its subsidiary companies to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Information other than the Consolidated Financial Statements and Auditor's Report Thereon" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

## Report on Other Legal and Regulatory Requirements

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

- (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- In our opinion, proper books of account as required by law have been kept by Company so far as it appears from our examination of those books.
- The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on the record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2020, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
- The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
- There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

Divyesh V Mehta  
Partner  
Membership No.:044293

Mumbai  
Date: 22/06/2020  
UDIN: 20044293AAAABU4999

## **Annexure A to the Independent Auditors' Report on the consolidated financial statements of PCS TECHNOLOGY LIMITED**

### **Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of PCS TECHNOLOGY LIMITED ("the Holding Company") as of 31 March 2020, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 (hereinafter referred to as "the Act").

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included

obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

Divyesh V Mehta  
Partner  
Membership No.:044293

Mumbai  
Date: 22/06/2020  
Udin: 20044293AAAABU4999



# PCS TECHNOLOGY LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2020

(Amount in Rs.)

| Particulars                              | Note | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|--|------|----------------------|----------------------|
| <b>I. ASSETS</b>                         |      |                      |                      |
| <b>1 Non-Current Assets</b>              |      |                      |                      |
| (a) Property, plant and equipment        | 3    | 92,857,398           | 95,332,599           |
| (d) Financial assets                     |      |                      |                      |
| (i) Investments                          | 4    | 20,000               | 20,000               |
| (c) Other assets                         | 5    | 12,705,008           | 15,962,470           |
| <b>Total non-current assets</b>          |      | <b>105,582,406</b>   | <b>111,315,069</b>   |
| <b>2 Current assets</b>                  |      |                      |                      |
| (a) Financial assets                     |      |                      |                      |
| (i) Investments                          | 6    | 31,604,500           | 366,900,164          |
| (ii) Trade receivables                   | 7    | 68,977               | 34,414,239           |
| (iii) Cash and cash equivalents          | 8    | 10,570,338           | 16,027,017           |
| (iv) Other balances with banks           | 9    | 304,012,068          | -                    |
| (v) Loans                                | 10   | 3,087,699            | 17,350,403           |
| (b) Current income tax liabilities (net) | 11   | 1,436,433            | -                    |
| (c) Other assets                         | 12   | 92,131               | 2,939,262            |
| <b>Total current assets</b>              |      | <b>350,872,146</b>   | <b>437,631,085</b>   |
| <b>TOTAL ASSETS</b>                      |      | <b>456,454,552</b>   | <b>548,946,154</b>   |
| <b>II. EQUITY AND LIABILITIES</b>        |      |                      |                      |
| <b>1 Equity</b>                          |      |                      |                      |
| (a) Share capital                        | 13   | 209,506,770          | 209,506,770          |
| (b) Other equity                         | 14   | 204,882,016          | 258,635,871          |
| <b>Total Equity</b>                      |      | <b>414,388,786</b>   | <b>468,142,641</b>   |
| <b>2 Liabilities</b>                     |      |                      |                      |
| <b>Non-current liabilities</b>           |      |                      |                      |
| (a) Financial liabilities                |      |                      |                      |
| (i) Long-term borrowings                 | 15   | 37,477,428           | 37,178,104           |
| (ii) Other financial liabilities         | 16   | 2,474,738            | 2,270,403            |
| (b) Provisions                           | 17   | 350,380              | 292,801              |
| (d) Other liabilities                    | 18   | -                    | 214,339              |
| <b>Total non-current liabilities</b>     |      | <b>40,302,546</b>    | <b>39,955,647</b>    |
| <b>3 Current Liabilities</b>             |      |                      |                      |
| (a) Financial liabilities                |      |                      |                      |
| (i) Trade and other payables             | 19   | 836,900              | 38,403,576           |
| (b) Current income tax liabilities (net) | 20   | -                    | 1,493,379            |
| (c) Provisions                           | 21   | 473,259              | 472,028              |
| (d) Other liabilities                    | 22   | 453,061              | 478,883              |
| <b>Total current liabilities</b>         |      | <b>1,763,220</b>     | <b>40,847,866</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>      |      | <b>456,454,552</b>   | <b>548,946,154</b>   |

Notes forming part of the financial statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 22.06.2020

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

# THIRTY NINTH ANNUAL REPORT 2019-2020



## STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

| Particulars  | Note No. | Year ended 31-Mar-2020 | Year ended 31-Mar-2019 |
|--|----------|------------------------|------------------------|
| I. Revenue from operations   | 23       | 2,989,797              | 5,808,368              |
| II. Other income (net)   | 24       | 39,644,655             | 42,799,743             |
| <b>III. TOTAL INCOME</b>   |          | <b>42,634,452</b>      | <b>48,608,111</b>      |
| <b>IV. Expenses:</b>   |          |                        |                        |
| Employee benefit expenses  | 25       | 8,445,850              | 13,270,591             |
| Finance costs  | 26       | 4,931,006              | 4,932,505              |
| Depreciation and amortisation expenses   | 27       | 2,509,513              | 2,837,620              |
| Other expenses   | 28       | 13,619,013             | 20,421,071             |
| <b>TOTAL EXPENSES</b>  |          | <b>29,505,382</b>      | <b>41,461,787</b>      |
| <b>V. PROFIT BEFORE TAX (III-IV)</b>   |          | <b>13,129,070</b>      | <b>7,146,324</b>       |
| <b>VI. EXCEPTIONAL ITEMS</b>   | 29       | <b>(66,237,093)</b>    | <b>(20,000,000)</b>    |
| <b>VII. PROFIT AFTER EXCEPTIONAL ITEMS</b>   |          | <b>(53,108,023)</b>    | <b>(12,853,676)</b>    |
| <b>VIII. Tax expense:</b>  |          |                        |                        |
| (a) Current tax  |          | 110,000                | 2,526,000              |
| (b) Deferred tax   |          | -                      | -                      |
| (c) Taxation pertaining to earlier years   |          | (379,102)              | 6,896,292              |
| <b>TOTAL TAX EXPENSE</b>   |          | <b>(269,102)</b>       | <b>9,422,292</b>       |
| <b>IX. PROFIT FOR THE YEAR (VII-VIII)</b>  |          | <b>(52,838,921)</b>    | <b>(22,275,968)</b>    |
| <b>X. OTHER COMPREHENSIVE INCOME / (LOSSES)</b>  |          |                        |                        |
| (A) (i) Items that will be reclassified subsequently to the statement of profit and loss:      |          | -                      | -                      |
| Income tax on items that will be reclassified subsequently to statement of profit and loss     |          | -                      | -                      |
| (B) (ii) Items that will not be reclassified subsequently to the statement of profit and loss: |          |                        |                        |
| (a) Net changes in fair values of financial liabilities carried at fair value through OCI      |          | (358,416)              | 1,791,487              |
| Income tax on items that will not be reclassified subsequently to statement of profit and loss |          | 89,604                 | (447,872)              |
| <b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>                                      |          | <b>(268,812)</b>       | <b>1,343,615</b>       |
| <b>XI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)</b>                                      |          | <b>(53,107,733)</b>    | <b>(20,932,353)</b>    |
| <b>XII. Earning per equity share of face value of Rs.10 each</b>                               |          |                        |                        |
| <b>I) For Continuing operation</b>   |          |                        |                        |
| Basic (in Rs.)   |          | (2.52)                 | (1.06)                 |
| Diluted (in Rs.)   |          |                        |                        |
| <b>II) For Discontinued Operations</b>   |          |                        |                        |
| Basic (in Rs.)   |          |                        |                        |
| Diluted (in Rs.)   |          |                        |                        |
| <b>II) For Discontinued &amp; Continuing Operations</b>  |          |                        |                        |
| Basic (in Rs.)   |          | (2.52)                 | (1.06)                 |
| Diluted (in Rs.)   |          |                        |                        |

### Notes forming part of the Financial Statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 22.06.2020

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**Bhaskar patel**  
(Chief Executive Officer)

Place : Mumbai  
Date : 22.06.2020

**H.C. Tandon**  
(Director)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

# PCS TECHNOLOGY LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

Consolidated Statement of Changes in Equity for the year ended 31 March, 2020

### A Equity Share Capital

(Amount in Rs.)

| Particulars                                     | Amount             |
|---|--------------------|
| <b>As at April 01, 2018</b>                     | 209,506,770        |
| Changes in Equity share capital during the year | -                  |
| <b>As at March 31, 2019</b>                     | <b>209,506,770</b> |
| Changes in Equity share capital during the year | -                  |
| <b>As at March 31, 2020</b>                     | <b>209,506,770</b> |

