



# PCS Technology Limited

**31st  
Annual Report  
2011-12**

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PROXY	

**PCS**  
TECHNOLOGY  
**PCS TECHNOLOGY LIMITED**

**BOARD OF DIRECTORS**

Mr. G. K. Patni	Chairman
Mr. A. K. Patni	Vice Chairman
Mr. H. C. Tandon	Managing Director & CEO
Mr. N. K. Patni	Director
Mr. Apoorva Patni	Director
Mr. Satish Ajmera	Director
Mr. D. B. Engineer	Director
Mr. G. M. Dave	Director
Mr. P. V. Mehta	Director
Mr. K. K. Barjatya	Director

**COMPANY SECRETARY**

Mr. Bhaskar J. Patel

**AUDITORS**

**S. C. Bandi & Co.**

Chartered Accountants, Mumbai

**BANKERS**

Canara Bank  
Indian Bank  
Dena Bank  
Union Bank of India

**REGISTERED OFFICE**

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

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072.  
Tel. : 2847 0652 / 4043 0200  
Fax : 022-2847 5207

**31ST ANNUAL GENERAL MEETING**

<b>Day, Date &amp; Time</b>	:	Friday, 21st December, 2012, 10.00 A.M.
<b>Venue</b>	:	Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106

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

# PCS TECHNOLOGY LIMITED

## NOTICE TO MEMBERS

**NOTICE** is hereby given that the 31<sup>st</sup> ANNUAL GENERAL MEETING of PCS Technology Limited will be held in Meeting Hall of Hotel Aaradhana Garden situated at Gat No.123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106 on Friday, 21<sup>st</sup> December, 2012 at 10.00 a.m. to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Kamal Kumar Barjatya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Apoorva Patni who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gajendra Kumar Patni who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

#### 6. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE COMPANY:-

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

**"RESOLVED THAT** the existing authorised share capital of ₹ 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity shares of ₹ 10/- (Rupees Ten only) each be reclassified into 2,10,25,000 (Two Crores Ten Lakhs Twenty Five Thousand) Equity shares of ₹ 10/- (Rupees Ten only) each and 39,75,000 (Thirty Nine Lakhs Seventy Five Thousand) Redeemable, Non Convertible and Non-Cumulative Preference Shares of ₹ 10/- (Rupees Ten only) each and that the Clause V of the Memorandum of Association be altered accordingly by substituting the following new clause in place of the existing Clause V:

"The Authorised Share Capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,10,25,000 (Two Crores Ten Lakhs Twenty Five Thousand) Equity shares of ₹ 10/- (Rupees Ten only) each and 39,75,000 (Thirty Nine Lakhs Seventy Five Thousand) Redeemable, Non Convertible and Non-Cumulative Preference Shares of ₹ 10/- (Rupees Ten only) each and the Company may, from time to time increase, reduce or modify its capital and divide all or any of the shares in the capital of the Company, classify and reclassify such shares from shares of one class into shares of other class or classes and attach thereto respectively such preferential, deferred, qualified or other rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and vary, modify or abrogate any such rights, powers, privileges, conditions or restrictions in such manner and by such persons as may, for time being, be permitted under the provisions of Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

**"RESOLVED FURTHER THAT** any Director of the Company or Company Secretary, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution including the filing of necessary e-forms with the Registrar of Companies."

#### 7. ALTERATION OF ARTICLE 4 OF ARTICLES OF ASSOCIATION OF THE COMPANY:-

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

**"RESOLVED THAT** pursuant to the Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 4 of the Articles of Association relating to Authorised Share Capital of the Company be and is hereby deleted and in its place the following new article be and is hereby substituted namely:

"The Authorised Share Capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,10,25,000 (Two Crores Ten Lakhs Twenty Five Thousand) Equity shares of ₹ 10/- (Rupees Ten only) each and 39,75,000 (Thirty Nine Lakhs Seventy Five Thousand) Redeemable, Non Convertible and Non-Cumulative Preference Shares of ₹ 10/- (Rupees Ten only) each and the Company may, from time to time increase, reduce or modify its capital and divide all or any of the shares in the capital of the Company, classify and reclassify such shares from shares of one class into shares of other class or classes and attach thereto respectively such preferential, deferred, qualified or other rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and vary, modify or abrogate any such rights, powers, privileges, conditions or restrictions

in such manner and by such persons as may, for time being, be permitted under the provisions of Articles of Association of the Company or the legislative provisions for the time being in force and to amend the conditions in respect thereof in the Memorandum by Ordinary resolution to the extent and for the purpose aforesaid."

