



## **NOTICE**

Notice is hereby given that **7<sup>th</sup> Annual General Meeting of ECS Biztech Limited** will be held at the registered office of the Company on Friday, 29<sup>th</sup> Day of September, 2017 at 5:00 P.M. to transact following business:

### **ORDINARY BUSINESS:**

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

**“RESOLVED THAT** the board’s report, the statement of profit and loss and the cash flow statement for the year ended March 31, 2017 and the balance sheet as at that date, together with the independent auditors’ report thereon be and are hereby considered, approved and adopted”.

2. To re-appoint Mr. Vijay Mandora (DIN: 00328792), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

3. RATIFICATION OF APPOINTMENT OF AUDITORS

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

**“RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s Kajarekar & Co., Chartered Accountants, (Firm Registration No. 137731W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2018.”

**Date: 01/09/2017**  
**Place: Ahmedabad**

**For and on behalf of Board of Directors of**  
**ECS Biztech Limited**

**Vijay Mansinhbhai Mandora**  
**Managing Director**  
**DIN: 00328792**



## NOTES

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) relating to Special Business to be transacted at the Annual General Meeting (“AGM” or “Meeting”) is annexed hereto.
2. A Member Entitled To Attend And Vote At The Agm Of The Company Is Entitled To Appoint A Proxy To Attend And Vote On A Poll Instead Of Himself And The Proxy Need Not Be A Member. Pursuant to the provisions of Section 105 of the Act, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy shall be deposited at the Registered Office of the Company at least FORTY-EIGHT HOURS before the time for holding the Meeting. Proxy Form for the AGM is enclosed. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice at the end.
4. Members/ proxies are requested to bring their duly filled-in attendance slips enclosed herewith to attend the Meeting mentioning therein details of their DP and Client ID/ Folio No.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 A.M. and 01.00 P.M. till the date of the Meeting.
8. Information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) in respect of appointment of Director is furnished in the annexed Explanatory Statement and forms part of the notice.
9. All correspondence relating to change of address, change in the e-mail ID already registered with the Company, transfer/ transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the Company may be made to M/s. PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED., the registrar and share transfer agent. The Members holding shares in



dematerialised form may send such communication to their respective depository participant/s (DPs).

10. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form no. SH13, duly filled in to the Company / RTA / DP. The prescribed form can be obtained from the RTA / DPs as well as downloaded from the Company's website, <http://ecsbiztech.com/>
11. The Register of Members and Share Transfer Books of the Company would remain closed on Friday, 22<sup>nd</sup> September, 2017 for determining the names of Members eligible for voting at the Meeting.
12. The Members whose names appear on the Company's Register of Members as on Saturday, September 23, 2017 ("cut-off date") will be eligible to attend and vote at the Meeting.
13. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form to the e-mail ID provided by you. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to Purva.
14. Members holding shares in physical form are requested to avail dematerialisation facility.
15. Pursuant to Sections 101 and 136 of the Act read with relevant Rules framed thereunder, the Annual Report for FY 2016-17 and the Notice of the AGM, inter-alia indicating the process and manner of Remote e-voting alongwith the attendance slip and proxy form are being sent by e-mail to those Members who have registered their e-mail ID either with the Company or with the Depository unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail ID, physical copies of the Annual Report for FY 2016-17 and the Notice of the AGM, inter-alia, indicating the process and manner of Remote e-voting along with the attendance slip and proxy form, will be sent in the permitted mode.
16. Notice of the AGM and Annual Report of the Company, is made available on the Company's website, <http://ecsbiztech.com/> for download.
17. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
18. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in physical form can submit their PAN to the Company/Purva.
19. Shareholders can register their complaints, if any, on an exclusive designated e-mail ID, [shailika.soni@ecscorporation.com](mailto:shailika.soni@ecscorporation.com)



20. Shareholders are requested to send their queries, if any, on Annual Report, to the Company Secretary, atleast seven days before the date of Meeting, so that the requisite information/ explanations can be provided in time.
21. The Company has engaged the services of National Securities Services Limited (NSDL) as the Agency to provide e-voting facility.
22. Kumar Pal Mehta, Practising Company Secretary has been appointed as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
23. The Scrutinizer's decision on the validity of the vote shall be final.
24. Once the vote on a resolution stated in this notice is cast by shareholder through Remote e-voting, the shareholder shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by Remote e-voting may also attend the Meeting; however, such member shall not be allowed to vote again.
25. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the Results will be declared by the Company on its website, <http://ecsbiztech.com/> within 48 hours of the conclusion of the AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 1,2 and 3

The Board recommends the Ordinary Resolution set forth in Item No. 1, 2 and 3 of the Notice for approval of the shareholders.



## **Annexure to the Notice of Annual General Meeting**

### **Details of Directors seeking Appointment/Reappointment in Annual General Meeting**

<b>Name of Director</b>	Mr. Vijay mandora
<b>Age (Yrs.)</b>	45 years
<b>Brief Resume and expertise</b>	B. Tech in electronics and Telecom and having experience of more 25 years in the field IT
<b>Designation</b>	Managing Director
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Audit Committee, Member
<b>No. of Shares held in the Company</b>	12575390
<b>Other Directorship</b>	1. ECS Infotech Pvt Ltd, Director 2. ECS Environment Pvt Ltd, Add. Director 3. Laurels Management Pvt Ltd, Director 4. Mandora Finserve Pvt Ltd, Director

**Date: 01/09/2017**  
**Place: Ahmedabad**

**For and on behalf of Board of Directors of**  
**ECS Biztech Limited**

**Vijay Mansinhbhai Mandora**  
**Managing Director**  
**DIN: 00328792**



**The instructions for shareholders voting electronically are as under:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, September 26, 2017, 9.00 a.m. and ends on Thursday, September 28, 2017, 5.00 p.m. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 23, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.



- (ii) Launch internet browser by typing the following URL:  
<https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above.  
Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "ECS Biztech Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [kumarpal@outlook.com](mailto:kumarpal@outlook.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)





B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID
PASSWORD/PIN	

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Saturday, 23<sup>rd</sup> September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, 23<sup>rd</sup> September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.





- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Kumar Pal Mehta, Practicing Company Secretary, Ahmedabad has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.ecsbiztech.com](http://www.ecsbiztech.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai





7<sup>th</sup> Annual General Meeting

Friday 29<sup>th</sup> September, 2017

ATTENDANCE SLIP

(To be presented at the entrance)

Full name and address  
of the shareholder :

Full name of the proxy  
(to be filled in if proxy form  
has been duly deposited with  
the company) :

Registered folio no. /  
DP ID & client ID :

No. of equity shares held :

Email ID :

I certify that I am a member/proxy/authorized representative for the member of the company. I hereby accord my presence at the 7<sup>th</sup> annual general meeting of the company at the registered office of the company on Friday, 29<sup>th</sup> September, 2017 at 5:00 pm.

\_\_\_\_\_  
Signature of the member/proxy  
(To be signed at the time of  
Handling over this slip)

Notes

1. Persons attending the annual general meeting are requested to bring their copies of annual report.
2. Joint shareholders may use Xerox copies or obtain additional attendance slip at the venue of the meeting.
3. Bodies corporate, whether a company or not, who are members, may attend through their authorized representative appointed under Section 113 of the Companies Act, 2013. A copy of authorization should be deposited with the company.



7<sup>th</sup> Annual General Meeting  
Friday, 29<sup>th</sup> September, 2017

Proxy Form  
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)

Name of the Member :

Registered Address :

Email :

Folio No/Client Id :

DP ID :

I/We, being the member(s) holding equity shares of ECS Biztech Limited, hereby appoint;

**Name:** \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

**Name:** \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

**Name:** \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_



As my/or proxy to attain and vote for me / us and on my / our behalf at the 7<sup>th</sup> Annual General Meeting of the company scheduled on Friday, 29<sup>th</sup> September, 2017 at 5:00 pm at the registered office of the Company and at any adjourned meeting thereof in respect of such resolutions as are indicated herein:

Sr. No	Resolution	Vote For	Vote Against
1	To receive, consider and adopt the audited financial statements of the company for the financial year ended on March 31, 2017 together with reports of the directors and auditors thereon.		
2	To re-appoint Mr. Vijay Mandora (DIN: 00328792), who is liable to retire by rotation and being eligible, offers himself for re-appointment		
3	To ratify appoint statutory auditors of the company		

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of the Member \_\_\_\_\_

\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy

\_\_\_\_\_  
Signature of 2<sup>nd</sup> proxy

\_\_\_\_\_  
Signature of 3<sup>rd</sup> proxy

### Notes

1. For the resolutions , explanatory statements and notes, please refer to the notice of the 7<sup>th</sup> annual general meeting.
2. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before commencement of the meeting.
3. A proxy need not be a member of the company.
4. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
5. Those members who have multiple folios with different joint holders may use xerox copies of this attendance slip/proxy form.



To,

The Members,

Your Directors have pleasure in presenting their **Annual Report** on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2017.

Particulars	2016-17	2015-16
Income for the year	19,38,12,600	86,382,427
Expenditure for the year excluding Depreciation and Amortization Exp.	20,74,28,745	1,00,801,282
<b>Profit or Loss before Depreciation and Amortization Exp</b>	<b>-1,36,16,145</b>	<b>-14,478,855</b>
Less: Depreciation and Amortization Exp	1,15,89,872	18,544,746
<b>Profit or Loss after Depreciation and Amortization Exp. But before Tax</b>	<b>4,32,99,473</b>	<b>7,906,652</b>
Less: Tax	64,46,472	-7,860,763
<b>Profit or Loss After Tax</b>	<b>3,68,53,001</b>	<b>1,42,60,805</b>

## 2. PERFORMANCE:

Income from the business has increased as compared to previous year and consequently total revenue for the year has increased. However, due to rise in cost of expenses, the Company has incurred loss during the year. The Management of the Company is taking efforts for the development of the Company.

## 3. DIVIDEND:

Due to less profit during the year, the Company is not able to declare Dividend.

## 4. TRANSFER TO RESERVE:

Reserves & Surplus at the end of the year stood at (13,11,89,236) as compared to (16,77,76,893) at the beginning of the year.

## 5. SHARE CAPITAL:

At present, the Company has only one class of shares – equity shares with face value of 10/- each. The authorized share capital of the company is 40,00,00,000/- divided into 4,00,00,000



equity shares of 10/- each. The paid up share capital of the company is 20,55,50,470/- divided into 2,05,55,047 equity shares of 10/- each.

## **6. DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

During the period under review, several energy conservation initiatives were adopted and were taken by the Company. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There was no research activities carried out during the year as well as no foreign exchange income or outgo during the year.