### B Other Equity

| Particulars   | Reserves and Surplus       |                 |                 |                            |                     |                     | Total Other Equity  |
|---|----------------------------|-----------------|-----------------|----------------------------|---------------------|---------------------|---------------------|
|   | Securities Premium Reserve | General Reserve | Capital reserve | Capital redemption reserve | Retained Earnings   | Revaluation Reserve |                     |
| <b>As at April 01, 2018</b>                         | -                          | -               | -               | -                          | 280,585,046         | -                   | 280,585,046         |
| Profit for the year                                 | -                          | -               | -               | -                          | (22,275,968)        | -                   | (22,275,968)        |
| Currency Fluctuation Reserve                        | -                          | -               | -               | -                          | (1,464,694)         | -                   | (1,464,694)         |
| Other Comprehensive Income                          | -                          | -               | -               | -                          | 1,791,487           | -                   | 1,791,487           |
| <b>Total comprehensive income for the year</b>      | -                          | -               | -               | -                          | <b>(21,949,175)</b> | -                   | <b>(21,949,175)</b> |
| Tax   | -                          | -               | -               | -                          | -                   | -                   | -                   |
| Dividend paid (including dividend distribution tax) | -                          | -               | -               | -                          | -                   | -                   | -                   |
| Reserve Withdrawn                                   | -                          | -               | -               | -                          | -                   | -                   | -                   |
| <b>As at March 31, 2019</b>                         | -                          | -               | -               | -                          | <b>258,635,871</b>  | -                   | <b>258,635,871</b>  |
| Profit for the year                                 | -                          | -               | -               | -                          | (52,838,921)        | -                   | (52,838,921)        |
| Currency Fluctuation Reserve                        | -                          | -               | -               | -                          | (556,518)           | -                   | (556,518)           |
| Other Comprehensive Income Reserve                  | -                          | -               | -               | -                          | -                   | -                   | -                   |
| Other Comprehensive Income                          | -                          | -               | -               | -                          | (358,416)           | -                   | (358,416)           |
| <b>Total comprehensive income for the year</b>      | -                          | -               | -               | -                          | <b>(53,753,855)</b> | -                   | <b>(53,753,855)</b> |
| Tax   | -                          | -               | -               | -                          | -                   | -                   | -                   |
| Dividend paid (including dividend distribution tax) | -                          | -               | -               | -                          | -                   | -                   | -                   |
| Reserve Withdrawn                                   | -                          | -               | -               | -                          | -                   | -                   | -                   |
| <b>As at March 31, 2020</b>                         | -                          | -               | -               | -                          | <b>204,882,016</b>  | -                   | <b>204,882,016</b>  |

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 **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 22.06.2020

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

# THIRTY NINTH ANNUAL REPORT 2019-2020



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

| Particulars   | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|---|-------------------------|-------------------------|
| <b>A. Cash flow from operating activities</b>                     |                         |                         |
| Net profit before tax and extra ordinary items                    | (52,838,921)            | (22,275,968)            |
| Adjustments for:  |                         |                         |
| Tax Provision   | (269,102)               | 9,422,292               |
| CSR Provision   | -                       | 2,450,000               |
| CSR Paid  | 1,000,000               | -                       |
| Depreciation  | 2,509,513               | 2,837,620               |
| Finance cost  | 4,931,006               | 4,932,505               |
| Sundry balances written off                                       | 69,481,365              | 2,117,286               |
| Fixed assets written off / Profit or Loss of Sale of Fixed Assets | -                       | 827,458                 |
| Interest received   | (26,183,425)            | (32,567,076)            |
| <b>Operating profit before working capital changes</b>            | <b>(1,369,564)</b>      | <b>(32,255,883)</b>     |
| Decrease/ (increase) in trade and others receivables              | (48,940,121)            | (36,530,038)            |
| Decrease/ (increase) in inventories                               | -                       | -                       |
| (Decrease)/ increase in trade and other payables                  | (36,244,368)            | (2,058,661)             |
| <b>Cash generated from operations</b>                             | <b>(86,554,053)</b>     | <b>(70,844,582)</b>     |
| Income tax paid (net of refunds)                                  | (934,678)               | 25,342,129              |
| <b>Net cash flow from/ (used in) operating activities</b>         | <b>(87,488,731)</b>     | <b>(45,502,453)</b>     |
| <b>B. Cash flow from investing activities</b>                     |                         |                         |
| Purchase of fixed assets  | 34,312                  | 1,485,090               |
| Purchase of non-current investments                               | 38,577,777              | 14,201,200              |
| Proceeds from sale of fixed assets                                | -                       | 680,000                 |
| Interest received   | 48,051,645              | 36,704,040              |
| <b>Net cash from/ (used in) investing activities</b>              | <b>86,663,734</b>       | <b>53,070,330</b>       |
| <b>C. Cash from financing activities</b>                          |                         |                         |
| Repayment of borrowings (net)                                     | 299,324                 | 266,316                 |
| Finance cost  | (4,931,006)             | (4,932,505)             |
| <b>Net cash from/ (used in) financing activities</b>              | <b>(4,631,682)</b>      | <b>(4,666,189)</b>      |
| Net increase/ (decrease) in cash and cash equivalents             | (5,456,679)             | 2,901,688               |
| Cash and cash equivalents at beginning of the year                | 16,027,017              | 13,125,329              |
| Cash and cash equivalents at end of the year                      | 10,570,338              | 16,027,017              |
|   | -                       | -                       |

| Particulars   | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|---|-------------------------|-------------------------|
| <b>COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT</b>                        |                         |                         |
| Cash on hand  | 44,091                  | 13,881                  |
| Balance with banks  | 10,526,247              | 16,013,136              |
| Cheques on hand   | -                       | -                       |
| Fixed deposits with banks, having original maturity of three months or less | -                       | -                       |
| <b>Cash and cash equivalents at the end of the year</b>                     | <b>10,570,338</b>       | <b>16,027,017</b>       |

# PCS TECHNOLOGY LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

### RECONCILIATION STATEMENT OF CASH AND BANK BALANCE

(Amount in Rs.)

| Particulars   | Year ended<br>31-Mar-20 | Year ended<br>31-Mar-19 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents at the end of the year as per above                         | 10,570,338              | 16,027,017              |
| Add: Balance with bank in dividend / unclaimed dividend accounts                      | -                       | -                       |
| Add: Fixed deposits with banks, having remaining maturity for less than twelve months | -                       | -                       |
| Add: Fixed deposits with banks (lien marked)  | -                       | -                       |
| Less: Fixed deposit with banks, having remaining maturity for more than twelve months | -                       | -                       |
| <b>Cash and bank balance as per balance sheet (refer note 8)</b>                      | <b>10,570,338</b>       | <b>16,027,017</b>       |

### DISCLOSURE AS REQUIRED BY IND AS 7

#### Reconciliation of liabilities arising from financing activities

| March 31, 2020                                     | Opening balance   | Cash flows | Non cash changes | Closing balance   |
|--|-------------------|------------|------------------|-------------------|
| Short term secured borrowings                      | -                 | -          | -                | -                 |
| Long term secured borrowings                       | 37,178,104        | -          | 299,324          | 37,477,428        |
| <b>Total liabilities from financing activities</b> | <b>37,178,104</b> | <b>-</b>   | <b>299,324</b>   | <b>37,477,428</b> |

| March 31, 2019                                     | Opening balance   | Cash flows          | Non cash changes | Closing balance   |
|--|-------------------|---------------------|------------------|-------------------|
| Short term secured borrowings                      | -                 | -                   | -                | -                 |
| Long term secured borrowings                       | 36,911,788        | (20,000,000)        | 266,316          | 37,178,104        |
| <b>Total liabilities from financing activities</b> | <b>36,911,788</b> | <b>(20,000,000)</b> | <b>266,316</b>   | <b>37,178,104</b> |

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 22.06.2020

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### 1. **CORPORATE INFORMATION**

The Company along with its subsidiaries, cumulatively known as "The Group". The Group is engaged mainly in IT and related FMS services. The parent Company is a public listed company incorporated and domiciled in India and the subsidiaries are public unlisted companies incorporated and domiciled in respective countries. The financial statements of the Group for the year ended 31st March 2020 are approved by the Board of Directors in Board Meeting.

### 2. **SIGNIFICANT ACCOUNTING POLICIES**

#### (A) **Statement of Compliance**

- (i) 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. The standalone financial statements as at and for the year ended 31 March 2020 are approved and authorized for issue by the Board of Directors on 22nd June 2020.

The standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These standalone financial statements are presented in lakhs of Indian rupees which is also the Company's functional currency, except per share data and as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

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.

#### (B) **Basis of preparation**

These financial statements have been prepared on the historical cost basis, except for

- (i) certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
- (ii) Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### (C) **Use of estimates and judgements**

The preparation of these financial statements in conformity with the recognition and measurement principles of IndAS requires the management of The Group to make estimates and assumptions that affect the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### **Dividend Declaration**

Dividend on Preference Shares has been declared by the company on the basis of sec 123 of the companies act 2013.