**"RESOLVED FURTHER THAT** any Director of the Company or Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution including the filing of necessary e-forms with the Registrar of Companies."

## 8. **ISSUE OF 9% REDEEMABLE, NON-CONVERTIBLE, NON-CUMULATIVE PREFERENCE SHARES**

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

**"RESOLVED THAT** pursuant to the provisions of Section 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges and regulations/rules/guidelines issued by the Securities and Exchange Board of India (herein after referred to as "SEBI"), Reserve Bank of India, Stock Exchanges and /or such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and contracts, and on such terms, conditions, alterations, modifications, approvals, permissions, sanctions and consents, which may be accepted by the Board of Directors of the Company, as the case may be, the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include any duly constituted and authorized committee thereof) to create, issue, offer, allot and deliver in one or more tranches on a private placement basis not exceeding 39,75,000 (Thirty Nine Lakhs Seventy Five Thousand), 9% Redeemable, Non Convertible, Non-Cumulative Preference Shares of ₹10/- (Rupees Ten Only) each aggregating to nominal amount of ₹ 3,97,50,000/- (Rupees Three Crores Ninety Seven Lakhs Fifty Thousand only) for cash at a premium not exceeding ₹ 125/- (Rupees One Hundred Twenty Five only) per share, together with premium aggregating not exceeding ₹ 53,66,25,000/- (Rupees Fifty Three Crores Sixty Six Lakhs Twenty Five Thousand only) to the Promoters and/or Promoter Companies of the Company ".

**"RESOLVED FURTHER THAT** for the purpose of creating, issuing, offering and allotting the said preference shares of the Company, as aforesaid, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and to decide the terms and conditions of issue of aforesaid Preference Shares (including redemption period, amount of premium on issue and redemption, manner of redemption and other terms and conditions thereto) in its absolute discretion and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the said preference shares of the Company as it may, in its absolute discretion, deem fit and proper".

### **Registered Office:**

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

By Order of the Board  
For PCS Technology Ltd.

**Bhaskar J Patel**  
Company Secretary

Mumbai, 10<sup>th</sup> November, 2012

### **NOTES :**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF OR HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 14<sup>th</sup> day of December, 2012 to Friday, 21<sup>st</sup> day of December, 2012, both days inclusive.
- 3) Members are requested to:
  - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date and also their email ID.
  - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
  - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
  - (d) to send their queries, if any, at least 10 (ten) days in advance of the meeting so that the information can be made available at the meeting.

# PCS TECHNOLOGY LIMITED

## 4) Information pursuant to Clause 49 of the Listing Agreement for Appointment / Re-appointment of Directors:

<i>Name of the Director</i>	<i>Date of Birth</i>	<i>Date of Appointment</i>	<i>Directorships in other companies incorporated in India</i>	<i>Chairman/Member of Other Committees of other Companies</i>
<b>Mr. Kamal Kumar Barjatya</b>	25.03.1938	30.10.1995	Rajshri International (P) Ltd.	-
			Rajshri Pictures (P) Ltd.	-
			Rajshri Productions (P) Ltd.	-
			Rajshri Films (P) Ltd.	-
			Rajshri Cinemas (P) Ltd.	-
			Sargam Pictures (P) Ltd.	-
			Rajshri Media (P) Ltd.	-
			Rajshri Movies & Entertainment Industries (P) Ltd.	-
			National Storage (P) Ltd.	-
<b>Mr. Apoorva Patni</b>	18.06.1982	28.07.2007	Bodhi Global Services Pvt. Ltd.	-
			Gemstone Real Estate Pvt. Ltd.	-
			Patni software services Pvt. Ltd.	-
			Kalpavruksh Systems Ltd.	Member of the Audit Committee
			Saulese Energija Ltd.	-
			Patni Financial Advisors Pvt. Ltd.	-
			Amber Apartments Pvt. Ltd.	-
			Central expressways Constructions Ltd.	-
			RPG Farms Ltd.	-
			Patni Healthcare Pvt. Ltd.	-
			Avendus PE Investments Advisors Pvt. Ltd.	-
<b>Mr. G.K. Patni</b>	24.03.1941	22.04.1981	PCS Cullinet Pvt. Ltd.	-

- 5) The Company has obtained the approval of the Registrar of Companies, Pune vide its letter dated 6<sup>th</sup> August, 2012 for the extension of holding the AGM till 31<sup>st</sup> December, 2012.