## **8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no such material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

## **9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:**

No orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

## **10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

There are no Subsidiary/Joint Ventures/Associate Companies.

## **11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:**

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.





## **12. MEETING OF BOARD OF DIRECTORS:**

During the year under the review, 5 (five) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report. The Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

## **13. EXTRACTS OF ANNUAL RETURN:**

An extract of Annual Return in Form **MGT-9** is attached herewith as **ANNEXURE-II**.

## **14. INSURANCE:**

All the Properties of the Company are adequately insured.

## **15. RELATED PARTY TRANSACTIONS:**

There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required.

## **16. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning. In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vijay Mandora retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

## **17. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors.

Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

The following were the Evaluation Criteria:

(a) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:

- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals and achievements
- Professional Conduct, Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

## **18. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director.

## **19. MANAGERIAL REMUNERATION:**

The Company had not paid any remuneration to Executive Directors or Non-Executive or Independent Director during the financial year ended 31st March, 2017.



## **20. INDEPENDENT DIRECTORS' MEETING:**

Independent Directors of the Company had met during the year under the review on March 31, 2017.

## **21. COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board has not re-constituted any of its Committees.

There are currently **Three Committees** of the Board, as follows:

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the **"Report on Corporate Governance"**, a part of this Annual Report.

## **22. AUDITORS:**

### **A. Statutory Auditors**

Kajarekar & Co., (Firm Registration No. 137731W) Chartered Accountants, Statutory Auditors, during the Annual General Meeting held on 30.09.2015, were appointed for a period of 5 years until the conclusion of Annual General Meeting to be held after that meeting, subject to ratification at every Annual General Meeting in terms of Section 139 of the Companies Act 2013. They have confirmed their eligibility and willingness for the next term from the conclusion of ensuing annual general meeting to the conclusion of next annual general meeting. The Board of Directors, therefore, recommends ratification of appointment for F.Y. 2017-18 of Kajarekar & Co., (Firm Registration No. 137731W), Chartered Accountants, as statutory auditors of the company for the approval of Shareholders.

The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from Kajarekar & Co., (Firm Registration No. 137731W) that their appointment, if made, would be in conformity with the limits specified under the Act. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.**



## **B. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Kumar Pal Mehta, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure IV**

**There is no qualification, reservation or adverse remark in the report.**

## **C. Internal Auditors:**

The Board of Directors has appointed M/s. V B A & Associates., Chartered Accountant as Internal Auditors of the Company for the F. Y. 2017-18.

## **23. INTERNAL FINANCIAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:**

The Company has an Internal Financial Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has appointed M/s. M/s. V B A & Associates., Chartered Accountant (FRN 136684W) as an Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

## **24. RISK MANAGEMENT:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

## **25. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

In accordance with Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

## **26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Prohibition Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

## **27. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

## **28. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that-

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year 31st March, 2017 and of the profit and loss of the company for that period;

iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. The directors had prepared the annual accounts on a going concern basis; and

v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **29. CORPORATE GOVERNANCE:**

As a good governance practice a detailed report on Corporate Governance is given as a part of the Annual Report. The Certificate of the non-applicability of submission of Report on Corporate Governance is attached to the Report on Corporate Governance. Report on Corporate Governance is given elsewhere in this Annual Report, herewith attached as **ANNEXURE V**.

## **30. CORPORATE GOVERNANCE CERTIFICATE – NON-APPLICABILITY:**

The Certificate of the non-applicability of submission of Report on Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the report on Corporate Governance, herewith attached as **Annexure VI**.

## **31. CORPORATE SOCIAL RESPONSIBILITY:**

The Company is not covered under section 135 of Companies Act, 2013 hence details regarding policy on Corporate Social Responsibility is not applicable to the Company.

## **32. GENERAL SHAREHOLDER INFORMATION:**

General Shareholder Information is given in Report on Corporate Governance forming part of the Annual Report.



### **33. OTHER DISCLOSURES:**

During the period under review, the Company got listed on the Bombay Stock Exchange (BSE) in the month of August, 2016.

### **34. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their gratitude for the unstinted commitment, dedication, hard work and significant contribution made by employees at all levels in ensuring sustained growth of the Company. Your Directors also sincerely thank to all the stakeholders, customers, vendors, bankers, business associates, government, other statutory bodies and look forward to their continued assistance, co-operation and support.

**Date: 01/09/2017**  
**Place: Ahmedabad**

**For and on behalf of Board of Directors of**  
**ECS Biztech Limited**

**Vijay Mansinhbhai Mandora**  
**Managing Director**  
**DIN: 00328792**





**ANNEXURE – I TO THE DIRECTORS REPORT**

	<b>2016-17</b>	<b>2015-16</b>
<b>Foreign Exchange Outgoing</b>	Nil	Nil
<b>Foreign Exchange Earning</b>	Nil	Nil

**Date: 01/09/2017**  
**Place: Ahmedabad**

**For and on behalf of Board of Directors of**  
**ECS Biztech Limited**

**Vijay Mansinhbhai Mandora**  
**Managing Director**  
**DIN: 00328792**



### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:NIL

#### IV SHAREHOLDING PATTERN

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 Share	Demat	Phy.	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	265788	12474500	12740288	61.98	12740488	0	12740488	61.98	0
b) Central Govt.or State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other	0	2664110	2664110	12.96	2664110		2664110	12.96	0
<b>SUB TOTAL:(A) (1)</b>	265788	15138610	15404398	74.94	15404598	0	15404598	74.94	0
<b>(2) Foreign</b>									
a) NRI-Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
<b>SUB TOTAL (A) (2)</b>									
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	265788	15138610	15404398	74.94	15404598	0	15404598	74.94	0

<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds									
b) Banks/FI	0	253	253	0	0	253	253	0	0
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>SUB TOTAL (B)(1):</b>	0	253	253	0	0	253	253	0	0
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	585552	438577	1024129	4.99	523639	438577	962216	4.68	0.31
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1714422	0	1714422	8.34	1913504	0	1913504	9.31	0.97
c) Others (specify)									
NRI Repar	50		50	0	50		50	0	0
NRI Non Repat	300		300	0	5800		5800	0.03	0.03
HUF	46669		46669	0.23	51489		51489	0.25	0.02



Clearing House	189249		189249	0.92	38819		38819	0.19	-0.73
Body Corporate	2168268	7309	2175577	10.58	2171010	7309	2178318	10.6	0.02
<b>SUB TOTAL (B)(2):</b>	4704510	445886	5150396	25.06	4704311	445886	5150196	25.06	0
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	4704510	446139	5150649	25.06	4704320	446138	5150459	25.06	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	4970298	15584749	20555047	100	20108909	446138	20555047	100	0

(ii) **SHARE HOLDING OF PROMOTERS**

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged	NO of shares	% of total shares of the company	% of shares pledged	
1	Vijay Mandora	12575390	61.18	0	12575390	61.18	0	0
2	Seema Mandora	500	0.00	0	500	0.00	0	0
3	Mandora Finserve P.Ltd.	1143410	5.56	0	1143410	5.56	0	0
4	Laurels Management P.Ltd.	1520700	7.40	0	1520700	7.40	0	0
5	Sachi Chirag Patel	2898	0.01	0	2898	0.01	0	0
6	Milin N. Shah	68650	0.33	0	68650	0.33	0	0
7	Bharatkumar Doshi	5000	0.02	0	5200	0.02	0	0
8	Bhumija Patel	17500	0.09	0	17500	0.09	0	0
9	Shilpa D Doshi	12500	0.06	0	12500	0.06	0	0
10	NIna Milind Shah	7850	0.04	0	7850	0.04	0	0
11	Bharatkumar Doshi (HUF)	45000	0.22	0	45000	0.22	0	0
12	Dharmeshbhai Shah	5000	0.02	0	5000	0.02	0	0
	<b>Total</b>	<b>15404398</b>	<b>74.94</b>	<b>0</b>	<b>15404598</b>	<b>74.94</b>	<b>0</b>	<b>0</b>

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		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
	At the beginning of the year	15404398	74.94	15404398	74.94
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Purchase of shares from open market 200	0	Purchase of shares from open market 200	0
	At the end of the year	15404598	74.94	15404598	74.94

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	Name	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
	CHINTAN NARENDRA SHAH	759000	3.69	759000	3.69
	MIDRINA OIL AND GAS SERVICES PVT. L	357650	1.74	357650	1.74
	SHAURYA ORGANICS PVT. LTD	357650	1.74	357650	1.74
	TIW SYSTEMS PVT. LTD	357650	1.74	357650	1.74

	SURYAJA INFRASTRUCTURE PVT. LTD.	357650	1.74	357650	1.74
	SHIVAANSH ESTATES PRIVATE LIMITED	230000	1.12	230000	1.12
	KINNARI RETAIL PRIVATE LIMITED	217212	1.06	217212	1.06
	NEERJA CHAWLA	156684	0.76	156684	0.76
	BABUBHAI G VANKAR	128807	0.63	128807	0.63
	ADVANCED ENERGY RESOURCES & MANAGEM	121900	0.59	121900	0.59

(v) **Shareholding of Directors & KMP** Mr. Vijay Mandora

Sl. No		Shareholding at the end 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
	For Each of the Directors & KMP				
	At the beginning of the year	12575390	61.18	12575390	61.18
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/s weat equity etc)	0	0	0	0.00
	At the end of the year	12575390	61.18	12575390	61.18



<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	793738249	0	0	793738249
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	793738249	0	0	793738249
				0
<b>Change in Indebtedness during the financial year</b>				0
Additions	0	9853535	0	9853535
Reduction	52795575	0	0	52795574.98
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				0
i) Principal Amount	740942674	9853535	0	750796209
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>740942674</b>	<b>9853535</b>	<b>0</b>	<b>750796209</b>



**I REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager: NIL**

**B. Remuneration to other directors: NIL**

**C. Remuneration to KMP:**

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	
1	<b>Gross salary</b>	CS	CFO
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	4,17,600	2,19,750
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 196	0	0
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	<b>Total (A)</b>	4,17,600	2,19,750

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL**

**Date: 01/09/2017**

**Place: Ahmedabad**

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

**ECS Biztech Limited**

**Hardik Mandora**  
**Director**  
**DIN: 07090358**

**Vijay Mansinhbhai Mandora**  
**Managing Director**  
**DIN: 00328792**

### **ANNEXURE-III TO THE DIRECTORS REPORT**

**1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- i. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2016-17 and
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

(Rs. In Lacs)

Sr. No	Name of Director/KMP and its Designation	Percentage increase / decrease in remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Vijay Mandora (Managing Director)	Nil	Nil
2	Mr. Hardik Mandora (Director)	Nil	1.48:1
3	Mrs. Hinaben Thakor (Independent Director)	Nil	Nil
4.	Mr. Yogendra Mankwana (Independent Director)	Nil	Nil
5	Ms. Shailika Soni (Company Secretary)	Nil	NA
6	Mr. Dvijesh Pandit (CFO)	Nil	NA

iii. The number of permanent employees on the rolls of the Company is fourteen for the year ended 31st March, 2017.

iv. Overall increase in remuneration is in line with the performance of the Company.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was 12%.