#### **Impairment of investments**

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

The company in total has invested aggregating to Rs. 2264.30 lacs in bonds in the earlier years(31st March 2019). However, due to external factors arising during the quarter ending 30th September 2019, 31st December

2019 and 31st March 2020 there is a sharp decline in the market price / realisable value of some of its investments. There is a foreseeable possibility of realising an amount (recoverable amount) much lower than carrying value. On the grounds of such external factors, the excess of carrying value over recoverable amount of Rs 328.85 lacs for the quarter ended 30th September 2019, and Rs 27.20 lacs for the quarter ended 31st December 2019 and Rs 124.44 lacs for the quarter ended 31st March 2020 totalling to Rs 480.49 lacs for the year ended 31st March 2020 is accounted as "Exceptional item". Exceptional items for the year ended 31st March 2019 includes loss of Rs 200 lacs on intercorporate deposit on the basis of management assessment.

#### **Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **Valuation of deferred tax assets**

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. A deferred tax asset shall be recognised for all deductible temporary differences and unused losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and unused losses can be utilised.

#### **Provisions and contingent liabilities**

A provision is required when The Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **CSR Provisions**

The company is not required to make CSR provision for the year ended 31st March 2020 as per the provisions of the sec 135(5) of the companies act 2013.

The COVID -19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of offices following nationwide lockdown by the Government of India. The Company shall resume operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial results as at 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

#### (D) **Revenue recognition**

The Group earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process services and maintenance of equipment. The Group also sales the products ancillary to supply of above services.

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### The Group recognises revenue as follows:

Revenue from sale of services is recognized for the work completed in terms of the contract. Income from maintenance contracts is recognized on a time proportionate basis.

Revenue from sale of products is recognized when risk and reward are passed on to the customer which is generally on dispatch of goods.

Revenues is reported net of discounts, indirect and service taxes.

(E) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

### (F) Leases

No assets are taken on lease by The Group.

### (G) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of The Group are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such commission and brokerage, recruitment and training, entertainment etc.

### (H) Foreign currency

The functional currency of the parent company and its Indian subsidiaries is Indian Rupee (INR) and functional currency of overseas subsidiaries is the local currency of the country where the same is incorporated .

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit & Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

### (I) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and Deferred taxes are recognised in Statement of Profit & Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### **Current income taxes**

The current income tax expense includes income taxes payable by the parent company and its all subsidiaries. The current tax payable by the Company in India is Indian income tax payable on worldwide income.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

#### **Deferred income taxes**

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### (J) Financial instruments

Financial assets and liabilities are recognised when The Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### **Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

#### **Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

#### **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of The Group after deducting all of its liabilities. Equity instruments recognised by The Group are recognised at the proceeds received net off direct issue cost.

### (K) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

### (L) Property, plant and equipment

Property is stated at fair value less accumulated depreciation (other than freehold land) and impairment loss, if any.

Plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

| SN | Type of asset            | Method        | Useful lives |
|----|--------------------------|---------------|--------------|
| 1  | Buildings                | Straight line | 60 years     |
| 2  | Leasehold improvements   | Straight line | 38 years     |
| 3  | Plant and equipment      | Straight line | 15 years     |
| 4  | Computer equipment       | Straight line | 03 years     |
| 5  | Vehicles                 | Straight line | 08 years     |
| 6  | Office equipments        | Straight line | 05 years     |
| 7  | Electrical installations | Straight line | 10 years     |
| 8  | Furniture and fixtures   | Straight line | 10 years     |

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

On 28th December 2011, The Group has revalued its office premises located in Technocity, Navi Mumbai, on the basis of a Government approved valuer. Consequently increase in value of Rs.87,705,187 is transferred to Revaluation Reserve Account.

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

### (M) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

### (N) Impairment

#### Financial assets (other than at fair value)

The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. IndAS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### Financial assets (other than at fair value)

#### Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (of CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (of CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

### (O) Employee benefits

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit & Loss for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined obligations reduced by the

fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

#### Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

### (P) Inventories

Company has Stock & Spare items on hand as inventory. Inventory is carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

### (R) 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.

### (S) 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.

Transition to Ind AS

The Group has opted to continue the Accounting Policy availed under para 46 A of Accounting Standard - 11 'The effects of changes in foreign currency rates' of IGAAP inserted vide notification dated December 29, 2011 issued by Ministry of Corporate Affairs, Government of India. Paragraph D13AA of Ind AS 101 allows an entity to continue this Accounting Policy availed under IGAAP for all outstanding long-term foreign currency monetary items as on March 31, 2016. Consequently, foreign exchange difference on account of long - term foreign currency borrowings utilised to acquire a depreciable asset is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.

The Group has opted the exemption vide para D12 of ind AS 101, accordingly the cumulative translation difference for all foreign operation are deemed to be zero at date of transition to Ind AS.

### (T) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of The Group by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in any of the years' presented.

Diluted earnings per share are computed by dividing net profit net profit attributable to the equity holders of The Group by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares unless the results would be anti - dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

#### Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

### (U) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of The Group is such that its disclosure improves the understanding of the performance of The Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.



# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### 3 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(Amount in Rs.)

| Description                                | Tangible Assets |                        |                     |                    |             |                   |                        | Intangible Assets<br>Software | Total        |
|--|-----------------|------------------------|---------------------|--------------------|-------------|-------------------|------------------------|-------------------------------|--------------|
|  | Buildings       | Leasehold improvements | Plant and equipment | Computer equipment | Vehicles    | Office equipments | Furniture and fixtures |                               |              |
| Cost as at 1-Apr-2016                      | 109,784,870     | 1,177,904              | 2,424,172           | 488,650            | 8,513,016   | 17,305,561        | 6,152,703              | 977,214                       | 146,824,090  |
| Additions                                  | 244,900         | -                      | -                   | -                  | -           | -                 | -                      | -                             | 244,900      |
| Disposals                                  | (9,188,295)     | -                      | (2,424,172)         | (177,450)          | -           | (105,925)         | (912,909)              | (977,214)                     | (13,785,965) |
| Cost as at 31-Mar-2017                     | 100,841,475     | 1,177,904              | -                   | 311,200            | 8,513,016   | 17,199,636        | 5,239,794              | -                             | 133,283,025  |
| Additions                                  | -               | -                      | -                   | -                  | -           | 10,500            | 225,000                | -                             | 235,500      |
| Disposals                                  | (6,098,014)     | -                      | -                   | -                  | (876,747)   | -                 | -                      | -                             | (6,974,761)  |
| Cost as at 31-Mar-2018                     | 94,743,461      | 1,177,904              | -                   | 311,200            | 7,636,269   | 17,210,136        | 5,464,794              | -                             | 126,543,764  |
| Additions                                  | -               | -                      | -                   | 37,760             | -           | -                 | -                      | -                             | 37,760       |
| Disposals                                  | -               | (1,177,904)            | -                   | -                  | (3,586,875) | (821,042)         | (336,919)              | -                             | (5,922,740)  |
| Cost as at 31-Mar-2019                     | 94,743,461      | -                      | -                   | 348,960            | 4,049,394   | 16,389,094        | 5,127,875              | -                             | 120,658,784  |
| Additions                                  | -               | -                      | -                   | 34,312             | -           | -                 | -                      | -                             | 34,312       |
| Disposals                                  | -               | -                      | -                   | -                  | -           | -                 | -                      | -                             | -            |
| Cost as at 31-Mar-2020                     | 94,743,461      | -                      | -                   | 383,272            | 4,049,394   | 16,389,094        | 5,127,875              | -                             | 120,693,096  |
| Accumulated depreciation as at 1-Apr-2016  | -               | 568,866                | 895,660             | 306,986            | 4,134,832   | 10,943,411        | 2,351,034              | 507,402                       | 19,708,191   |
| Depreciation for the year                  | 3,597,432       | 27,492                 | 227,281             | 85,275             | 1,123,510   | 4,711,870         | 645,851                | 155,364                       | 10,574,075   |
| Disposals                                  | (875,481)       | -                      | (1,122,941)         | (109,211)          | -           | (77,428)          | (702,974)              | (662,766)                     | (3,550,801)  |
| Accumulated depreciation as at 31-Mar-2017 | 2,721,951       | 596,358                | -                   | 283,050            | 5,258,342   | 15,577,853        | 2,293,911              | -                             | 26,731,465   |
| Depreciation for the year                  | 1,824,170       | 27,492                 | -                   | 12,669             | 1,018,245   | 535,888           | 552,765                | -                             | 3,971,229    |
| Disposals                                  | (3,713,522)     | -                      | -                   | -                  | (319,386)   | -                 | -                      | -                             | (4,032,908)  |
| Accumulated depreciation as at 31-Mar-2018 | 832,599         | 623,850                | -                   | 295,719            | 5,957,201   | 16,113,741        | 2,846,676              | -                             | 26,669,786   |
| Depreciation for the year                  | 1,817,751       | 5,197                  | -                   | 1,016              | 343,064     | 126,029           | 544,563                | -                             | 2,837,620    |
| Disposals                                  | -               | (629,047)              | -                   | -                  | (2,672,813) | (689,044)         | (190,317)              | -                             | (4,181,221)  |
| Accumulated depreciation as at 31-Mar-2019 | 2,650,350       | -                      | -                   | 296,735            | 3,627,452   | 15,550,726        | 3,200,922              | -                             | 25,326,185   |
| Depreciation for the year                  | 1,817,751       | -                      | -                   | 18,480             | 125,315     | 19,157            | 528,809                | -                             | 2,509,512    |
| Disposals                                  | -               | -                      | -                   | -                  | -           | -                 | -                      | -                             | -            |
| Accumulated depreciation as at 31-Mar-2020 | 4,468,101       | -                      | -                   | 315,215            | 3,752,767   | 15,569,883        | 3,729,731              | -                             | 27,835,697   |
| Net carrying amount as at 01-Apr-2016      | 109,784,870     | 609,038                | 1,528,512           | 181,664            | 4,378,184   | 6,362,150         | 3,801,669              | 469,812                       | 127,115,899  |
| Net carrying amount as at 31-Mar-2017      | 98,119,524      | 581,546                | -                   | 28,150             | 3,254,674   | 1,621,783         | 2,945,883              | -                             | 106,551,560  |
| Net carrying amount as at 31-Mar-2018      | 93,910,862      | 554,054                | -                   | 15,481             | 1,679,068   | 1,096,395         | 2,618,118              | -                             | 99,873,978   |
| Net carrying amount as at 31-Mar-2019      | 92,093,111      | -                      | -                   | 52,225             | 421,942     | 838,368           | 1,926,953              | -                             | 95,332,599   |
| Net carrying amount as at 31-Mar-2020      | 90,275,360      | -                      | -                   | 68,057             | 296,627     | 819,211           | 1,398,144              | -                             | 92,857,398   |

