



USG Tech Solutions Limited

2015 - 2016
17TH ANNUAL REPORT





USG TECH SOLUTIONS LIMITED

ANNUAL REPORT 2015-2016

Registered Office :
Plot No.-3 ,Shiva Nagar Colony, Sainik Puri,
Secunderabad, Telangana-500094

Corporate office :
11B, Shiv Apartments,
7 Raj Narain Marg, Civil Lines, Delhi-110054

Website: www.usgtechsolutions.com

Email id: secretarial@usgtechsolutions.com

BOARD OF DIRECTORS

Mr. Servesh Gupta

Managing Director

Mr. Satish Kumar Gupta

Director & Chairman

Mr. Anil Kumar Gupta

Independent Director

Ms. Nirmal Garg

Independent Director

AUDIT COMMITTEE

Mr. Anil Kumar Gupta

Chairman

Ms. Nirmal Garg

Member

Mr. Servesh Gupta

Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Anil Kumar Gupta

Chairman

Ms. Nirmal Garg

Member

Mr. Servesh Gupta

Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Anil Kumar Gupta

Chairman

Ms. Nirmal Garg

Member

Mr. Servesh Gupta

Member

Notice

Directors' Report

Annual Return

Secretarial Audit Report

Corporate Governance Report

Auditors' Report

Balance Sheet

Statement of Profit & Loss

Cash Flow Statement

Notes on Financial Statement

Attendance Slip

Proxy

STATUTORY AUDITORS

M/s. Udit Aggarwal & Associates.

Chartered Accountants

Firm Registration. No.: 026161N

BANKER

HDFC Bank, New Delhi

HDFC Bank, Noida

YES Bank, New Delhi

**REGISTRAR & TRANSFER
AGENT**

M/s Bigshare Services

Private Limited

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Sakinaka,

Andheri (East) Mumbai-400072

Email id: info@bigshareonline.com

NOTICE

Notice is hereby given that the 17th Annual General Meeting of USG Tech Solutions Limited will be held on Friday, 30th September, 2016 at 12:00 Hrs. at Oyster Airport Hotel, 5-12/1, Nehru Outer Ring Road, Brindavan Gardens, Kishanguda, Shamshabad, Hyderabad, Telangana -501218, to transact the following business:-

ORDINARY BUSINESS

1. Consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, the Reports of the Directors and Auditors thereon:
2. Re-appoint Mr. Satish Kumar Gupta (DIN- 01451050) who retires by rotation at this meeting and being eligible, offers himself for re-appointment
3. Ratification of and fixing of remuneration of, the Statutory Auditors.

SPECIAL BUSINESS

4. Re-Appointment of Mr. Servesh Gupta, DIN: - 01451093) as Managing Director and Payment of Remuneration

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] and subject to other statutory approvals, if any, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Servesh Gupta (DIN: 01451093) as Managing Director of the Company for a further period of five years w.e.f. 23rd October, 2015."

"RESOLVED FURTHER THAT Mr. Servesh Gupta, Managing Director be paid remuneration effective from 1st October, 2015 for a period of Five years on the following terms and conditions:

- A. Salary: (Rs./Month)- 1.50 lacs
- B. Perquisites: These are classified into the following three categories:

PART-A**i) Housing:**

- a) The expenditure by the Company, on hiring furnished accommodation shall be subject to the following ceilings:

Sixty per cent of the Basic Salary, over and above ten per cent payable by him.

- b) If the Company does not provide accommodation, he shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the Salary.

- ii) Medical Expenses: Reimbursement of expenses incurred for self and family in accordance with the rules of the Company for the time being in force and as amended from time to time.

- iii) Leave Travel Concession: Leave travel concession for self and family once in a year Incurred in accordance with the rules of the Company.

- iv) Club Fees: Fees of clubs subject to a maximum of two clubs.
- v) Personal Accident Insurance: Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs 10000

NOTE: For the purpose of perquisites stated hereinabove, 'family' means the spouse and the dependent children of the appointee.

PART - B

- i) Gratuity, if payable under the Company's Rules shall not exceed half a month's salary for each completed year of service.
- ii) Earned Leave and its Encashment: On full pay and allowances as per the rules of the Company, but not exceeding one month's leave for every eleven months of service.