Average percentage increase made in the salary of the managerial personnel in the last Financial Year—**N.A.**

The increase in remuneration is determined based on the performance by the employees of the Company.

v. Variable component in remuneration of Directors of the Company—**N.A.**



vi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year—**N.A.**

vii. Affirmed that the remuneration paid is as per the Remuneration Policy of the Company—**N.A.**

**2. There were no employees covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014**

**Date: 01/09/2017**  
**Place: Ahmedabad**

**For and on behalf of Board of Directors of**  
**ECS Biztech Limited**

**Hardik Mandora**  
**Director**  
**DIN: 07090358**

**Vijay Mansinhbhai Mandora**  
**Managing Director**  
**DIN: 00328792**



**ANNEXURE – IV TO THE DIRECTORS REPORT**

**Form No. MR-3  
Secretarial Audit Report  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To,  
The Members,  
ECS BIZTECH LIMITED,  
(CIN- L30007GJ2010PLC063070)  
ECS House, 12, Garden View,  
Opp Auda Garden, Pakwan Circle,  
Sindhu Bhavan Road, Off SG Highway,  
Bodakdev, Ahmedabad, Gujarat-380059, India.**

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ECS Biztech Limited (hereinafter called the “Company”). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts or 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 the Secretarial Audit, I, hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder, wherever and to the extent applicable, 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 (except the provisional or unaudited financial statements for the above mentioned period) maintained by the Company for the above said financial year ended on March 31<sup>st</sup>, 2017, according to the provisions of:

## **CORPORATE LAWS**

1. The Companies Act, 2013 (the Act) and the rules made there under and the applicable provisions of the Companies Act, 1956;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made hereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
5. 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 (Issue and Listing of Debt Securities) Regulations, 2008;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable);
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - j. 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; and

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

- 1) The Listing Agreement, entered into by the Company with the National Stock Exchange and Bombay Stock Exchange (“Stock Exchanges”) with respect to Equity Shares listed on the Stock Exchange.
- 2) The Secretarial Standards I and II, as issued by the Institute of Company Secretaries of



India.

3) The Memorandum and Articles of Association of the Company.

I, further report that, I have also examined the requisite compliances of the following laws as specifically applicable on the Company:

a) Other law,

During the period under review the Company has complied with all the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except **Compliance of Section 117 read with Section 179 (3) g of the Companies, Act, 2013 during the period under review.**

I further report that the company has listed on Bombay stock exchange in Month of August, 2016 during period under review.

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 and guidelines.

Date –31<sup>st</sup> August, 2017

Place – Ahmedabad

**Kumar Pal Mehta**  
**Practicing Company Secretary**  
Certificate of Practice No.: 12304  
Membership No.: 33179



## **ANNEXURE V – TO THE DIRECTOR REPORT**

### **REPORT ON CORPORATE GOVERNANCE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company adheres to good practices in Corporate Governance in its true spirit and benchmarks it with high standards. Corporate Governance is set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. Company has guiding principles laid out through its Code of business conduct, duly adopted by directors and senior management personnel which have been posted on website of Company ([www.ecsbiztech.com](http://www.ecsbiztech.com)).

#### **1. ETHICS/GOVERNANCE POLICIES:**

At ECS Biztech Limited, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Vigil Mechanism
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Board Performance Evaluation Policy
- Familiarization of Independent Directors Policy
- Policy for Selection of Directors and determining Directors Independence
- Policy for determining Material Subsidiaries.

#### **2. BOARD OF DIRECTORS:**

##### **➤ Composition of the Board of Directors**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors Pursuant Regulation 17 of Securities and Exchange Board of India (Listing



Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board and category of Directors are as follows:

Executive Director	Mr. Vijay Mandora, Promoter Director
Non-Executive	Mr. Hardik Mandora, Non-Executive Director Mr. Yogendra Makwana, Non-Executive Independent Director Mrs. Hinaben Thakor, Non-Executive Independent Director

➤ **Number of Board Meetings and Attendance of Directors:**

During the financial year 2015-16, **5 (Five)** Board Meetings were held on **15/04/2016, 05/08/2016, 29/10/2016, 20/01/2017 and 31/01/2017**. The Board meeting dates are finalized in consultation with all the directors and agenda papers with detailed notes and other background information, which are essential for the Board to effectively and reasonably perform their duties and functions, are circulated well in advance before the meeting thereby enabling the Board to take informed decisions. The composition of Directors and the attendance at the Board Meeting during the year 2016-2017 and last Annual General Meeting are as under:

Name of Director	Category	No. of Directorships in other Companies	Membership of Board Committees		No. of Board Meetings Attended	Attendance at last AGM
			Chairman	Member		
Mr. Vijay Mandora	Director	4	0	1	5	Yes
Mr. Hardik Mandora	Director	3	1	2	5	Yes
Mr. Yogendra Makwana	Independent Director	Nil	1	3	5	Yes
Mrs. Hinaben Thakor	Independent Director	Nil	1	3	5	Yes

### 3. ANNUAL GENERAL MEETING:

The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2016 was held on **14<sup>th</sup> May, 2016**.

#### **4. BOARD COMMITTEES:**

As per the requirement of the Companies Act, 2013 read with Rules and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, various Board committees have been formed for better governance and accountability viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee. The terms of reference of each committee are determined by the Board as per the requirement of law and their relevance is reviewed from time to time.

##### **A. AUDIT COMMITTEE:**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference of this committee covers matters specified under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

Main areas are deliberated as under.

- a. To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
- b. To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
- c. Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles in all material aspects.
- d. To consider and review the adequacy of internal control including computerized information system controls and inform periodically to the Board of Directors on significant activities.

The Constitution of the committee and the attendance of each member of the committee is given below:

The Committee comprises of three Directors. All members of the Audit Committee are financially literate. In the financial year 2016-17, four meetings were held on **15/04/2016, 05/8/2016, 29/10/2016 and 31/01/2017**. Composition of committee as on 31<sup>st</sup> March, 2017 and member's attendance at the meetings during the year are as under:

Name	Designation	Category
Mr. Yogendra Makwana	Chairperson	Non-Executive Independent Director -
Mr. Vijay Mandora	Member	Executive Director
Mrs. Hinaben Thakor	Member	Non-Executive Independent Director -

**Attendance of each member of the committee:**

Committee Members	Meetings held	Meetings attended
Mr. Yogendra Makwana	4	4
Mr. Vijay Mandora	4	4
Mrs. Hinaben Thakor	4	4

**B. NOMINATION AND REMUNERATION COMMITTEE:**

Terms of reference of the committee comprise various matters provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Committee comprises of three Directors. The Constitution of the committee and the attendance of each member of the committee is given below:

Name	Designation	Category
Mrs. Hinaben Thakor	Chairperson	Non-Executive Independent Director -
Mr. Yogendra Makwana	Member	Non-Executive Independent Director -
Mr. Hardik Mandora	Member	Non-Executive Director

**Attendance of each member of the committee:**

Committee Members	Meetings held	Meetings attended
Mrs. Hinaben Thakor	1	1
Mr. Yogendra Makwana	1	1
Mr. Hardik Mandora	1	1

### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Stakeholders' Relationship Committee performs various functions provided under Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and section 178 of the Companies Act, 2013.

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Hardik Mandora	Chairperson	Non-Executive Director
Mr. Yogendra Makwana	Member	Non-Executive Independent Director -
Mrs. Hinaben Thakor	Member	Non-Executive Independent Director -

#### **Attendance of each member of the committee:**

<b>Committee Members</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Mr. Hardik Mandora	1	1
Mr. Yogendra Makwana	1	1
Mrs. Hinaben Thakor	1	1

The Stakeholders' Relationship Committee has been constituted to administer the following activities:

- a. Transfer of shares
- b. Transmission of shares
- c. Issue of Duplicate Share Certificates
- d. Change of Status
- e. Change of Name
- f. Transposition of Shares
- g. Sub-Division of Share Certificates
- h. Consolidation of folios
- i. Shareholders' requests for Dematerialization of shares
- j. Shareholder' requests for Rematerialization of shares

The Committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investors' complaints and the reporting of the same to the Board of Directors.



The Board has delegated the power of Share Transfer to Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd, who processes the transfers.

- No. of shareholders' complaints received –**NIL**.
- No. of shareholders' complaints resolved - **NIL**.
- No. of complaints not solved to the satisfaction of shareholders -- **NIL**.
- No. of pending share transfers -- **NIL**.
- As at 31<sup>st</sup> March, 2017 no equity Shares were pending for transfer.

#### **5. INDEPENDENT DIRECTORS' FAMILIARISATION PROGRAMME:**

As per requirements under the Listing Agreement read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company undertook familiarization Programme for Independent Directors in order to familiarize them with business model, management structure, product portfolio, Industry overview, manufacturing operations, internal control system and processes, FOREX management, risk management framework, functioning of various divisions, HR Management etc. The policy on familiarization Programme for Independent Directors has been uploaded on the Company's website at the following link <http://ecsbiztech.com/policy2.php>

#### **6. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for fair disclosure and prevention of Insider Trading in order to regulate, monitor and control trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

#### **7. SUBSIDIARY COMPANY:**

No Subsidiary Company.

#### **8. POSTAL BALLOT AND E-VOTING:**

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company was not required to provide e-voting facility during the year.



## 9. ANNUAL GENERAL MEETINGS AND EXTRA ORDINARY GENERAL MEETING:

Details of last three AGMs held-

Year	Date	Time	Venue	No. of Special Resolutions passed
2013-14	30/09/2014	10:30 AM	Block-I, Safal Mondel Park, Nr. Iscon Mall, Nr. Raj Path Club, Nr. Rangoli Farm, S.G. Highway, Bodakdev, Ahmedabad 380054	1
2014-15	30/09/2015	11:00 AM	Block-I, Safal Mondel Park, Nr. Iscon Mall, Nr. Raj Path Club, Nr. Rangoli Farm, S.G. Highway, Bodakdev, Ahmedabad 380054	2
2015-16	14/05/2016	11:00 AM	Block-I, Safal Mondel Park, Nr. Iscon Mall, Nr. Raj Path Club, Nr. Rangoli Farm, S.G. Highway, Bodakdev, Ahmedabad 380054	4

No Resolutions were put through postal ballot.