- i. Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.
- ii. Hypothecation details: Cash credit and Working Capital Demand Loan were hypothecated on inventories, bookdebts and first charge on the fixed assets in the year ended 31-Mar-17 and 31-Mar-2016.  
The said charge has been satisfied and surrendered in the year ended 31-Mar-18 and fixed assets are free from charge in the current year ended 31st March 2020.

(Amount in Rs.)

| Particulars  | As at<br>31-Mar-20 | As at<br>31-Mar-19 |
|--|--------------------|--------------------|
| <b>4 NON-CURRENT INVESTMENTS</b>   |                    |                    |
| <b>I) Investment carried at amortised cost</b>                                       |                    |                    |
| <b>II) Investment carried at fair value through profit or loss</b>                   |                    |                    |
| a) In Others (Unquoted)  |                    |                    |
| Saraswat Coop Bank Limited   | 1,000              | 10                 |
|  | 10,000             | 10,000             |
| <b>Total of investments in equity instruments</b>                                    | 10,000             | 10,000             |
| c) Investment in Share Certificates  |                    |                    |
| Membership of Technocity Co-operative Society  | 10,000             | 10,000             |
|  | 10,000             | 10,000             |
| <b>Net investments</b>   | 20,000             | 20,000             |
| Aggregate amount of quoted Investments<br>(Market value Rs.Nil previous year Rs.Nil) | -                  | -                  |
| Aggregate amount of Unquoted Investments   | 20,000             | 20,000             |
| Aggregate provision for diminution in value of investments                           | -                  | -                  |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

| Particulars   | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>5 OTHER ASSETS</b>   |                      |                      |
| Security Deposits with Excise & Customs Authorities & Others                  | 6,082,184            | 6,777,524            |
| Advances recoverable in cash or in kind                                       | 404,000              | -                    |
| Income tax paid (Net of provisions) **  | 1,666,928            | 4,574,860            |
| Non Current Bank Balances   | 344,430              | 344,430              |
| Other Non Current Assets  | 4,207,466            | 4,265,656            |
|   | <b>12,705,008</b>    | 15,962,470           |
| <b>b) Unsecured, Considered doubtful</b>                                      |                      |                      |
| Advances - Related Parties (refer note no.44)                                 | 25,000,000           | 25,000,000           |
|   | <b>37,705,008</b>    | 40,962,470           |
| Less: Provision for doubtful loans and advances                               | 25,000,000           | 25,000,000           |
|   | <b>12,705,008</b>    | 15,962,470           |
| <b>6 CURRENT INVESTMENTS</b>  |                      |                      |
| Corporate Bonds & Debentures  | 74,561,858           | 366,900,164          |
| Less : Provision for diminution in value of investments *                     | (42,957,358)         | -                    |
|   | <b>31,604,500</b>    | 366,900,164          |
| <b>7 TRADE RECEIVABLES</b>  |                      |                      |
| a) Unsecured, Considered good   | 68,977               | 34,414,239           |
| b) Unsecured, Considered doubtful   | -                    | -                    |
| Total trade receivables   | 68,977               | 34,414,239           |
| Less: Provision for doubtful trade receivables                                | -                    | -                    |
|   | <b>68,977</b>        | 34,414,239           |
| <b>8 CASH AND BANK BALANCES</b>   |                      |                      |
| <b>Cash &amp; Cash Equivalentents</b>   |                      |                      |
| Cash in hand  | 44,091               | 13,881               |
| Balances with Banks   |                      |                      |
| In Current account  | 10,526,247           | 16,013,136           |
| Deposits with original maturity of less than 3 months                         | -                    | -                    |
| <b>Total Cash &amp; Bank Balances</b>   | <b>10,570,338</b>    | 16,027,017           |
| <b>9 OTHER BALANCES WITH BANKS</b>  |                      |                      |
| Deposits with Original maturity of more than 3 months but less than 12 months | 304,012,068          | -                    |
|   | <b>304,012,068</b>   | -                    |
| <b>10 LOANS</b>   |                      |                      |
| Interest Accrued  | 3,087,699            | 17,350,403           |
|   | <b>3,087,699</b>     | 17,350,403           |
| <b>11 CURRENT INCOME TAX ASSETS - NET</b>                                     |                      |                      |
| Income tax paid (Net of provisions)   | 1,436,433            | -                    |
|   | <b>1,436,433</b>     | -                    |
| <b>12 OTHER CURRENT ASSETS</b>  |                      |                      |
| Prepaid Expenses  | 92,131               | 163,519              |
| Security Deposits   | -                    | 2,675,743            |
| Rent deposit - Related Parties (refer note no.43)                             |                      | 100,000              |
|   | <b>92,131</b>        | 2,939,262            |

\* Considering the current market valuations, the Company has made provision for impairment of investments during the current year.

\*\* The amount includes unrealised credit of TDS relating to past assessment year.

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

| Particulars   | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>13 SHARE CAPITAL</b>   |                      |                      |
| <b>Authorised:</b>  |                      |                      |
| 2,10,25,000 Equity share of Rs.10 each  | 210,250,000          | 210,250,000          |
| 39,75,000 Preference Shares of Rs.10 each<br>(Redeemable, Non-Convertible & Non-Cumulative) | 39,750,000           | 39,750,000           |
|   | <b>250,000,000</b>   | 250,000,000          |
| <b>Issued, Subscribed and paid up:</b>  |                      |                      |
| 2,09,50,677 (Previous Year - 2,09,50,677) Equity Share of Rs.10 each                        | 209,506,770          | 209,506,770          |
|   | <b>209,506,770</b>   | 209,506,770          |

**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.

**c) Reconciliation of the shares outstanding at the beginning and end of the year 31-03-2020, 31-03-2019:**

| Particulars                                     | Equity Shares |             |
|---|---------------|-------------|
|   | Number        | Amount      |
| Shares outstanding at the beginning of the year | 20,950,677    | 209,506,770 |
| Shares outstanding at the end of the year       | 20,950,677    | 209,506,770 |

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

| Name of Shareholder               | As at 31/03/2020 |           | As at 31/03/2019 |           |
|-----------------------------------|------------------|-----------|------------------|-----------|
|                                   | No. of shares    | % holding | No. of shares    | % holding |
| Mrs. Rajnikanta Patni             | 2,428,930        | 11.39     | 2,428,930        | 11.39     |
| PCS Finance Private Limited       | 1,901,560        | 9.08      | 1,901,560        | 9.08      |
| Ashoka Computer Systems Pvt. Ltd. | 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             | 1,657,087        | 7.89      | 1,657,087        | 7.89      |

(Amount in Rs.)

| Particulars   | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|---|----------------------|----------------------|
| <b>14 OTHER EQUITY</b>                                    |                      |                      |
| <b>Retained Earnings</b>                                  |                      |                      |
| Opening balance   | 258,635,871          | 280,585,046          |
| Add: OCI Reserves   | -                    | -                    |
| Add: Profit for the year                                  | (52,838,921)         | (22,275,968)         |
| Add: Remeasurement gain   (loss) on defined benefit plans | (358,416)            | 1,791,487            |
| Add: Currency Fluctuation Reserve                         | (556,518)            | (1,464,694)          |
| <b>Grand Total</b>  | <b>204,882,016</b>   | <b>258,635,871</b>   |

- i. PCS Technology USA Inc, one of the wholly owned subsidiary of the company stands dissolved as per the certificate of Dissolution issued by the authorities of the State of New Jersey (USA).

