



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

**Day, Date & Time**

: 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 [investorgreivances@pcstech.com](mailto:investorgreivances@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:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><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 OR 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:

- 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**.
- 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:

- 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.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 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.

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:

(Rs. In lakhs)

Particulars	Financial Year ended 31.03.2020	Financial Year ended 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 required to provide for diminution in the value of unrealised Investment made in Bonds of few Corporates and hence, the Company were required 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 extract 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 7<sup>th</sup> 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 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059 Tel: 022 62638200

#### III. PRINCIPAL BUSSNESS 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, Add:-S. No.1, F-1, Irani Market Compound, Yerawada, Pune 411106	U72900PN2004PLC019448	Subsidiary (WOS)	100%	2(87)
2	PCS Infotech Ltd Add:-S. No.1, F-1, Irani Market Compound, 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>									
<b>1. Institutions</b>									
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
Independent Directors	Mr. G. M. Dave	Mr. Satish Ajmera	Mr. K. K Barjatya	Mrs. Vandana Gupta	
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. The Company pays sitting fees of Rs. 10,000/- per meeting of the Board (for Board & Committee Meeting attended by the Directors)				