Resolutions were passed on show of hands at the Annual General Meetings for the all financial years. There are four Special Resolutions passed at the Annual General Meeting sfor the financial year ended on 31<sup>st</sup> March, 2016.

During the year, No Extra Ordinary General Meeting was held.

## 10. DEMAT / REMAT OF SHARES

Details of Shares Dematerialized / Rematerialized during the last financial year is as below:

- Number of Demat requests approved: 33
- Number of Shares Dematerialized: 2929898
- Percentage of Shares Dematerialized: 14.25
- Number of Remat requests approved: Nil
- Number of Shares Remitted Nil



Representatives of the Company are constantly in touch with M/s. Purva Sharegistry (India) Pvt. Ltd., Share Transfer Agents of the Company and review periodically the outstanding matters.

#### **11. SHAREHOLDING OF NON-EXECUTIVE NON-PROMOTER DIRECTORS**

No Non-Executive Non Promoter Director holds shares in the Company.

#### **12. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

No Director of the Company is related to any other Director.

#### **13. DISCLOSURES:**

A. There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

B. There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last financial years.

##### **C. Whistle Blower Policy**

In terms of Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.

D. The Company has also adopted policy on dealing with related party transactions.

E. Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

#### **Mandatory requirements:**

The Company complies with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, with regard to corporate governance.





**Non-Mandatory requirements:**

- a) Office for non-executive Chairman at company's expense: Yes
- b) Half-yearly declaration of financial performance to each household of shareholders: Not complied
- c) Audit Qualifications: Complied as there are no audit qualifications
- d) Separate posts of Chairman and CEO: Not applicable
- e) Reporting of Internal Auditors directly to Audit Committee: Complied

**F. CEO certification:**

The Director of the Company has certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the certificate forms part of Annual Report.

**G. Accounting treatment**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Act. The financial statements have been prepared on accrual basis under the historical cost convention.

**14. MEANS OF COMMUNICATION:**

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results in the prescribed form and announces forthwith the results and intimate to the Bombay Stock Exchanges Ltd. where the Company's shares are listed. The results are also published in two newspapers, one in English and the other in Regional Language.

**15. ADDITIONAL INFORMATION TO SHAREHOLDERS**

**a. Annual General Meeting:**

**Date:** 29<sup>th</sup> September, 2017

**Time:** 05:00 p.m.

**Address:** ECS House, 12, Garden View, Opp Auda Garden, Pakwan Circle, Sindhu Bhavan Road, Off SG Highway, Bodakdev, Ahmedabad 380059



**b. Calendar of Financial Year ended 31<sup>st</sup> March, 2017**

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31<sup>st</sup> March, 2017 were held on the following dates:

**First Quarter Results:** As the Company got listed in the month of August, the first Quarter results were not required to be approved.

**Second Quarter and Half yearly Results:** 29<sup>th</sup> October, 2016

**Third Quarter Results:** 31<sup>st</sup> January, 2017

**Fourth Quarter and Annual Results:** 30<sup>th</sup> May, 2017

**c. Tentative Calendar for financial year ending 31<sup>st</sup> March, 2017**

Unaudited Results for the quarter ended 30/06/2017 Last Week of July, 2017

Unaudited Results for the quarter ended 30/09/2017 Last Week of October, 2017

Unaudited Results for the last quarter ended 31/12/2017 Last Week of January 2017

Audited Results for the quarter ended 31/03/2017 Fourth Week of May 2017

Annual General Meeting for the year ending 31<sup>st</sup> March, 2017 September 30, 2017

**d. Date of Book Closure**

Saturday, 23<sup>rd</sup> September, 2017 for Annual General Meeting.

**e. Regd. Office**

ECS House, 12, Garden View, Opp Auda Garden, Pakwan Circle, Sindhu Bhavan Road, Off Sg Highway, Bodakdev, Ahmedabad 380059

**f.** Equity shares of the Company are listed on Bombay Stock Exchange situated at P. J. Towers, Dalal Street, Fort, Mumbai-400001.

**g.** Scrip Code: - **540063** (BSE), Scrip ID: **ECS**, ISIN: **INE925Q01024**

**h. Market price data of the equity shares of the company (BSE Portal)**

Month	High(Rs.)	Low(Rs.)	Closing(Rs.)	Volume (No of Shares)
August, 2016	34.3	30	30.05	2,22,464
September, 2016	28.55	21.05	21.05	11,061
October, 2016	20.2	14.75	20.2	4,83,843
November, 2016	23.1	17	17.8	1,70,222
December, 2016	18.4	11.85	11.95	2,35,093
January, 2017	16.3	12	16.3	3,03,173
February, 2017	19.1	17.1	18.9	3,30,407
March, 2017	19.1	18	18.75	2,37,297



**i. Share Transfer System**

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company, Purva Sharegistry (India) Pvt. Ltd. All valid transfers are processed within 15 days from the date of receipt

**k. Shareholding pattern as on 31-03-2017 is as given below:**

Category	No of Shareholder	No of Equity Shares held	% of Equity Shareholding
<b>A. Promoter &amp; promoter group shareholding</b>			
Individual & HUF	10	12740488	61.98
Body Corporates	2	2664110	12.96
<b>B. Public Shareholding</b>			
Body Corporates	78	2178318	10.6
Financial Institutes	1	253	0
Resident Individual	6521	2875720	13.99
HUF	46	51489	0.25
NRI	3	5850	0.03
Clearing Members	10	38819	0.19

**1. Distribution of Shareholding as on 31st March, 2017 is as under:**

No of Equity Shares Held	Number of Shares holders	% of Total Shares holders	In. Rs	% of Total Rupees
<b>Upto 5,000</b>	6382	95.65	4436850	2.16
<b>5,001-10,000</b>	102	1.53	738440	0.36
<b>10,001-20,000</b>	46	0.69	660080	0.32
<b>20,001-30,000</b>	23	0.34	574100	0.28
<b>30,001-40,000</b>	18	0.27	645750	0.31
<b>40,001-50,000</b>	16	0.24	742360	0.36
<b>50,001-1,00,000</b>	37	0.55	2439940	1.19
<b>1,00,001 and above</b>	48	0.72	195312950	95.02
<b>Total</b>				

**m. Dematerialization of Shares and liquidity**

The shares of the company are permitted for demat on NSDL and CDSL

**Issued, Subscribed and Paid up Capital as on March 31, 2017: 20555047**

A. Electronic Holding in NSDL: 14344811

B. Electronic Holding in CDSL: 5764097

C. Physical Holding: 446139



**M. Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity-** Not applicable

**n. Investors' correspondence:**

For transfer / dematerialization of shares, Change of Address, Change in Status of investors, payment of dividend on shares and other query relating to the shares of the Company:

PURVA SHAREGISTRY (INDIA) PVT. LTD.  
(Unit: ECS Biztech Limited)  
Shiv Shakti Industrial Estates, Unit No. 9,  
J. R. Boricha Marg, Opp. Kasturba Hospital Lane,  
Lower Parel (E), Mumbai – 400 011.

**O. Compliance Officer of the Company:** Ms. Shailika Soni

**p.** There are no shares lying in the demat suspense account or unclaimed suspense account.

**Date:** 01/09/2017

**Place:** Ahmedabad

**For and on behalf of Board of Directors of  
ECS Biztech Limited**

**Hardik Mandora  
Director  
DIN: 07090358**

**Vijay Mansinhbhai Mandora  
Managing Director  
DIN: 00328792**



## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

Corporate Identity No: **L30007GJ2010PLC063070**

Nominal Capital: **40 (Forty) Crores**

**To the Members of  
ECS BIZTECH LIMITED**

I have examined all the relevant records of **ECS BIZTECH LIMITED** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31<sup>st</sup>, 2017. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C, D and E.

**Date 31<sup>st</sup> August, 2017**

**Place – Ahmedabad**

**Kumar Pal Mehta  
Practicing Company Secretary  
Certificate of Practice No.: 12304  
Membership No.: 33179**



## **DECLARATION**

All Board Members and Senior Management personnel have affirmed compliance with the code of conduct of Directors and Senior Management as approved by the Board.

**Date: 01/09/2017**  
**Place: Ahmedabad**

**For and on behalf of Board of Directors of**  
**ECS Biztech Limited**

**Hardik Mandora**  
**Director**  
**DIN: 07090358**

**Vijay Mansinhbhai Mandora**  
**Managing Director**  
**DIN: 00328792**



## **CEO CERTIFICATION**

**To,  
The Board of Directors,  
ECS BIZTECH LIMITED  
Ahmedabad.**

We hereby certify that:

i. We have reviewed the financial statements and the cash flow statement of the Financial Year 2016-17 and that to the best of our knowledge and belief.

a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. 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.

ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violated of the Company's code of conduct.

iii. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we hereby disclose to the Auditors and the Audit Committee that there have been no inefficiencies in the design or operation of internal controls, prevailing in the company.

iv. We hereby certify that :

a. There have been no significant changes in internal control during the year.

b. There have been no significant changes in accounting policies during the year and

c. No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

**Date: 01/09/2017**

**Place: Ahmedabad  
Limited**

**For and on behalf of Board of Directors of  
ECS Biztech**

**Vijay Mansinhbhai Mandora  
Managing Director  
DIN: 00328792**



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## **INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
**ECS Biztech Limited**  
Ahmedabad.

### **Report on the Financial Statements:**

We have audited the accompanying financial statements of **ECS Biztech Limited** ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act"), with respect to the preparation of these 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, read with relevant rules of the Companies (Accounts) Rules, 2014. The responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring that adequacy 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.

### **Auditors' Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies





used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017 and
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- (c) in the case of Cash Flow Statement of the cash flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 & 4 of the orders, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, in so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report, are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Accounts) Rules, 2014
  - e) On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - g) 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



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our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements for the year ended March 31, 2017;
  - The Company did not have any long-term contracts as at March 31, 2017. The Company did not have any long-term derivative contracts as at March 31, 2017;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. According to the information and explanations given to us and the audit procedures performed including management representations obtained, we report that the Company has cash in hand during the period from November 8, 2016 to December 30, 2016. Accordingly, the disclosure requirement as envisaged in Notification G.S.R 308 (E) dated March 30, 2017 as to holdings as well as dealings in Specified Bank Notes during this period – Refer Note 26(4) to the forming part of financial statement.

**For, Kajarekar & Co.**

Firm Registration No. 137731W  
Chartered Accountants

**Hemant R. Kajarekar**

Proprietor  
Membership No. 041962

Ahmedabad  
May 30, 2017



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**Annexure A to the Independent Auditors' Report:**

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **ECS Biztech Limited** on the financial statements for the year ended March 31, 2017

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act:**

We have audited the internal financial controls over financial reporting of **ECS Biztech Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls:**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the Act).

**Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

**Meaning of Internal Financial Controls over Financial Reporting:**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting:**

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

**Opinion:**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For, Kajarekar & Co.**

Firm Registration No. 137731W  
Chartered Accountants

Ahmedabad  
May 30, 2017

**Hemant R. Kajarekar**  
Proprietor  
Membership No. 041962



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## **Annexure B to the Independent Auditors Report**

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of **ECS Biztech Limited** on the financial statements for the year ended March 31, 2017

**1. In respect of Fixed Assets:**

- (a) The Company is in the process of maintaining fixed asset register showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the programme is reasonable having regard to the size of the Company and the nature of the fixed assets. According to information and explanations given to us, no material discrepancies have been reported 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 are held in the name of the Company.

**2. In respect of Inventories:**

In our opinion, the inventories have been physically verified during the year by the management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.

**3. In respect of Loan to parties covered in the register maintained under Sec.189:**

The Company has not granted any unsecured loans to companies, firms and other parties covered in the Register maintained u/s 189 of the Act, hence the provision of clause (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable.

**4. In respect of Loans, investments, guarantees complied with section 185 & 186:**

In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 apply. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans, investments, guarantees and security.

**5. In respect of deposit from Public:**

The Company has not accepted deposit from the public within the meaning of Sec.73 to 76 and other relevant provisions of the Act and rules framed there under.

**6. In respect of maintenance of cost records:**

According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Sec.148 of the Companies Act, 2013.

**7. In respect of statutory dues:**

- (a) According to the records of the Company, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Service Tax, and other material statutory dues applicable to it. According to the information and explanations given to us, the amounts of undisputed amounts payable in respect of the aforesaid dues as outstanding as



at 31<sup>st</sup> March, 2017 for a period of more than six months from the date of becoming payable are as under:

Nature of Statute	Nature of Duty	Period to which the amount relates	Amount Rs.	Due Date	Date of Payment
Gujarat State Taxes on Profession, Traders and Callings and Employments Act 1976	Professional Tax	2015-16 and earlier years	287,520	Various Dates	Not yet paid
Gujarat State Taxes on Profession, Traders and Callings and Employments Act 1976	Professional Tax	2015-16	14,700	Various Dates	Not yet paid
ESIC Act, 1948	ESIC Employee Contribution	2015-16 and earlier years	29,321	Various Dates	Not yet paid
ESIC Act, 1948	ESIC Employee Contribution	2016-17	1,797	Various Dates	Not yet paid
EPF Act 1952	Provident Fund	2015-16 & earlier years	464,830	Various Dates	Not yet paid
EPF Act 1952	Provident Fund	2016-17	16,937	Various Dates	Not yet paid
Maharashtra Value Added Tax, 2013	Vat	2013-14	48,239	Various Dates	Not yet paid
Chapter V of the Finance Act, 1994	Service Tax	2015-16 & Earlier Years	3,231,643	Various Dates	Not yet Paid

- (b) According to the records of the Company, there were no disputed statutory dues in respect of sales tax, wealth tax, customs duty and cess, excise duty which have not been deposited, except the following particulars of income-tax dues not deposited by the Company on account of dispute as at March 31, 2017:-



Nature of the statue	Nature of the dues	Amount in Rs.	Period to which amount relates	Forum where dispute is pending
Income-tax Act	Income-tax u/s 220(2)	1,443	2011-12	CPC
Income-tax Act	Income-tax u/s 143(3)	18,73,930	2013-14	Assessing Officer

**8. In respect of dues to financial institution/banks/debentures:**

Central Bank of India and State Bank of India have restructured the dues of interest and principal during the year ended March 31, 2016. According to explanation given to us and record examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks or government or debenture holders as to the Balance Sheet date as explained in Note 26(5).

**9. In respect of application of term loans:**

The Company has not raised any moneys by way of initial public offer, further public offer and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

**10. In respect of fraud:**

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company have been noticed or reported during the year.

**11. In respect of Managerial Remuneration:**

According to the information and explanation given to us and the books of accounts verified by us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with the schedule V to the Act.

**12. In respect of Nidhi Company:**

The company is not a Nidhi Company; hence the provisions of Clause 3(xii) are not applicable to the Company.

**13. In respect of Related Parties Transactions:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

**14. In Respect of Preferential Allotment/ Private Placement:**

According to the information given to us, during the year the Company has not made any preferential allotment as private placement of shares or fully or partly convertible debentures, hence the provisions of clause 3(xiv) are not applicable to the Company.





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**15. In respect of Non-cash Transaction:**

According to the information and explanation given to us and the books of accounts verified by us, the company has not entered into any non-cash transaction with directors or person connected with him.

**16. In respect of section 45-IA of RBI Act, 1934:**

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

**For, Kajarekar & Co.**  
Firm Registration No. 137731W  
Chartered Accountants

Ahmedabad  
May 30, 2017

**Hemant R. Kajarekar**  
Proprietor  
Membership No. 041962



# ECS Biztech Limited

CIN :-L30007GJ2010PLC063070

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

Particulars	Notes	As at 31.03.2017	As At 31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	<b>1</b>	20,55,50,470	20,55,50,470
b) Reserves and Surplus	<b>2</b>	-13,09,23,893	-16,77,76,894
		<b>7,46,26,577</b>	<b>3,77,73,576</b>
<b>2. Non-Current Liabilities</b>			
a) Long-Term Borrowings	<b>3</b>	74,09,42,674	79,37,38,249
b) Deferred Tax Liabilities (Net)	<b>4</b>	3,94,062	-
		<b>74,13,36,736</b>	<b>79,37,38,249</b>
<b>3. Current liabilities</b>			
a) Short-Term Borrowings	<b>5</b>	98,53,535	-
b) Trade payables	<b>6</b>	17,26,34,516	20,20,66,049
c) Other Current Liabilities	<b>7</b>	2,78,10,166	8,66,58,155
d) Short-Term Provisions	<b>8</b>	3,00,174	-
		<b>21,05,98,391</b>	<b>28,87,24,205</b>
<b>TOTAL</b>		<b>1,02,65,61,704</b>	<b>1,12,02,36,030</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Property Plants & Equipment	<b>9</b>		
i) Tangible Assets		29,50,24,962	31,81,78,970
ii) Intangible Assets		-	-
iii) Capital Work-in-Progress		-	5,02,300
b) Investment	<b>10</b>	-	-
c) Deferred tax Assets	<b>4</b>	-	60,52,440
d) Long-Term Loans and Advances	<b>11</b>	4,03,94,783	1,48,88,907
e) Other Non-Current Assets	<b>12</b>	85,45,175	88,42,486
		<b>34,39,64,920</b>	<b>34,84,65,103</b>
<b>2. Current assets</b>			
a) Inventories	<b>13</b>	4,59,00,701	11,28,73,027
b) Trade Receivables	<b>14</b>	59,23,77,984	57,76,05,352
c) Cash and Bank Balances	<b>15</b>	18,63,759	35,43,807
d) Short-Term Loans and Advances	<b>16</b>	4,24,54,340	7,77,48,740
		<b>68,25,96,784</b>	<b>77,17,70,927</b>
<b>TOTAL</b>		<b>1,02,65,61,704</b>	<b>1,12,02,36,030</b>

## Notes to Accounts& Significant Accounting Policies 26

The accompanying notes are integral parts of the Financial Statements  
As per our report of even date

**For Kajarekar & Co.**  
Chartered Accountants  
FRN No. 137731W

**For & on behalf of Board,**  
**ECS Biztech Limited**

**Hemant R. Kajarekar**  
Proprietor  
M.No. - 041962

**Vijay Mandora**  
Managing Director  
DIN: 00328792

**Hardik Mandora**  
Director  
DIN: 07090358

Place: Ahmedabad  
Date: May 30, 2017

**Dvijesh Pandit**      **Shailika Soni**  
Chief Financial Officer      Company Secretary

# ECS Biztech Limited

CIN :-L30007GJ2010PLC063070

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Particulars	Notes	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>I. Revenue From Operations (Gross)</b>	<b>17</b>	18,84,14,147	8,02,89,132
Less : Service Tax on Revenue		-	-
Revenue From Operations (Net)		<b>18,84,14,147</b>	<b>8,02,89,132</b>
<b>II. Other Income</b>	<b>18</b>	53,98,454	60,93,295
<b>III. Total Revenue (I + II)</b>		<b>19,38,12,600</b>	<b>8,63,82,427</b>
<b>IV. Expenses:</b>			
Purchases of Stock in Trade	<b>19</b>	12,14,37,217	6,15,87,553
Changes in Inventories of Stock in Trade	<b>20</b>	6,69,72,327	6,47,900
Employee Benefits Expenses	<b>21</b>	50,76,649	47,05,024
Finance Costs	<b>22</b>	2,30,789	3,07,452
Depreciation and Amortization Expense	<b>23</b>	1,15,89,872	1,85,44,746
Other Expenses	<b>24</b>	1,37,11,765	3,36,13,354
<b>Total Expenses</b>		<b>21,90,18,617</b>	<b>11,94,06,028</b>
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		(2,52,06,017)	(3,30,23,601)
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items and Tax (V - VI)		(2,52,06,017)	(3,30,23,601)
VIII. Extraordinary Items		6,85,05,490	4,09,30,253
<b>IX. Profit Before Tax (A)</b>		4,32,99,473	79,06,652
<b>X. Tax Expense:</b>			
(1) Current Tax		-	15,06,610
Less: MAT Credit		-	-
(2) Deferred tax		64,46,472	(78,60,763)
<b>XI. Profit (Loss) for the year (IX-X)</b>		3,68,53,001	1,42,60,805
<b>XII. Earnings per Equity Share:</b>	<b>25</b>		
(1) Basic		1.79	0.69
(2) Diluted		1.79	0.69
Weighted Average Number of Shares Outstanding		2,05,55,047	2,05,55,047

### Notes to Accounts & Significant Accounting Policies 26

The accompanying notes are integral parts of the Financial Statements  
As per our report of even date