(Amount in Rs.)

| Particulars                        | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|------------------------------------|----------------------|----------------------|
| <b>15 LONG TERM BORROWINGS</b>     |                      |                      |
| <b>Unsecured</b>                   |                      |                      |
| Loan from Related Parties          |                      |                      |
| a) Preference Shares               | 37,477,428           | 37,178,104           |
| <b>Total financial liabilities</b> | <b>37,477,428</b>    | <b>37,178,104</b>    |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### The above Long term borrowings include:

a) 39,75,000 (Previous Year - 39,75,000) 9% Preference Share of Rs.10 each (Redeemable, Non-Convertible & Non-Cumulative) carried at amortised cost

### b) Terms/ Rights attached to Preference Shares:

The Company has only one class of preference shares having a par value of Rs.10 per share, allotted on 31st January 2013 and redeemable in the 12th and 13th year from the date of allotment or earlier, shall be redeemable at such redemption price including premium not exceeding Rs. 125/- per share having regard to the financial conditions of the Company, at the time of redemption, 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 31-03-2020, 31-03-2019:

| Particulars                                     | Preference Shares |            |
|---|-------------------|------------|
|   | Number            | Amount     |
| Shares outstanding at the beginning of the year | 3,975,000         | 39,750,000 |
| Shares outstanding at the end of the year       | 3,975,000         | 39,750,000 |

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

| Name of Shareholder          | As at 31/03/2020 |           | As at 31/03/2019 |           |
|------------------------------|------------------|-----------|------------------|-----------|
|                              | No.of shares     | % holding | No.of shares     | % holding |
| Mr. Ashok Patni Family Trust | 1,965,000        | 49.43     | 1,965,000        | 49.43     |
| Mr. Gajendra Kumar Patni     | 1,480,000        | 37.23     | 1,480,000        | 37.23     |

d) Board of Directors of the Company at its Meeting held on 7th February 2020 has approved the payment of 9 % dividend aggregating to the value of Rs.35,77,500 on 3975000- 9% Redeemable, Non-Convertible, Non-Cumulative Preference Shares (Preference Shares) of Rupees 10/- each fully paid up to the Preference Shareholders of the Company. The dividend on preference shares amounting to Rs.43,12,867 (including dividend distribution tax of Rs.7,35,367) has been paid on 07-February-2020 as per sec 123 of the Companies Act ,2013.

(Amount in Rs.)

| Particulars                                    | As at<br>31-Mar-2020 | As at<br>31-Mar-2019 |
|--|----------------------|----------------------|
| <b>16 OTHER FINANCIAL LIABILITIES</b>          |                      |                      |
| Deposits received on rental premises           | 2,474,738            | 2,270,403            |
|  | <b>2,474,738</b>     | 2,270,403            |
| <b>17 PROVISIONS</b>                           |                      |                      |
| Long-term provision for leave benefits         | 350,380              | 292,801              |
|  | <b>350,380</b>       | 292,801              |
| <b>18 OTHER LIABILITIES</b>                    |                      |                      |
| Deferred Rental Deposits                       | -                    | 214,339              |
|  |                      | 214,339              |
| <b>19 TRADE AND OTHER PAYABLES</b>             |                      |                      |
| Due to Micro , Small and Medium Enterprises    | -                    | -                    |
| Others   | 836,900              | 38,403,576           |
| (Refer note 32 for details of dues to MSME)    |                      |                      |
|  | <b>836,900</b>       | 38,403,576           |
| <b>20 CURRENT INCOME TAX LIABILITIES - NET</b> |                      |                      |
| Income tax paid (Net of provisions)            | -                    | 1,493,379            |
|  |                      | 1,493,379            |
| <b>21 PROVISIONS</b>                           |                      |                      |
| Short-term provision for leave benefits        | 473,259              | 472,028              |
|  | <b>473,259</b>       | 472,028              |
| <b>22 OTHER CURRENT LIABILITIES</b>            |                      |                      |
| Deferred Rental Deposits                       | 75,262               | 65,258               |
| Statutory dues and taxes payable               | 197,828              | 74,766               |
| Trade advances                                 | 179,971              | 338,859              |
|  | <b>453,061</b>       | 478,883              |

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

| Particulars   | Year ended<br>31-Mar-2020 | Year ended<br>31-Mar-2019 |
|---|---------------------------|---------------------------|
| <b>23 REVENUE FROM OPERATIONS</b>                                   |                           |                           |
| Sales of Services: IT and related FMS services                      | 2,989,797                 | 5,808,368                 |
| <b>Net Sales</b>  | <b>2,989,797</b>          | <b>5,808,368</b>          |
| <b>24 OTHER INCOME</b>  |                           |                           |
| i) Interest income from Financial Assets measured at amortised cost |                           |                           |
| Interest income from NCD & Bonds                                    | 15,693,012                | 32,567,076                |
| ii) Rent income   | 5,855,714                 | 5,556,399                 |
| iii) Other non-operating income                                     | 18,095,929                | 4,676,268                 |
|   | <b>39,644,655</b>         | <b>42,799,743</b>         |
| <b>25 EMPLOYEE BENEFIT EXPENSES</b>                                 |                           |                           |
| Salaries & Wages  | 7,890,342                 | 12,477,961                |
| Contribution to Provident fund etc                                  | 535,398                   | 693,025                   |
| Staff Welfare expenses  | 20,110                    | 99,605                    |
|   | <b>8,445,850</b>          | <b>13,270,591</b>         |
| <b>26 FINANCE COST</b>  |                           |                           |
| Interest expense  | 114,480                   | 163,818                   |
| Dividend on Preference Shares (including DDT)                       | 4,312,867                 | 4,305,796                 |
| Interest on financial liabilities carried at amortised cost         | 503,659                   | 452,983                   |
| Other borrowing cost  | -                         | 9,908                     |
|   | <b>4,931,006</b>          | <b>4,932,505</b>          |
| <b>27 DEPRECIATION AND AMORTISATION EXPENSES</b>                    |                           |                           |
| Depreciation and amortisation expenses                              | 2,509,513                 | 2,837,620                 |
|   | <b>2,509,513</b>          | <b>2,837,620</b>          |
| <b>28 OTHER EXPENSES</b>  |                           |                           |
| Power & fuel  | 177,526                   | 655,485                   |
| Rent  | 1,255,747                 | 1,556,776                 |
| Rates & taxes   | 248,702                   | 496,186                   |
| Insurance   | 298,930                   | 453,063                   |
| Advertisement & sales promotion                                     | 316,336                   | 307,812                   |
| Travelling and conveyance expenses                                  | 419,658                   | 717,783                   |
| Consumable, stores and spares                                       | 16,607                    | 5,300                     |
| Office maintainence   | 141,280                   | 355,884                   |
| Printing & stationery   | 648,522                   | 720,636                   |
| Communication expenses  | 196,613                   | 889,416                   |
| Auditor's remuneration  |                           |                           |
| as Auditors   | 517,700                   | 223,597                   |
| for Tax audit   | 30,000                    | 50,000                    |
| Legal, professional & consultancy charges                           | 3,776,965                 | 4,941,874                 |
| Freight & forwarding  | 248,983                   | 236,989                   |
| Directors sitting fees  | 290,000                   | 405,800                   |
| Bad debts and remissions  | -                         | 655,000                   |
| Subcontracting charges paid   | -                         | 88,577                    |
| Sales & Work contract tax paid                                      | 248,480                   | 179,302                   |
| Loss on Sale of Fixed Assets  | -                         | 1,165,249                 |
| Net Loss disposal of Investments carried at amortised cost          | 3,624,280                 | 170,535                   |
| Contribution to CSR   | -                         | 2,450,000                 |
| Miscellaneous expenses  | 1,162,684                 | 3,695,807                 |
|   | <b>13,619,013</b>         | <b>20,421,071</b>         |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### 29. EXCEPTIONAL ITEMS

| Particulars   | Income   (Expenses) |                     |
|---|---------------------|---------------------|
|   | 2019-20             | 2018-19             |
| Net gain on disposal of Property, Plant and Equipment | (48,048,727)        | (20,000,000)        |
| Interest Receivable Written-Off                       | (1,430,488)         | -                   |
| Settlement Expenses                                   | (16,757,878)        | -                   |
| <b>Total</b>  | <b>(66,237,093)</b> | <b>(20,000,000)</b> |

30. (a) In the previous year, out of the the contingent liability which the Company has carried on in respect service tax demand raised by the Service tax department and which were disputed and pending before the adjudicating authorities/Tribunal, the Company in the current period has paid Rs.1,67,57,878/- to Government in full settlement of demand by availing provisions of Sabka Vishwas Sabka Vishwas (Legacy Disputes Resolution) 2019 scheme and satisfied respective Contingent Liabilities.

| Period of Demand | Amount of Demand | Amount Paid Under the Scheme |
|------------------|------------------|------------------------------|
| April 2004-09    | 22,904,559       | 11,452,279                   |
| April 2006-07    | 3,426,553        | 1,027,966                    |
| April 2009-10    | 5,045,046        |                              |
| April 2010-11    | 2,913,810        | 4,277,633                    |
| April 2011-12    | 596,410          |                              |

- (b) Contingent Liability (in the current Period)

The Company has received a Show Cause Notice from Director of Revenue Intelligence demanding Rs. 2,15,40,551 u/s 28 of Custom Act 1962 on account of Custom Duty on import of OPK from Microsoft during the period of Apr2006 - Mar2007.