### Registered Office:

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

Mumbai, 10<sup>th</sup> November, 2012

By Order of the Board  
For PCS Technology Ltd.

**Bhaskar J Patel**  
Company Secretary

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT WITH RESPECT TO SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 6 & 7

Presently the Authorised share capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten Only) each. The present paid up share capital is ₹ 20,95,06,770/- (Rupees Twenty Crores Ninety Five Lakhs Six Thousand Seven Hundreded Seventy only) comprising 2,09,50,677 (Two Cores Nine Lakhs Fifty Thousand Six Hundred Seventy Seven) Equity shares of ₹ 10/- (Rupees Ten only) each.

To enable the Company to issue Preference Shares, the Company proposes to re-classify the Authorised Share Capital of ₹ 25,00,00,000/- (Rupees Twenty Five Crores) consisting of Equity and Preference shares as under :-

2,10,25,000 Equity Shares of ₹ 10/- each ..... ₹ 21,02,50,000/-

39,75,000 Redeemable, Non Convertible and Non-Cumulative Preference shares of ₹ 10/- each ..... ₹ 3,97,50,000/-

The alterations in the relevant clause in the Memorandum & Articles of Association are consequential. The Board of Directors recommended the respective resolutions for approval of the members. The draft copy of the Memorandum of Association & Articles of Association of the Company is available for inspection at the Registered Office of the Company on any working day between 11.00 A.M. to 1.00 P.M. till the date of the ensuing Annual General Meeting. The Resolutions are, therefore, recommended for approval of the Shareholders.

#### ITEM NO. 8

The Preference share is being issued to adequately capitalize the Company to meet business and financial requirements of the Company.

In terms of the provisions of Section 80 of the Companies Act, 1956 (the Act) read with Article No. 7 of Company's Articles of Association, members' approval by way of a Special Resolution is required for offer, issue and allotment of redeemable Preference Shares. As per Section 81 of the Act when a Company proposes to increase the subscribed share capital by allotment of further shares, then, such further shares shall be offered to the existing shareholders proportionately. Irrespective of the above, Section 81(1A) provides that further shares as aforesaid may be offered to any person(s), if a Special resolution to that effect is passed by the Company at a general meeting.

The Board of Directors have considered it expedient to make the issue of preference shares on a private placement basis to the promoters and/or Promoter Companies of the Company to ensure full subscription, to minimize the cost of issue and raise the required funds in the shortest time.

Accordingly, the Company propose to issue 39,75,000 (Thirty Nine Lakhs Seventy Five Thousand) 9%, Redeemable, Non-convertible, Non-cumulative Preference Shares of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 3,97,50,000/- (Rupees Three Crores Ninety Seven Lakhs Fifty Thousand only) for cash at a premium not exceeding ₹ 125/- (Rupees One Hundred Twenty Five only) per share, together with premium aggregating not exceeding ₹ 53,66,25,000/- (Rupees Fifty Three Crores Sixty Six Lakhs Twenty Five Thousand only) on private placement basis to the Promoters and/or Promoter Companies of the Company which requires approval of members by a Special resolution.

The resolution set out in the notice seeks to confer authority on the Board of Directors to raise and allot Preference Shares of an amount including premium not exceeding ₹ 53,66,25,000/- (Rupees Fifty Three Crores Sixty Six Lakhs Twenty Five Thousand only) to the Promoters and/or Promoter companies of the Company on such terms and conditions as the Board or the Committee constituted for this purpose may determine in this regard.

The Board of Directors accordingly recommends the resolution for the approval of the members.

The Directors of the Company are interested in the said Resolution to the extent of the allotment to be made to them, their relatives and to the Companies in which they are interested directly or indirectly.