**For Kajarekar & Co.**  
Chartered Accountants  
FRN No. 137731W

**For & on behalf of Board,**  
**ECS Biztech Limited**

**Hemant R. Kajarekar**  
Proprietor  
M.No. - 041962

**Vijay Mandora**  
Managing Director  
DIN: 00328792

**Hardik Mandora**  
Director  
DIN: 07090358

Place: Ahmedabad  
Date: May 30, 2017

**Dvijesh Pandit**      **Shailika Soni**  
Chief Financial Officer      Company Secretary

# ECS Biztech Limited

CIN :-L30007GJ2010PLC063070

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2017

Particulars	As at 31.03.2017		As at 31.03.2016	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit Before Tax		<b>4,32,99,473</b>		<b>79,06,652</b>
<b>Non Cash Operations :</b>				
Depreciation/Amortisation	1,15,89,872		1,82,47,445	
Profit on Sale of Assets	59,81,822		2,25,39,999	
Finance Cost	2,30,789		3,07,452	
		<b>1,78,02,483</b>		<b>4,10,94,896</b>
<b>Operating Profit Before Working Capital Changes</b>		<b>6,11,01,956</b>		<b>4,90,01,548</b>
Increase / (Decrease) in :-				
Short Term Borrowings	98,53,535		(53,74,93,351)	
Trade Payable	(2,94,31,533)		(8,25,43,801)	
Other Current Liabilities	(5,88,47,989)		6,23,49,618	
Trade Receivable	(1,47,72,632)		6,33,99,285	
Short Term Provisions	3,00,174		(38,69,150)	
Short Term Loans & Advances	3,52,94,400		(63,46,972)	
Stock In Trade	6,69,72,326		6,47,900	
		<b>93,68,281</b>		<b>(50,38,56,471)</b>
Net Cash Generated Before Exceptional Items		<b>7,04,70,236</b>		<b>(45,48,54,923)</b>
<b>Exceptional Items</b>				
Tax Expenses		-		15,06,610
<b>Net Cash Used in / Generated from Operating Activities (A)</b>		<b>7,04,70,236</b>		<b>(45,63,61,533)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Non Current Investment	-			
Other Non-Current Assets	-		2,97,301	
Profit on Sale of Assets	(59,81,822)		(2,25,62,060)	
Purchase Of Fixed Assets	(1,18,050)		-	
Sale of Fixed Assets	1,24,81,827		3,92,47,089	
<b>Net cash Used in Investing Activities (B)</b>		<b>63,81,955</b>		<b>1,69,82,330</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Long Term Loans & Advances	(2,55,05,876)		41,84,20,678	
Long Term Borrowings	(5,27,95,575)		2,27,28,722	
Finance Cost	(2,30,789)		(3,07,452)	
<b>Net Cash from financing activities (C)</b>		<b>(7,85,32,240)</b>		<b>44,08,41,948</b>
Net increase(Decrease) in cash and cash equivalents (A+B+C)		(16,80,048)		<b>14,62,745</b>
Cash and Cash Equivalents at the Beginning of the year		35,43,807		20,81,063
<b>Cash and Cash Equivalents at the end of the year (Refer Note</b>		<b>18,63,759</b>		<b>35,43,808</b>

As per our report of even date

**For Kajarekar & Co.**

Chartered Accountants

FRN No. 137731W

**For & on behalf of Board,**

**ECS Biztech Limited**

**Hemant R. Kajarekar**

Proprietor

M.No. - 041962

**Vijay Mandora**

Managing Director

DIN: 00328792

**Hardik Mandora**

Director

DIN: 07090358

Place: Ahmedabad

Date: May 30, 2017

**Dvijesh Pandit**

Chief Financial Officer

**Shailika Soni**

Company Secretary

# ECS Biztech Limited

CIN :-L30007GJ2010PLC063070

NOTES FORMING PART OF FINANCIAL STATEMENT AS AT 31st MARCH, 2017

Note	Particulars	As at 31 March 2017	As at 31 March 2016
Note 1	<b><u>Share Capital</u></b>		
	<b><u>Authorised</u></b> 4,00,00,000 (4,00,00,000) Equity Shares of Rs. 10 Each	40,00,00,000	40,00,00,000
		<b>40,00,00,000</b>	<b>40,00,00,000</b>
	<b><u>Issued, Subscribed &amp; Paid up</u></b> 2,05,55,047 (P.Y. 2,05,55,047) Equity Shares of Rs. 10 Each Fully Paid Up.	20,55,50,470	20,55,50,470
	<b>Total</b>	<b>20,55,50,470</b>	<b>20,55,50,470</b>
Note 1.1	<b>The Reconciliation of the Number of Shares Outstanding is set out below:</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	<b>Equity Shares</b> Shares outstanding at the beginning of the year	2,05,55,047	2,05,55,047
	<b>Shares outstanding at the end of the year</b>	<b>2,05,55,047</b>	<b>2,05,55,047</b>
Note 1.2	<b>Details of Shares held by Shareholders holding more than 5% of the Aggregate Shares in the Company</b>		
	Name of Shareholder : Shri Vijay Mandora		
	No. of Shares held % of Holding	1,25,75,390 61.18	1,25,75,390 61.18
Note 2	<b><u>Reserves &amp; Surplus</u></b>		
	<b><u>Security Premium Account</u></b> Security Premium Credited on Share Issue Closing Balance	31,12,43,980 <b>31,12,43,980</b>	31,12,43,980 <b>31,12,43,980</b>
	<b><u>Surplus of Statement of Profit</u></b> Opening Balance	<b>(47,90,20,874)</b>	<b>(49,32,81,678)</b>
	(+) Net Profit for the current year	3,68,53,001	1,42,60,804
	Closing Balance	<b>(44,21,67,873)</b>	<b>(47,90,20,874)</b>
	<b>Total</b>	<b>(13,09,23,893)</b>	<b>(16,77,76,894)</b>
Note 3	<b><u>Long Term Borrowings</u></b>		
	<b><u>Secured</u></b>		
	<b>(a) Term Loans</b> From Other Companies (Refer Note 26(7)) Less: Current maturities	75,59,42,674 1,50,00,000 <b>74,09,42,674</b>	85,17,38,249 5,80,00,000 <b>79,37,38,249</b>
	There are no continuing default as on date in repayment of loans and interest with respect to above.		
Note 4	<b><u>Deferred Tax Liabilities</u></b> On Account of Depreciation on Fixed Assets	3,94,062	(60,52,440)
	<b>Total</b>	<b>3,94,062</b>	<b>(60,52,440)</b>
Note 5	<b><u>Short Term Borrowings</u></b>		
	<b><u>Secured</u></b>		
	<b>(a) Unsecured Loan</b> <b>Total</b>	98,53,535 <b>98,53,535</b>	- -
	There are no continuing default as on date in repayment of loans and interest with respect to above.		
Note 6	<b><u>Trade Payable</u></b> Trade Payable	17,26,34,516	20,20,66,049
	<b>Total</b>	<b>17,26,34,516</b>	<b>20,20,66,049</b>
Note 7	<b><u>Other Current Liabilities</u></b>		
	Current Maturities of Term Loan	1,50,00,000	5,80,00,000
	Creditors For Capital Goods	20,20,999	20,45,521
	Advance against Property	34,00,000	52,00,000
	Creditors for Expenses	32,61,609	13,94,705
	Other Current Liabilities	41,27,558	2,00,17,930
	<b>Total</b>	<b>2,78,10,166</b>	<b>8,66,58,155</b>

# ECS Biztech Limited

CIN :-L30007GJ2010PLC063070

NOTES FORMING PART OF FINANCIAL STATEMENT AS AT 31st MARCH, 2017

Note	Particulars	As at 31 March 2017	As at 31 March 2016
<b>Note 8</b>	<b><u>Short Term Provisions</u></b>		
	Other Provisions	3,00,174	-
	<b>Total</b>	<b>3,00,174</b>	<b>-</b>
<b>Note 10</b>	<b><u>Investment</u></b>	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>Note 11</b>	<b><u>Long Term Loans and Advances</u></b>		
	<b><u>Security Deposits</u></b>		
	Unsecured, Considered Good	4,03,94,783	46,09,023
	Advance against Property	-	1,02,79,884
	<b>Total</b>	<b>4,03,94,783</b>	<b>1,48,88,907</b>
<b>Note 12</b>	<b><u>Other Non Current Assets</u></b>		
	MAT Credit Entitlement	82,39,445	82,39,455
	<b><u>Unamortised Expenditure</u></b>		
	Preliminary Expenses	3,05,730	6,03,031
	<b>Total</b>	<b>85,45,175</b>	<b>88,42,486</b>
<b>Note 13</b>	<b><u>Inventories</u></b>		
	Stock in trade (Valued at lower of Cost or Net Realisable Value)	4,59,00,701	11,28,73,027
	<b>Total</b>	<b>4,59,00,701</b>	<b>11,28,73,027</b>
<b>Note 14</b>	<b><u>Trade Receivables</u></b>		
	Trade Receivables Outstanding for a Period Less Than Six Months from the date they are due for payment		
	Unsecured, Considered Good	8,24,47,859	20,64,49,697
	Trade Receivables Outstanding for a Period Exceeding Six Months from the date they are due for payment	50,99,30,125	37,11,55,655
	Unsecured, Considered Good		
	<b>Total</b>	<b>59,23,77,984</b>	<b>57,76,05,352</b>
<b>Note 14.1</b>	Trade Receivable Stated Above Include Debts Dues By:		
	Directors	Nil	Nil
	Officers either severally or jointly with other persons	Nil	Nil
	Firms or private companies in which any director is partner or director or a member.	Nil	Nil
<b>Note 15</b>	<b><u>Cash and Cash Equivalents</u></b>		
	a. Balances with Banks	18,59,156	18,76,651
	b. Cash on Hand	4,604	16,67,157
	<b>Total</b>	<b>18,63,759</b>	<b>35,43,807</b>
<b>Note 16</b>	<b><u>Short-Term Loans and Advances</u></b>		
	Advances Recoverable in Cash or in Kind or for Value to be Recd	3,63,68,360	7,27,44,297
	Receivable From Government Departments	60,85,980	50,04,443
	<b>Total</b>	<b>4,24,54,340</b>	<b>7,77,48,740</b>