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

The Jt. Director Foreign, Trade has passed as order for demand of Rs.9,50,074 citing non-submission of proof of export obligations for the company's earstwhile CCL division for the periods 2001-04.

The Company has filed an appeal along with full payment of pre-deposit before Director General Foreign Trade, Mumbai on the facts and grounds substantiating documentary evidences.

With reference to note no 14(b) there could be possibility of payment of premium on redemption of 39,75,000 Redeemable Non cumulative Preference shares. In terms of Letter of Offer for the preference shares, the premium on redemption would not exceed Rs.125 per preference shares having regards to the Financial condition of the company, at the time of redemption. as the Board of Directors may decide. The Company's management is of the opinion that liability in respect of these premium on preference shares (if any payable) shall be provided in books of account at the time of redemption.

31. i. Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.
- ii. PCS Technology USA Inc, one of the wholly owned subsidiary of the company stands dissolved as per the certificate of Dissolution issued by the authorities of the State of New Jersey (USA). Effect of the same has been accounted in Retained earnings.

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

| Particulars   | As at 31-Mar-20 | As at 31-Mar-19 |
|---|-----------------|-----------------|
| Principle amount due to suppliers under MSMED Act at the year end                               | -               | -               |
| Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end | -               | -               |
| Payment made to suppliers (other than interest) beyond the appointed day during the year        | -               | -               |
| Interest paid to suppliers under MSMED Act during the year                                      | -               | -               |
| Interest due & payable to suppliers under MSMED Act for payments already made                   | -               | -               |
| Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.         | -               | -               |

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management

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

| Particulars | 31-Mar-20 |   | 31-Mar-19 |   |
|-------------|-----------|---|-----------|---|
|             | Value     | % | Value     | % |
| Imported    | -         | - | -         | - |
| Indigenous  | -         | - | -         | - |
|             | -         | - | -         | - |

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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

| Particulars   | 31-Mar-20 | 31-Mar-19 |
|---|-----------|-----------|
| Raw Material, Store & spares and Computer Peripherals | -         | -         |

(C) Expenditure in foreign currency:\

| Particulars | 31-Mar-20 | 31-Mar-19 |
|-------------|-----------|-----------|
| Traveling   | -         | -         |

(D) Earning in foreign currency:

| Particulars               | 31-Mar-20 | 31-Mar-19 |
|---------------------------|-----------|-----------|
| Export sales and services | -         | -         |

34. Particulars of Earnings per Shares:

| Particulars  | 31-Mar-20    | 31-Mar-19    |
|--|--------------|--------------|
| a) Net Profit for the year   | (52,838,921) | (22,275,968) |
| b) Number of equity shares outstanding at the beginning and at the end of the year | 20,950,677   | 20,950,677   |
| c) Nominal Value of the shares (Rs.)   | 10.00        | 10.00        |
| d) Basic and diluted Earning per share (Rs.) (a/b)                                 | (2.52)       | (1.06)       |

35 CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

a) Income tax expense

| Particulars                                       | 2019-20 | 2018-19   |
|---|---------|-----------|
| <b>i) Current tax</b>                             |         |           |
| Current tax on profits for the year               | 110,000 | 2,526,000 |
| Adjustments for current tax of prior period       | -       | -         |
| <b>Total current tax expense</b>                  | 110,000 | 2,526,000 |
| <b>ii) Deferred tax</b>                           |         |           |
| (Decrease)   Increase in deferred tax liabilities | -       | -         |
| Decrease   (Increase) in deferred tax assets      | -       | -         |
| Trfd to OCI on actuarial gain or loss             | -       | -         |
| <b>Total deferred tax expense (benefit)</b>       | -       | -         |
| <b>Income tax expense</b>                         | 110,000 | 2,526,000 |

b) The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows

| Particulars                                 | 2019-20      | 2018-19        |
|---|--------------|----------------|
| a) Statutory income tax rate                | 26.00%       | 26.00%         |
| b) Differences due to:                      |              |                |
| i) Expenses not deductible for tax purposes | 103.31%      | 121.92%        |
| ii) Income exempt from income tax           | 0.00%        | 0.00%          |
| iii) Income tax incentives                  | 0.00%        | 0.00%          |
| iv) Others                                  | -129.10%     | -167.57%       |
| <b>Effective income tax rate</b>            | <b>0.21%</b> | <b>-19.65%</b> |

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.

d) Current tax assets (net)

| Particulars   | 2019-20          | 2018-19            |
|---|------------------|--------------------|
| Add: Tax paid in advance, net of provisions during the year | 1,546,433        | 906,621            |
| Less: Current tax payable for the year                      | -                | (2,400,000)        |
| <b>Closing balance</b>                                      | <b>1,436,433</b> | <b>(1,493,379)</b> |

e) Unrecognised temporary differences

The Company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### 36 EMPLOYEE BENEFIT OBLIGATIONS

#### Funded Scheme

#### a) Defined Benefit Plans:

##### Gratuity

The Company operates a gratuity plan through the 'PCS TECHNOLOGY LIMITED Employees Gratuity Trust'. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

#### Balance sheet amount (Gratuity Liability) Amount in Rs.

| Particulars   | Amount             |
|---|--------------------|
| <b>April 1, 2017</b>  |                    |
| <b>Present Value of obligations at beginning of the year</b>                  | 11,065,599         |
| Current service cost  | 589,047            |
| Interest expense (income)   | 422,293            |
| Past service Cost   | 460,998            |
| <b>Total amount recognised in profit and loss</b>                             | <b>12,537,937</b>  |
| Remeasurements  | -                  |
| Benefits paid   | (9,817,650)        |
| (Gain )   Loss from change in financial assumptions                           | 2,453,307          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(7,364,343)</b> |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2018</b>   | <b>5,173,594</b>   |
| Current service cost  | 268,309            |
| Interest expense (income)   | 253,951            |
| <b>Total amount recognised in profit and loss</b>                             | <b>522,260</b>     |
| Remeasurements  | -                  |
| Return on plan assets, excluding amount included in interest expense (income) | (3,852,290)        |
| (Gain )   Loss from change in financial assumptions                           | 1,333,717          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(2,518,573)</b> |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2019</b>   | <b>3,177,281</b>   |
| Current service cost  | 170,541            |
| Interest expense (income)   | 156,970            |
| <b>Total amount recognised in profit and loss</b>                             | <b>327,511</b>     |
| Remeasurements  | -                  |
| Return on plan assets, excluding amount included in interest expense (income) | (130,800)          |
| (Gain )   Loss from change in financial assumptions                           | 25,932             |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(104,868)</b>   |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2020</b>   | <b>3,399,924</b>   |



# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### Balance sheet amount (Gratuity Asset)

| Particulars   | Amount in Rs.      |
|---|--------------------|
| <b>April 1, 2017</b>  |                    |
| Fair Value of Plan Assets at the beginning of the year                        | 14,154,755         |
| Interest income/ (Expense)  | 685,621            |
| Contribution by Employer  | 1,500,000          |
| <b>Total amount recognised in profit and loss</b>                             | <b>16,340,376</b>  |
| Remeasurements  | -                  |
| Benefits paid   | (9,817,650)        |
| Return on plan assets, excluding amount included in interest expense (income) | 1,194,557          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(8,623,093)</b> |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2018</b>   | <b>7,717,283</b>   |
| Interest income/ (Expense)  | 452,740            |
| Contribution by Employer  | -                  |
| <b>Total amount recognised in profit and loss</b>                             | <b>452,740</b>     |
| Remeasurements  | -                  |
| Benefits paid   | (3,852,290)        |
| Return on plan assets, excluding amount included in interest expense (income) | 3,125,204          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(727,086)</b>   |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2019</b>   | <b>7,442,937</b>   |
| Interest income/ (Expense)  | 653,669            |
| Contribution by Employer  | -                  |
| <b>Total amount recognised in profit and loss</b>                             | <b>653,669</b>     |
| Remeasurements  | -                  |
| Benefits paid   | (130,800)          |
| Return on plan assets, excluding amount included in interest expense (income) | (358,416)          |
| Experience (gains) losses   | -                  |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>(489,216)</b>   |
| Employer contributions  | -                  |
| Benefit payments  | -                  |
| <b>March 31, 2020</b>   | <b>7,607,390</b>   |