#### **Registered Office:**

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

Mumbai, 10<sup>th</sup> November, 2012

By Order of the Board  
For PCS Technology Ltd.

**Bhaskar J Patel**  
Company Secretary

# PCS TECHNOLOGY LIMITED

## DIRECTORS' REPORT

The Members,

### PCS TECHNOLOGY LIMITED

Your Directors have the pleasure in presenting their 31st Annual Report together with Audited Accounts for financial year ended 31st March 2012.

### FINANCIAL RESULTS

(₹ In lacs)

Particulars	Financial Year ended 31.03.2012	Financial Year ended 31.03.2011
Net sales & Services	13619	18486
Gross Profit	621	586
Depreciation	391	492
Profit for the year from Operations	230	94
Provision for Taxation (Net)	73	22
Profit for the year	157	72
Less: Extraordinary items	13	-
Net Surplus available for Appropriation	144	2379
Balance of Profit/(Loss) available in Balance Sheet	244	2379

### OPERATIONS

During the year under review, your Company has achieved Gross Sales of ₹ 13619 Lacs as against ₹ 18486 Lacs in the previous year.

Some of the activities of the Company relating to computer hardware faced stiff competition and affected margins and caused stress on cash flow over the past few years. It was therefore, proposed that in the best interest of Company and its shareholder such of those unproductive activities be restructured and enable Management to better focus on IT and IT enabled services.

In view of restructuring of the business line, the sale turnover of the company will not be comparable to the last year's turnover.

### SCHEME OF ARRANGEMENT

As per the "Scheme of Arrangement between the Company and its Shareholders and Creditors" pursuant to the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 and the order passed by Hon'ble High Court of judicature at Bombay, vide order dated 28 September 2012, the Company has written off some assets of the unproductive activities amounting to ₹ 7899.62 Lacs which have lost economic value to the Company by utilization of Reserves and Surplus as on 31<sup>st</sup> March 2012.

### DIVIDEND

In order to conserve the resources of the Company, your Directors express their inability to recommend any dividend for the financial year ended 31st March 2012.

### REGISTERED OFFICE OF THE COMPANY

During the year under report, the Company has shifted its Registered office to new premises bearing unit no 1 situate at Gat no. 478, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune - 412 106 as the Plot bearing nos. 148-151 situate at Alandi Markaal Road, Alandi, Pune which was the registered office of the Company prior to its shifting to Gat no. 478 has been sold.

### DIRECTORS

As per Article 135 of the Articles of Association of the Company, Mr. K. K. Barjatya, Mr. Apoorva Patni and Mr. G. K. Patni, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your company.

A brief note on Directors retiring by rotation and being eligible for re-appointment is furnished in the notice convening the Annual General Meeting.



## DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2012 and of the profit of the company for the said year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. Annual Accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

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

## DEPOSITS

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

## SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956 the Audited Balance sheet and Profit & Loss Account and the respective reports of the Board of Directors' and Auditors' for the financial year ended 31st March 2012 of PCS International Limited, Mauritius and PCS Technology Inc., USA and PCS Positioning Systems (India) Limited are annexed.

## CONSOLIDATED FINANCIAL STATEMENTS

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

## AUDITORS

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

## PARTICULARS OF EMPLOYEES

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

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

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

## ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

Mumbai, 18<sup>th</sup> October, 2012

**G.K. Patni**  
Chairman

# PCS TECHNOLOGY LIMITED

## ANNEXURE "A" TO THE DIRECTORS' REPORT

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

### (A) Conservation of Energy

The Computer Assembly Division of the Company uses only electricity, which is very insignificant in value while considering total volume of operations.

### (B) Technology Absorption

Not applicable

### (C) Foreign Exchange Earnings/Outgo

Your Company has earned foreign exchange worth ₹55 Lacs and has spent foreign exchange worth ₹ 63 Lacs under the following heads.

Particulars:	(₹ In Lacs)
(i) Raw Material and Components	-
(ii) Capital Goods	-
(iii) Other Expenses	63.00
	<u>63.00</u>

On behalf of the Board of Directors

Mumbai, 18<sup>th</sup> October, 2012

**G.K. Patni**  
Chairman