# ECS Biztech Limited

CIN :-L30007GJ2010PLC063070

NOTES FORMING PART OF FINANCIAL STATEMENT AS AT 31st MARCH, 2017

Note	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Note 17	<b><u>Revenue from Operations</u></b>		
	<u>Revenue from IT Products</u>		
	Sales of Traded Goods	18,10,28,262	7,34,75,252
	<u>Revenue from Services</u>		
	From local market	53,90,082	67,93,880
	From International Market	19,95,803	20,000
		73,85,885	68,13,880
	<b>Total</b>	<b>18,84,14,147</b>	<b>8,02,89,132</b>
	Less: Service Tax on Revenue	-	-
Note 18	<b><u>Other Income</u></b>		
	Interest Income (in case of a company other than a finance company)	-	1,60,200
	Other Non-Operating Income	53,98,454	59,33,095
	<b>Total</b>	<b>53,98,454</b>	<b>60,93,295</b>
Note 19	<b><u>Purchases</u></b>		
	Purchases of Stock-in-Trade	12,14,37,217	6,15,87,553
	<b>Total</b>	<b>12,14,37,217</b>	<b>6,15,87,553</b>
Note 20	<b><u>Change in Inventories</u></b>		
	Closing Stock of Stock in Trade.	4,59,00,701	11,28,73,027
	Less: Opening Stock of Stock in Trade.	11,28,73,027	11,35,20,927
	<b>Total</b>	<b>6,69,72,327</b>	<b>6,47,900</b>
Note 21	<b><u>Employee Benefits Expense</u></b>		
	(a) Salaries and Incentives	49,59,001	45,95,604
	(b) Staff Welfare Expenses	1,17,648	1,09,420
	<b>Total</b>	<b>50,76,649</b>	<b>47,05,024</b>
Note 22	<b><u>Financial Expenses</u></b>		
	Interest Expense	2,22,789	1,63,879
	Other Borrowing Costs	8,000	1,43,573
	<b>Total</b>	<b>2,30,789</b>	<b>3,07,452</b>
Note 23	<b><u>Depreciation &amp; Amortisation Expenses</u></b>		
	Depreciation	1,12,92,571	1,82,47,445
	Preliminary Expenses Written Off	2,97,301	2,97,301
	<b>Total</b>	<b>1,15,89,872</b>	<b>1,85,44,746</b>
Note 24	<b><u>Other Expenses</u></b>		
	<b>a) DIRECT EXPENSES</b>		
	Service Expenses	2,13,030	9,06,212
	Transport & Freight Inward	-	22,617
	Electricity Expenses	15,95,165	14,69,064
	Membership Fees	56,440	-
	Repairs & Maintenance	6,86,891	1,68,784
	Municipal Expense	42,544	-
	Other Expenses	5,493	-
	Professional Tax	2,500	-
	Profit & Loss of Fixed Assets	59,81,822	1,91,96,381
	Loss on sale of car	-	2,72,938
	Write off Assets Loss	-	30,70,680
	<b>Total</b>	<b>85,83,885</b>	<b>2,51,06,677</b>

# ECS Biztech Limited

CIN :-L30007GJ2010PLC063070

NOTES FORMING PART OF FINANCIAL STATEMENT AS AT 31st MARCH, 2017

Note	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	<b>b) OFFICE AND ADMINISTRATIVE EXPENSES</b>		
	Insurance Expenses	77,813	1,09,850
	Internet & Broadband Expenses	14,53,100	26,97,374
	Postage & Courier	1,68,079	8,034
	Professional Fees	21,99,216	41,02,660
	Rent, Rates & Taxes	-	3,50,378
	Stationery & Printing	-	47,690
	Office Maintenance Expense	1,46,007	-
	Telephone & Mobile Expenses	1,21,046	1,01,487
	Travelling & Conveyance	1,21,081	91,328
	Vehicle Expenses	1,91,245	1,06,916
	Miscellaneous Expenses	1,52,447	45,117
	<b>Total</b>	<b>46,30,035</b>	<b>76,60,834</b>
	<b>c) SELLING AND DISTRIBUTION EXPENSES</b>		
	Packing & Forwarding Expenses	-	65,020
	Advertisement & Publicity	4,87,945	3,111
	Sales Promotion Expenses	-	2,71,212
	Commission and Brokerage Exps	9,900	5,06,500
	<b>Total</b>	<b>4,97,845</b>	<b>8,45,843</b>
	<b>TOTAL OTHER EXPENSES (a+b+c)</b>	<b>1,37,11,765</b>	<b>3,36,13,354</b>
<b>Note 25</b>	<b>Earning Per Share</b>		
	Net profit as per Statement of Profit and Loss for calculation of Basic and Diluted EPS	3,68,53,001	1,42,60,804
	Weighted Average number of equity shares(in Calculated Basis/Diluted EPS)	2,05,55,047	2,05,55,047
	Nominal Value of Shares	10	10
	<b>Earnings Per Share</b>	<b>1.79</b>	<b>0.69</b>

As per our report of even date

**For Kajarekar & Co.**  
Chartered Accountants  
FRN No. 137731W

**For & on behalf of Board,**  
**ECS Biztech Limited**

**Hemant R. Kajarekar**  
Proprietor  
M.No. - 041962

**Vijay Mandora**  
Managing Director  
DIN: 00328792

**Hardik Mandora**  
Director  
DIN: 07090358

Place: Ahmedabad  
Date: May 30, 2017

**Dvijesh Pandit**  
Chief Financial Officer

**Shailika Soni**  
Company Secretary

## ECS Biztech Limited

Note - 9 - Fixed Assets												
SR. NO.	Particulars		Gross Block				Depreciation				Net Block As on 31-Mar-17	Net Block As on 31-Mar-16
			Balance As on 01-Apr-16	Addition During the Year	Deduction During the Year	Balance As on 31-Mar-17	Balance As on 01-Apr-16	Addition During the Year	Deduction During the Year	Balance As on 31-Mar-17		
-	TANGIBLE ASSETS											
1	Land		11,32,562	-	-	11,32,562	-	-	-	-	11,32,562	11,32,562
2	Building - Other		23,82,61,898	-	1,64,30,750	22,18,31,148	1,43,93,790	33,75,756	39,48,928	1,38,20,618	20,80,32,626	22,38,68,108
3	Plant & Machinery - ETP		5,41,70,511	1,18,050	-	5,42,88,561	1,22,33,086	33,91,825	-	1,56,24,911	3,86,63,650	4,19,37,425
4	ITSC Center Assets		96,79,140	-	-	96,79,140	43,06,213	9,18,916	-	52,25,130	44,54,010	53,72,927
5	Furniture & Fixtures		5,33,47,072	5,02,300	-	5,38,49,372	1,14,47,902	23,72,771	-	1,38,20,672	4,00,28,700	4,18,99,170
6	Office Equipments		16,86,901	-	-	16,86,901	11,91,951	3,18,562	-	15,10,513	1,76,388	4,94,950
7	Computers		1,22,70,359	-	-	1,22,70,359	1,16,88,329	5,82,029	-	1,22,70,359	-	5,82,029
8	Vehicles - Cars		12,66,702	-	-	12,66,702	6,69,994	1,71,427	-	8,41,420	4,25,282	5,96,708
9	IT Service Infrastructur		2,75,49,412	-	-	2,75,49,412	2,52,76,383	1,61,285	-	2,54,37,667	21,11,744	22,73,029
	TOTAL		39,93,64,556	6,20,350	1,64,30,750	38,35,54,156	8,12,07,647	1,12,92,571	39,48,928	8,85,51,290	29,50,24,962	31,81,56,909
-	INTANGIBLE ASSETS											
1	Software		-	-	-	-	-	-	-	-	-	-
	TOTAL(B)		-	-	-	-	-	-	-	-	-	-
	TOTAL (A+B)		39,93,64,556	6,20,350	1,64,30,750	38,35,54,156	8,12,07,647	1,12,92,571	39,48,928	8,85,51,290	29,50,24,962	31,81,56,909
	Previous Year		45,69,68,892	-	5,76,04,336	39,93,64,556	8,13,17,449	1,82,47,445	1,83,57,247	8,12,07,647	31,81,78,970	37,56,51,443
	Capital Work-in-Progress		5,02,300	-	5,02,300	-	-	-	-	-	-	-
	Previous Year		5,02,300	-	-	5,02,300	-	-	-	-	5,02,300	-



# ECS Biztech Limited

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## Note 26 - Other Notes

Note	Particulars	As at 31 March 2017	As at 31 March 2016
1	In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.		
2	<b>Related Party Disclosures</b> <b>1. Relationships :</b> <b>(a) Same Management</b> ECS Infotech P.Ltd Computer.Com ECS Environment Private Limited V M Infosystem Mandora Finserve Pvt Ltd Mandora Securities Pvt Ltd <b>(c) Key Management Personnel :</b> Shri Vijay Mandora Shri Yogendra Makwana Shri Hardik Mandora Shri Dvijesh Pandit Mrs. Hinaben V Thakor Ms. Shailika Soni <b>2. Transactions Carried out with Related Parties</b>  <b>Referred in 1 above, in Ordinary Course of Business:</b> Nature of Transactions Related Parties <b>Purchases</b> Purchase of services - 3,41,631 Purchase of Goods 64,389 <b>Sales</b> Goods, Materials and Services - 43,69,671 <b>Expenses</b> Directors Remuneration - 2,40,663 Remuneration to KMP 6,37,350 <b>Transactions</b> ECS Infotech P.Ltd Dr. 87,27,934 Computer.Com Nil Vijay Mandora Cr. 6,00,000 ECS Environment Private Limited Dr. 10,139 V M Infosystem Dr. 40,000 Mandora Finserve Pvt Ltd Cr. 1,95,15,000 Mandora Securities Pvt Ltd Nil <b>Balances outstanding at the end of the year</b> Vijaysinh Madora Cr. 600,000 Cr. 10,446,066 ECS Infotech Cr. 50,181,384 Cr. 58,908,934 Computer.com Dr. 4,330,466 Dr. 4,330,466 Mandora Finserve P. Ltd Cr. 92,35,116 Dr. 10,279,884		
3	<b>Contingent Liabilities and Commitments (To the extent not provided for)</b> <b>(i) Contingent Liabilities</b> a) Counter Guarantee given to Bank for LC outstanding Nil Nil b) Guarantees Nil Nil c) Claims against the company/disputed liabilities not acknowledged as Debts (Income Tax ) Nil Nil  <b>(ii) Commitments</b> Estimated amount of contracts remaining to be executed on capital account and not provided for Nil Nil <b>Total Contingent Liabilities</b> Nil Nil		