The net liability disclosed above relates to funded and unfunded plans are as follows:

| Particulars                         | As at<br>31-03-2020 | As at<br>31-03-2019 | As at<br>31-03-2018 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Present value of funded obligations | 3,399,924           | 3,177,281           | 5,173,594           |
| Fair value of plan assets           | 7,607,390           | 7,442,937           | 7,717,283           |
| <b>Deficit of Gratuity plan</b>     | <b>(4,207,466)</b>  | <b>(4,265,656)</b>  | <b>(2,543,689)</b>  |

### Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| Particulars                   | As at<br>31-03-2020 | As at<br>31-03-2019 | As at<br>31-03-2018 |
|-------------------------------|---------------------|---------------------|---------------------|
| Discount rate                 | 6.54%               | 7.46%               | 7.82%               |
| Attrition rate                | 1.00%               | 1.00%               | 1.00%               |
| Rate of return on plan assets | 12.00%              | 12.00%              | 12.00%              |
| Salary escalation rate        | 5.00%               | 5.00%               | 5.00%               |

# THIRTY NINTH ANNUAL REPORT 2019-2020



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Major category of plan assets are as follows:

| Particulars                       | 31-Mar-20 |           |           |      |
|-----------------------------------|-----------|-----------|-----------|------|
|                                   | Quoted    | Unquoted  | Total     | in % |
| <b>Government of India assets</b> |           |           |           |      |
| <b>Debt instruments</b>           |           |           |           |      |
| Corporate bonds                   | -         | -         | -         | -    |
| <b>Investment funds</b>           |           |           |           |      |
| Fixed Deposit                     | -         | 7,607,390 | 7,607,390 | 100% |
| <b>Others</b>                     |           |           |           |      |
| <b>Special deposit scheme</b>     |           |           |           |      |
|                                   | -         | 7,607,390 | 7,607,390 | 100% |

Major category of plan assets are as follows:

| Particulars                       | 31-Mar-19 |           |           |      |
|-----------------------------------|-----------|-----------|-----------|------|
|                                   | Quoted    | Unquoted  | Total     | in % |
| <b>Government of India assets</b> |           |           |           |      |
| <b>Debt instruments</b>           |           |           |           |      |
| Corporate bonds                   | -         | -         | -         | -    |
| <b>Investment funds</b>           |           |           |           |      |
| Fixed Deposit                     | -         | 7,442,937 | 7,442,937 | 100% |
| <b>Others</b>                     |           |           |           |      |
| <b>Special deposit scheme</b>     |           |           |           |      |
|                                   | -         | 7,442,937 | 7,442,937 | 100% |

| Particulars                       | 31-Mar-18 |           |           |      |
|-----------------------------------|-----------|-----------|-----------|------|
|                                   | Quoted    | Unquoted  | Total     | in % |
| <b>Government of India assets</b> |           |           |           |      |
| <b>Debt instruments</b>           |           |           |           |      |
| Corporate bonds                   | -         | -         | -         | -    |
| <b>Investment funds</b>           |           |           |           |      |
| Fixed Deposit                     | -         | 7,717,283 | 7,717,283 | 100% |
| <b>Others</b>                     |           |           |           |      |
| <b>Special deposit scheme</b>     |           |           |           |      |
|                                   | -         | 7,717,283 | 7,717,283 | 100% |

### Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 is NIL

The weighted average duration of the defined benefit obligation is 5 years (2015-16: 5 years). The expected maturity analysis of gratuity is as follows:

| Particulars                           | Total        |
|---------------------------------------|--------------|
| Defined benefit obligation (gratuity) |              |
| As at March 31, 2020                  | 3,399,924.00 |
| As at March 31, 2019                  | 3,177,281.00 |

#### b) Defined contribution plans:

Amount of Rs.1,65,987 (March 31, 2019: Rs.69,520) is recognised as expense and included in the Note 25 'Salary and Wages'.

#### c) Provident fund:

The Company makes monthly contribution to Government approved Provident Fund.

#### d) Compensated absences amount of Rs.1,07,642 (March 31, 2019: Rs.1,59,860) is recognised as expense and included in the Note 25 "Salaries & Wages"

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### 37 Fair Value Measurement

| Particulars                        | 31-Mar-20     |          |                   | 31-Mar-19     |          |                   |
|------------------------------------|---------------|----------|-------------------|---------------|----------|-------------------|
|                                    | FVPL          | FVOCI    | Amortised cost    | FVPL          | FVOCI    | Amortised cost    |
| <b>Financial assets</b>            |               |          |                   |               |          |                   |
| Investments:                       |               |          |                   |               |          |                   |
| Equity instruments                 | 20,000        |          | -                 | 20,000        |          | -                 |
| Trade receivables                  |               |          | 68,977            |               |          | 34,414,239        |
| Cash and bank balances             |               |          | 10,570,338        |               |          | 16,027,017        |
| Other receivables                  |               |          | 3,087,699         |               |          | 17,350,403        |
| <b>Total Financial assets</b>      | <b>20,000</b> | <b>-</b> | <b>13,727,014</b> | <b>20,000</b> | <b>-</b> | <b>67,791,659</b> |
| <b>Financial liabilities</b>       |               |          |                   |               |          |                   |
| Trade payables                     |               |          | 836,900           |               |          | 38,403,576        |
| Security deposits                  |               |          | 2,474,738         |               |          | 2,270,403         |
| Directors Loan                     |               |          | -                 |               |          | -                 |
| Preference Shares                  |               |          | 37,477,428        |               |          | 37,178,104        |
| <b>Total financial liabilities</b> | <b>-</b>      | <b>-</b> | <b>40,789,066</b> | <b>-</b>      | <b>-</b> | <b>77,852,083</b> |

#### Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

#### i) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2020

| Particulars                        | Notes | Level 1  | Level 2  | Level 3              | Total                |
|------------------------------------|-------|----------|----------|----------------------|----------------------|
| <b>Financial liabilities</b>       |       |          |          |                      |                      |
| Directors Loan                     |       |          |          | -                    | -                    |
| Preference Shares                  |       |          |          | 37,477,428.00        | 37,477,428.00        |
| Security deposits                  |       | -        | -        | 2,474,738.00         | 2,474,738.00         |
| <b>Total financial liabilities</b> |       | <b>-</b> | <b>-</b> | <b>39,952,166.00</b> | <b>39,952,166.00</b> |

#### ii) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2019

| Particulars                        | Notes | Level 1  | Level 2  | Level 3              | Total                |
|------------------------------------|-------|----------|----------|----------------------|----------------------|
| <b>Financial liabilities</b>       |       |          |          |                      |                      |
| Directors Loan                     |       |          |          | -                    | -                    |
| Preference Shares                  |       |          |          | 37,178,104.00        | 37,178,104.00        |
| Security deposits                  |       | -        | -        | 2,270,403.00         | 2,270,403.00         |
| <b>Total financial liabilities</b> |       | <b>-</b> | <b>-</b> | <b>37,178,104.00</b> | <b>37,178,104.00</b> |

There were no transfers between any levels during the year:

#### Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

#### Level 2:

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

- iv) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.  
v) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2.

### c) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

### d) Fair value of financial assets and liabilities measured at amortised cost

| Particulars                        | As at March 31, 2020 |                   | As at March 31, 2019 |                   |
|------------------------------------|----------------------|-------------------|----------------------|-------------------|
|                                    | Carrying amount      | Fair value        | Carrying amount      | Fair value        |
| <b>Financial assets:</b>           |                      |                   |                      |                   |
| Loans to subsidiary companies      | -                    | -                 | -                    | -                 |
| Loans to Employees                 | -                    | -                 | -                    | -                 |
| <b>Total financial assets</b>      | -                    | -                 | -                    | -                 |
| <b>Financial liabilities</b>       |                      |                   |                      |                   |
| Security deposits                  | 2,550,000            | 2,474,740         | 2,550,000            | 2,270,403         |
| Directors Loan                     | -                    | -                 | -                    | -                 |
| Preference Shares                  | 39,750,000           | 37,477,428        | 39,750,000           | 37,178,104        |
| <b>Total financial liabilities</b> | <b>42,300,000</b>    | <b>39,952,168</b> | <b>42,300,000</b>    | <b>39,662,846</b> |

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 38 CAPITAL MANAGEMENT

### Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital plus total debt.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt.

| Particulars       | 31-Mar-20      | 31-Mar-19      |
|-------------------|----------------|----------------|
| Total Debt        | 37,477,428.00  | 37,178,104.00  |
| Total Equity      | 414,388,786.00 | 468,142,641.00 |
| Debt-Equity ratio | 0.09           | 0.08           |

## 39. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

- a) Gross amount paid by the Company to Chief Minister/ Prime Minister National Relief Fund for the period for the current year is Rs. 10,00,000 (Rupees ten lakhs).