PART - C

Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company. The perquisites mentioned above in Part 'A' will be included in the computation of ceiling on remuneration whereas Part 'B' and 'C' will not be included.

Ceiling on Remuneration: The aggregate remuneration shall not exceed the limits provided in Section 197 read with Schedule V of the Companies Act, 2013 except with the previous approval of the Central Government. , Pursuant to Sub-paragraph A of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such compliances and approvals as may be necessary, wherein, in any financial year during the tenure of his service, the Company has no profits or its Profits are inadequate; the Company may pay to Mr. Servesh Gupta Managing Director remuneration by way of salary, perquisites and other benefits as mentioned above as minimum remuneration.

Commission: Commission shall be paid over and above the total remuneration stated herein based on net profits of the Company in a particular financial year as may be determined by the Board of Directors and Nomination and Remuneration Committee of the Company, which put together with salary and perquisites shall be subject to the overall ceiling specified in Section 197 and Section I of Part II of Schedule V of the Companies Act, 2013.

"RESOLVED FURTHER that the Board of Directors and/or Committee thereof of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution

5. Approval of Related Party Transactions

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 (including any amendment or modification thereof) and applicable provisions of the Companies Act, 2013 read with relevant Rules thereto [including any statutory modification(s) or re-enactment thereof, for the time being in force] and subject to such other approvals, sanctions as may be required from other authorities under any laws or regulations or guidelines and after such alterations and modifications as may be specified by such other authorities while according the approval or sanction, wherever applicable, approval of the members of the Company be and is hereby accorded to the Board of into ongoing related party contract/arrangements/transactions with Retails Information System Pty Ltd a Foreign Wholly Owned subsidiary of the Company, relating to sale, purchase or supply

of products, goods or materials or availing or rendering of services and leasing of property of any kind (movable or immovable) up to an amount of Rs.20.00 Crores : (Rupees Twenty Crore Only) for the financial year 2016-17 on such terms and conditions as may be decided by the Board."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do and perform all such acts, matters, deeds and things as may be necessary, without further referring to the Members of the Company in order to give effect to this resolution."

"**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved ratified and confirmed in all respects.

By the order of the Board of Directors

For USG Tech Solutions Limited

SD/-

Mr. Servesh Gupta
11B, Shiv Apartments,
7 Raj Narain Marg,
Civil Lines, Delhi-110054
Date: 10.08.2016

NOTES:

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 and 5 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Managing Director under Item No. 3 of the Notice, are also annexed.
- A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- The Register of Members and Share Transfer Books of the Company will be closed on 23rd September 2016
- Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
- The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents (RTA), big share Services Pvt Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
- Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
- Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- Members / Proxies should bring the Attendance slip duly filled in for attending the meeting along with their copy of the Annual Report.
- In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2016 has been sent to all the members whose email address (es) are registered with the Company/ Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in terms of SEBI

Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address (es). Members, who have not yet registered their email address with the Company/RTA/Depository Participant, are requested to do the same at the earliest. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost. The Notice of the Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.usgtechsolutions.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

- The route map showing directions to reach the venue of the 17th AGM is given on Back Cover.
- All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the registered office of the Company.

- **VOTING THROUGH ELECTRONIC MEANS FOR ANNUAL GENERAL MEETING**

In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

- a. The Board of Directors has appointed Sunny Chopra & Company (Company Secretaries) as the Scrutinizer having office S-26 TF, Part-II Chankya Market, Next To Mongia Building C-1, Janak Puri New Delhi-110059, for conducting the e voting process in a fair and transparent manner.
- b. Members are requested to carefully read the instructions for e-voting before casting their vote.
- c. The e-voting facility will be available during the following voting period after which the portal will be blocked and shall be available for e-voting.

Commencement of e-voting	From 27th September 2016 at 9:00 AM(IST)
End of e-voting	Up to 29th September 2016 at 05:00 PM(IST)

- d. The cut-off date (i.e. the record date) for the purpose of e-voting is 23rd September 2016. In compliance of Section 108 of the Companies Act, 2013

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER

(i) The voting period begins on 27th September 2016 at 9:00 AM and ends on 29th September 2016 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on Shareholders
- (iii) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> ● 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 (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Company. i.e. < USG TECH SOLUTIONS LIMITED > on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details 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 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.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

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

(B) The voting period begins on 27th September 2016 at 9:00 AM and ends on 29th September 2016 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.