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## Note 26 - Other Notes

4	<b>Specified Bank Notes</b>			
	As per the Notification G.S.R 308(E) dated March 31, 2017 issued by the Ministry of Corporate Affairs, the Company needs to provide the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016. The term 'Specified Bank Notes' shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November,			
	<b>Particulars</b>	<b>SBNs</b>	<b>Other</b>	<b>Total</b>
	Closing cash in hands as on 08/11/2016	-	69,990	69,990
	(+) Permitted Receipts	-	2,16,195	48,195
	(-) Permitted Payments	-	1,46,063	1,46,063
	(-) Amount deposited in Banks	-	-	0
	Closing cash in hands as on 30/12/2016	-	1,40,122	1,40,122
5	<b>Scheme of Restructuring of Debts (State Bank of India and Central Bank of India)</b>			
	(Secured by First Charge on Moveable & Immovable Properties and Guaranteed by Director Mr.Vijay Mandora)			
	(State Bank of India has restructured Loan Facilities, wherein they have sanctioned term facilities namely Term Loan of Rs. 10.14 Cr. on 28.3.14, instalment starting from Jan 2016, to Term loan recheduled from 78 Months to 120 months (including moratorium period of 24 Months) . Revised rate of Interest is 2.95% above Base rate.Present effective rate 12.95% p.a.with monthly rest against applicable pricing to a unit rated SB-7 i.e.,3.95% above base rate i.e.,13.95% p.a.(including tenor premium)			
	State Bank of India has sanctioned from loan namely FITL and WCTL of Rs.24.53 Cr. repayable in 96 monthly installments commencing from January 2016 (Total Tenor 10 Year) rate of Interest is 2.95% above Base rate.Present effective rate 12.95% p.a.with monthly rest against applicable pricing to a unit rated SB-7 i.e.,3.95% above base rate i.e.,13.95% p.a.(including tenor premium)			
	Additional 90 Days time for perfection of security for proposed additional property and pledge of shares			
	Central Bank of India had restructured Loan Facilities, wherein they have sanctioned term loan facilities of Rs 3.57 crs on 21st May, 2014 on same terms and condition as prevailing with State Bank of India (SBI is lead banker and CBI is a consortium partner)			
	Central Bank of India had restructured Loan Facilities, wherein they have sanctioned term loan facilities namely WCTL and FITL of Rs 10.87 crs on 21st May, 2014 on same terms and condition as prevailing with State Bank of India (SBI is lead banker and CBI is a consortium partner)			
	<b>State Bank of India &amp; ASREC (INDIA) LTD</b>			
	The company has transferred loan from State bank of India to assets restructuring company [ASREC (INDIA) LTD], Charges mentioned herein are transferred to ASREC (INDIA) Ltd and removed from MCA website.			
	First pari pasu charge by way of Equitable mortgage of over immovable property situated at block I, "Safal Mondel Retail park" situated at Nr. Rajpath Club, S.G. Highway, Ahmeedabad, having approx super built up area of 12624 Sq.Fts comprising basement, Ground Floor, First Floor, Second Floor and Terrace.			
	First pari pasu charge by way of equitable mortgage of over immovable property situated at 11, Garden View, Corporate House, Nr.Auda Garden, Bodakdev, having approx built up area of 6572 sq ft Ahmedabad			
	First pari pasu charge by way of equitable mortgage on Bungalow 5, Shridhar Bungalow, Opp. Auda Garden, Bodakdev, S.G. Highway, Land area 206 Sq mtr, Ahmedabad.			
	First Pari pasu charge by way of equitable mortgage on Office no.202, Second floor, Sigma Icon, Opp medilink Hospital, 132 FT Road, Super built up area 2860 sq.mtr Ring Road Jodhpur, Ahmedabad.			
	First Pari Pasu charge by way of equitable mortgage on Flat No. A-24 Second Floor, Orchid White field, measuring 1705 Sq mtr super built up area, TP Scheme no 84, Opp. Vodafone House, Prahladnagar, Ahmedabad			
	First Pari Pasu charge by way of equitable mortgage on Flat No. A-21 Second Floor, Orchid White field, measuring 1678 Sq mtr super built up area, TP Scheme no 84, Opp. Vodafone House, Prahladnagar, Ahmedabad			
	Simple Deposit of Title Deed Sub Plot No.1, Block no.101, Canal Road, measuring 1511.71 Sq. yard, village Shela, Taluka-Sanand, Ahmedabad.			
	<b>Central Bank of India &amp; Edelweiss Finance &amp; Investments LTD</b>			
	The company has transferred loan from Central Bank of India to assets restructuring company [Edelweiss Finance & Investment LTD], Charges mentioned herein are transferred to Edelweiss Finance & Investment LTD and removed from MCA website.			

## ECS Biztech Limited

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### Note 26 - Other Notes

<b>6</b>	According to the information available with the Company, there are no amounts as at 31 <sup>st</sup> March, 2017, due to suppliers who constitute a "Micro, Small and Medium Enterprises" as per MSMED Act, 2006.
<b>7</b>	Since the Management has strategically closed all the Retail Outlets thereby focussing more on the trend of Online Business Model during the year, the presentation as per AS-19 on Leases is not reported.
<b>8</b>	The Management is of the view that the Retail Sales can be optimally utilized through Online Business on Company portal <a href="http://www.bluoshn.com">http://www.bluoshn.com</a> to sell IT products. The Company thus focusses on Online market to stay in competition thereby strategically closing down the retail outlets except the Flagship Store. During the year, the Company has adjusted closing balances of all the closed branches by transferring respective balances to the H.O. account. The Board of Directors have not announced a detailed, formal plan of its discontinuance, hence no recognition and disclosures pertaining to discontinuance thereof are made.
<b>9</b>	The Company has not offered any formal plans or agreements with individual employees, group of employees or their representatives for retirement benefits, hence its recognition, measurement and disclosures are not made.

# ECS Biztech Limited

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## Note 26 - Other Notes

10	<p><b>Significant Accounting Policies:</b></p> <p><b>Nature of Operations:</b></p> <p>ECS Biztech Limited (hereinafter referred to as “EBL” or “the Company”) is a Company formed and registered under the Companies Act, 1956, on 29th November, 2010, by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of the Company has been changed from SAC INFOSYSTEM PRIVATE LIMITED to ECS BIZTECH PRIVATE LIMITED consequent upon issue of fresh Certificate of change of name on dated 08/12/2011. The Company is been converted from Private Limited to Limited vide resolution dated 02/09/2014. The Company has procured and sold IT products including Computers and computer peripherals. In addition to that the company has rendered IT related services during the year.</p>
1)	<p><b>Significant Accounting Policies:</b></p> <p><b>Basis of Preparation of Financial Statements:-</b></p> <p>The financial statements have been prepared to comply in all material respects with applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention on an accrual basis of accounting, in accordance with applicable mandatory accounting standards prescribed under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013.</p>
2)	<p><b>Use of Estimates:-</b></p> <p>The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.</p>
3)	<p><b>Revenue Recognition:-</b></p> <p>Revenue is recognised on accrual basis as per the details as under;</p> <p>(a) Sales of products and services are recognized when significant risks and rewards of ownership of products are passed on to customers or when the service has been provided.</p> <p>(b) Dividend income is recognized when the right to receive dividend is established.</p> <p>(c) Interest income is recognized on the time proportion method.</p> <p>(d) The Expenses are recognized when incurred. However, LC discounting charges are recognized on cash basis.</p> <p>(e) Other Income excepting as stated above is recognised on accrual basis when risk and rewards of such income are passed on to the customers</p> <p>(f) Transaction of Sales and Purchase with related parties are taken place on arms length basis.</p> <p>(g) No transaction have been taken place with Small and Medium Enterprise(SME) during the year.</p>
4)	<p><b>Inventories:-</b></p> <p>Inventories are stated at lower of cost and net realizable value, as certified by the management.</p>
5)	<p><b>Fixed Assets:-</b></p> <p>Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Borrowing costs related to the acquisition or construction of the qualifying assets for the period up to the completion of their acquisition or construction is capitalized.</p> <p>Capital Work-in-progress of previous year have been transferred to respective Fixed Assets during the year. The same have been capitalized at cost of purchase, duties, levies and other directly attributable cost. There is no any Capital Work-in-progress outstanding during the year.</p> <p>The Company has sold one of the fixed assets during the year and loss on sale of assets is provided in the</p>

# ECS Biztech Limited

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## Note 26 - Other Notes

6)	<b>Depreciation/Amortization:-</b> Depreciation has been provided on Straight Line Method based on the useful life of the assets & in accordance with Schedule II to the Companies Act, 2013.
7)	<b>Investments:-</b> Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
8)	<b>Provision, Contingent Liabilities and Contingent Assets:-</b> Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed by way of Notes to Accounts. Contingent assets are not recognized in the financial statements.
9)	<b>Taxation:-</b> Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.  Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The company has provided for deferred tax in the books of accounts and calculation for the same is attached with the balance sheet.
10)	<b>Segment reporting:-</b> Identification of segments: The Company's operating businesses are organized and managed according to the nature of products and predominant source of the risk for the Company is business product, therefore business segment has been considered as primary segment. The analysis of geographical segments is based on the areas in which the Company operates. The Company has operated only in Gujarat during the year. Segment policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.
11)	<b>Earning per share:-</b> Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the period.
12)	<b>Intangibles:-</b> Costs incurred on acquisition of intangible assets are capitalized and amortized on a straight-line basis over their technically assessed useful lives, as mentioned below: Intangible assets : Estimated Useful Lives (Years) IT Software : 5

# ECS Biztech Limited

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## Note 26 - Other Notes

13)	<p><b>Impairment:-</b> The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. For the purpose of accounting of impairment, due consideration is given to revaluation reserve, if any. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful lives. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.</p>
14)	<p><b>Borrowing costs:-</b> Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.</p>
15)	<p><b>Leases:-</b> Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as Operating Leases. Operating Lease payments are recognized as an expense in the Profit &amp; Loss Account on a straight line basis over the lease period..</p>
16)	<p><b>Employee benefits:-</b> Retirement benefits in the form of Provident Fund contributed to Statutory Provident Fund is a defined contribution scheme and the payments are charged to the Profit and Loss Account of the year when the payments to the respective funds are due. There are no obligations other than contribution payable to Provident Fund Authorities. Superannuation Fund and Employees' State Insurance Corporation (ESIC) are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds. As none of the employees have completed the minimum length of service qualifying for payment of gratuity, no provision for gratuity has been made by the Company.</p>
17)	<p><b>Foreign Currency Transactions:-</b></p> <p><b>Initial recognition</b> Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.</p> <p><b>Conversion</b> Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.</p> <p><b>Exchange differences</b> Exchange differences arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.</p>
	<p><b>Forward exchange contracts not intended for trading or speculation purposes</b> The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.</p>

# ECS Biztech Limited

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## Note 26 - Other Notes

18)	<b>Other Accounting Policies:-</b> <u>These are consistent with the generally accepted accounting practices.</u>
19)	<b>Other Accounting Standards.</b> Other accounting standards viz, AS 07 Accounting for Construction Contracts, AS 12 Accounting for Government Grants, AS 21 Consolidated Financial Statements, AS 23 Accounting for Investments in Associates in Consolidated Financial Statements, AS 25 Interim Financial Reporting, AS 27 Financial Reporting of Interests in Joint Ventures (to the extent of Requirement relating to Consolidated Financial Statements), are not applicable to the company.

As per our report of even date

**For Kajarekar & Co.**  
Chartered Accountants  
FRN No. 137731W

**For & on behalf of Board,**  
**ECS Biztech Limited**

**Hemant R. Kajarekar**  
Proprietor  
M.No. - 041962

**Vijay Mandora**  
Managing Director  
DIN: 00328792

**Hardik Mandora**  
Director  
DIN: 07090358

Place: Ahmedabad  
Date: May 30, 2017

**Dvijesh Pandit**  
Chief Financial Officer

**Shailika Soni**  
Company Secretary