### b) Amount paid during the year on:

| Particulars                                | Paid      | Yet to be paid in | Total     |
|--|-----------|-------------------|-----------|
| i) Construction   acquisition of any asset | -         | -                 | -         |
| ii) On purposes other than (i) above       | -         | -                 | -         |
| For the year 14-15                         | 1,000,000 | -                 | 1,000,000 |
| For the year 15-16                         | 1,400,000 | -                 | 1,400,000 |
| For the year 16-17                         | 1,550,000 | -                 | 1,550,000 |
| For the year 17-18                         | 1,400,000 | -                 | 1,400,000 |
| For the year 18-19                         | 1,000,000 | -                 | 1,000,000 |
| Total                                      | 6,350,000 | -                 | 6,350,000 |

## 40 REGROUPED | RECAST | RECLASSIFIED

Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### 41 ROUNDING OFF

Figures less than Rs. 50,000 if any has been shown at actuals in bracket.

### 42. 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 NIL and hence there is single reportable geographical segment.

### 43.1 Related parties disclosures:

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

1. PCS Positioning Systems (India) Limited
2. PCS Infotech Limited, India
3. PCS Technology, USA, Inc. (Dissolved as on 18th December, 2019)

#### 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- (Director)

##### b) Relatives of key management personnel

1. Mrs. Rajnikanta Patni  
(Wife of Mr. G.K. Patni)
2. Mrs. Sadhana Patni  
(Wife of Mr. A.K. Patni)
3. Mr. Apoorva Patni (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)

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

1. Kalpavruksh Systems Private Limited  
(Formerly known as Kalpavruksh Systems Limited and before that Vraksh Technologies Limited)
2. Patni Healthcare Private Limited (Formerly known as Patni Healthcare Limited)
3. Ashok Patni Family Trust

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

| Description                             | Key Management Personnel | Relative of key Management Personnel | Affiliates  | Total       |
|---|--------------------------|--------------------------------------|-------------|-------------|
| 1 Sales of goods and services           | -                        | -                                    | 2,693,716   | 2,693,716   |
|   | -                        | -                                    | (4,056,089) | (4,056,089) |
| 2 Rent paid                             | -                        | -                                    | -           | -           |
|   | -                        | -                                    | -           | -           |
| 3. Reimbursement of expenses paid       | -                        | -                                    | -           | -           |
|   | -                        | -                                    | (59,999)    | (59,999)    |
| 4 Loan Taken                            | -                        | -                                    | -           | -           |
|   | -                        | -                                    | -           | -           |
| 5 Loan Refunded                         | -                        | -                                    | -           | -           |
|   | (-)                      | -                                    | -           | -           |
| 6 Security Deposit (Rent) received back | -                        | -                                    | -           | -           |
|   | (-)                      | (100,000)                            | -           | (100,000)   |
| 7 Remuneration to Directors             | -                        | -                                    | -           | -           |
|   | (5,118,290)              | -                                    | -           | (5,118,290) |
| 8 Dividend Paid                         | 1,332,000                | -                                    | 2,245,500   | 3,577,500   |
|   | (1,332,000)              | -                                    | (2,245,500) | (3,577,500) |

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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

| Description                                    | Key Management Personnel | Relative of key Management Personnel | Affiliates       |
|--|--------------------------|--------------------------------------|------------------|
| <b>1 Sales of goods and services</b>           |                          |                                      |                  |
| Kalpavruksh Systems Private Limited            | -                        | -                                    | <b>2,326,788</b> |
|  | -                        | -                                    | (3,422,289)      |
| Patni Healthcare Private Limited               | -                        | -                                    | <b>366,928</b>   |
|  | -                        | -                                    | (633,800)        |
| <b>2 Rent paid</b>                             |                          |                                      |                  |
| Mr. A. K. Patni                                | -                        | -                                    | -                |
|  | -                        | -                                    | -                |
| Mr. Apoorva Patni                              | -                        | -                                    | -                |
|  | -                        | -                                    | -                |
| <b>3 Reimbursement of expenses paid</b>        |                          |                                      |                  |
| Patni Healthcare Private Limited               | -                        | -                                    | -                |
|  | -                        | -                                    | (59,999)         |
| <b>4 Loan Taken</b>                            |                          |                                      |                  |
| Mr. A. K. Patni                                | -                        | -                                    | -                |
|  | -                        | -                                    | -                |
| <b>5 Loan Refunded</b>                         |                          |                                      |                  |
| Mr. A. K. Patni                                | -                        | -                                    | -                |
|  | (-)                      | -                                    | -                |
| Mr. G. K. Patni                                | -                        | -                                    | -                |
|  | (-)                      | -                                    | -                |
| <b>6 Security Deposit (Rent) received back</b> |                          |                                      |                  |
| Sobhagmal Patni (HUF)                          | -                        | -                                    | -                |
|  | -                        | (100,000)                            | -                |
| Sadhana Patni                                  | -                        | -                                    | -                |
| Apoorva Patni                                  | -                        | -                                    | -                |
| Apoorva Patni                                  | -                        | -                                    | -                |
| A.K. Patni                                     | -                        | -                                    | -                |
|  | -                        | -                                    | -                |
| <b>8 Remuneration/Benefits to Directors</b>    |                          |                                      |                  |
| H.C.Tandon                                     | -                        | -                                    | -                |
|  | (-)                      | -                                    | -                |
| Yash Bhardwaj                                  | -                        | -                                    | -                |
|  | (5,118,294)              | -                                    | -                |
| <b>9. Dividend Paid</b>                        |                          |                                      |                  |
| Ashok Patni Family Trust                       | -                        | -                                    | 1,768,500        |
|  | -                        | -                                    | (1,768,500)      |
| A.K. Patni                                     | -                        | -                                    | -                |
|  | (-)                      | -                                    | -                |
| G K Patni                                      | 1,332,000                | -                                    | -                |
|  | (1,332,000)              | -                                    | -                |
| Ashoka Computer Systems Pvt Ltd                | -                        | -                                    | 162,000          |
|  | -                        | -                                    | (162,000)        |
| PCS Cullinet Pvt Ltd                           | -                        | -                                    | 162,000          |
|  | -                        | -                                    | (162,000)        |
| PCS Finance Pvt Ltd                            | -                        | -                                    | 153,000          |
|  | -                        | -                                    | (153,000)        |

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

### 43.4 Balance outstanding as at year end:

| Description         | Key Management Personnel | Relative of key Management Personnel | Affiliates | Total |
|---------------------|--------------------------|--------------------------------------|------------|-------|
| 1 Receivable        | -                        | -                                    | -          | -     |
| 2 Loan taken        | -                        | -                                    | -          | -     |
| 3 Property deposits | -                        | -                                    | -          | -     |
|                     | -                        | (-)                                  | -          | -     |

### 43.5 Significance closing balances outstanding as at year end:

| Description  | Key Management Personnel | Relative of key Management Personnel | Affiliates |
|--|--------------------------|--------------------------------------|------------|
| 1 <b>Receivable</b><br>Kalpavruksh Systems Private Limited | -                        | -                                    | -          |
| 2 <b>Loan Taken</b><br>A.K. Patni                          | -                        | -                                    | -          |
| G.K. Patni   | -                        | -                                    | -          |
| 3 <b>Property Deposits</b><br>Rajnikanta Patni             | -                        | -                                    | -          |
| Sadhana Patni  | -                        | -                                    | -          |
| Apoorva Patni  | -                        | -                                    | -          |
| Arihant Patni  | -                        | -                                    | -          |
| Sobhagmal Maganmal Patni HUF                               | -                        | -                                    | -          |
| A.K. Patni   | -                        | (-)                                  | -          |
|  | -                        | -                                    | -          |

### 44.1 Disclosure requirement of loans & Advances / Investments as per schedule V of SEBI (LODR) Regulations, 2015

Amount of loans and advances in nature of loans outstanding from subsidiaries:

|   | (Amount in Rs.)            |
|---|----------------------------|
| PCS Positioning Systems (India) Limited | 25,000,000<br>(25,000,000) |

Note: Previous year figures are shown in brackets

### 44.2 Details of Investment by the Loanee in the shares of the company:

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

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

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

For and on behalf of the Board of Directors

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Bhaskar patel**  
(Chief Executive Officer)

**Mir Prakash Jain**  
(Chief Financial Officer)

**Mehul Monani**  
(Company Secretary)

Place : Mumbai  
Date : 22.06.2020

Place : Mumbai  
Date : 22.06.2020





**BY SPEED POST / REGISTERED POST / COURIER**

To

If undelivered please return to :

**M/s. Bigshare Services Pvt. Ltd.**  
**UNIT : PCS Technology Limited**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059  
Tel: 022 62638200

**PCS**  
TECHNOLOGY

**PCS TECHNOLOGY LIMITED**

**Registered Office :82/6/1, Solar Park, Shop no.6, Pune-Alandi Road, Dattanagar,  
Dighi- Pune- 411015**