

BOARD'S REPORT

To,
The Members of
SoftTech Engineers Private Limited

Your Directors have pleasure in presenting the Board's Report of your Company together with the Audited Statement of Financials and the Auditors' Report of your company for the financial year ended 31st March, 2015.

I. FINANCIAL HIGHLIGHTS

The Company's financial performance for the year under review alongwith previous years figures are given hereunder:

PARTICULARS	FINANCIAL YEAR	
	2014-15	2013-14
Total Revenue	3525,45,202	2561,91,322/-
Other Income	11,361,256/-	13,37,127/-
Total Income	36,39,06,458/-	25,75,28,449/-
Expenditure	31,84,91,156/-	22,74,38,368/-
Profit before Tax	45,4,15,302/-	3,00,90,081/-
Tax Expenses		
Current Tax	1,53,80,000/-	95,35,000/-
Deferred Tax	(47,199)-	214,414/-
Net Profit / Loss for the year after Tax and prior expenses	300,82,501/-	203,40,667/-

SoftTech Engineers Pvt. Ltd.

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2. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: I)**

3. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year under review, the Board has met five times. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings. The details of the meeting are as follows:

SR. NO.	DATE OF THE BOARD MEETING	DIRECTOR'S ATTENDANCE
1.	06.05.2014	1. Vijay Gupta 2. Girish Gupta 3. Rahul Gupta
2.	17.07.2014	1. Vijay Gupta 2. Girish Gupta 3. Priti Gupta
3.	14.11.2014	1. Vijay Gupta 2. Girish Gupta 3. Rahul Gupta
4.	30.01.2015	1. Vijay Gupta 2. Girish Gupta 3. Priti Gupta 4. Babubhai Kanjibhai Patel
5.	24.02.2015	1. Vijay Gupta 2. Girish Gupta 3. Rahul Gupta

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 and of the profit of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) 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.

5. STATUTORY AUDITORS

M/s P.G Bhagwat, Chartered Accountants (FRN: 101118W), the Statutory Auditors of the Company were appointed by the Company in the last Annual General Meeting (AGM) for 5 years. However, the law mandates the ratification of their appointment every year in the AGM. They have indicated their willingness to continue as the Statutory Auditors of the Company, and hence the ratification of their appointment would be recommended to the Members of the Company, for the financial period. Their remuneration will have to be confirmed and approved in the ensuing Annual General Meeting.

The Company has received letters from M/s P.G Bhagwat, Chartered Accountants to the effect that their reappointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

6. COMMENTS ON AUDITOR'S REPORT

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

7. REPORTING OF FRAUD BY STATUTORY AUDITORS:

Further there was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

9. PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act, which are at arm's length and in the ordinary course of business. Further all the necessary details of transaction entered with the related parties are attached herewith in form no. AOC-2 for your kind perusal and information as **(Annexure: II)**.

10. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The company has made significant progress during last financial year on the following fronts:

Product Development Front:

- Significant qualitative enhancements were made in AutoDCR such as - Mobile App interface, integration with latest AutoCAD 2015 release as well as making AutoDCR compatible with other industry standard CAD software such as ZWCAD. Because of the success of AutoDCR in domestic market, SoftTech is now identified by NASSCOM as "Top 50" emerging software product companies in India. Also Microsoft has chosen SoftTech as preferred partner for smart city projects for the part of building plan approval because of the success of AutoDCR in major corporations.
- The entire OPTICON suite is now fully web based. All the major modules of earlier client-server based application are now available on internet. This will help us to offer OPTICON on SAAS model to customers. We have also completed the development of android based Mobile App interface for OPTICON. Development of Revit integration module for mapping architectural and structural entities in OPTICON has been completed successfully. Now we intend to develop similar integration for MEP entities in this financial year. We also started development of the communication portal module as part of OPTICON and it is now about 50% complete.
- Our Product PWIMS is successfully implemented at MIDC and made live for entire Maharashtra. We have enhanced the product features and is now taking shape as unique solution for public sector undertakings.
- Development of RuleBuddy portal based on AutoDCR product is in the final stage. The portal will soon be launched for starting commercial operations.

Services front:

- We have made dedicated efforts to study the market requirements in North America, UAE and Africa for offering OPTICON based services. We have identified some potential customers in international market for offering these services. We need to make some customization and localization in OPTICON based on our market study to start generating revenue from these prospects in international markets like UAE and North America, during current financial year.

Sales & Marketing Front:

- Our sales and presales team for India market has now grown to the size of 18 members. We have recruited additional sales / presales persons at Pune, Mumbai, Indore, Delhi, Chennai, Kolkata and Raipur.
- We have signed partnership agreements with local companies in Nigeria, Malaysia and UAE. We are on the verge of signing similar agreements with companies in North America, South Africa and Kuwait.

We have participated in marketing events of NASSCOM, HongKong Trade Development Council and Administrative Staff College of India (Hyderabad). In addition, we arranged several marketing seminars for architects.

- Our business partner in UAE has become active and has generated new prospects. An experienced business development manager has been hired by our business partner in Dubai exclusively for sale of OPTICON. We now have more than 10 strong potential customers in UAE. Based on these prospects, we're confident of winning 5-10 OPTICON customers from UAE in current Financial Year.

We have continued our activities of e-marketing, direct mailers and publishing select articles in construction magazines. We also participated in select Trade shows and seminars. We look forward to have a mission on closing 100 Crores revenue in next 3 years.

11. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

No amount is proposed to be transferred to General Reserve.

12. COST RECORD AND/OR COST AUDIT

Your company does not falls within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

13. DIVIDEND

Your Board recommends final dividend @ 5 % on all the securities outstanding as on 31st March, 2015.

Members may note that the proposed final dividend is being paid pro rata basis depending upon the period through which particular securities were outstanding i.e. those securities which had been allotted during year .

14. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not pertain as there was no unclaimed amount of dividend declared previous year which needed to be transferred to Investor Education and Protection Fund.

15. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo are under below.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate social responsibility provisions are not applicable to the Company.

19. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of Business during the Financial Year.

20. DEATILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(KMP)

During the year under review Mr. Raja Bhaskar Goru was appointed as the CFO of the company and Mr. Vijay Gupta was appointed as Managing Director and Ms.Priti Gupta was designated as Wholetime Director of the Company.

21. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Your Company has one associate company viz. SoftTech Software TR LLC and a joint venture company viz. SoftTech Engineers. However, the Company does not have any subsidiary.

22. DEPOSITS

The company has not accepted any deposits from public during the year.

23. ORDER OF COURT

There were no Orders passed against the Company, by the Court/Regulators/Tribunals during the Financial Year.

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your directors confirm that they have put in place sufficient internal financial controls with respect to maintenance of books of accounts and preparation of the financial statements.

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Your directors confirm that they have put in place sufficient internal financial controls with respect to maintenance of books of accounts and preparation of the financial statements.

25. CHANGES IN SHARE CAPITAL

During the year the company issued Compulsory Convertible Cumulative Preference Shares amounting to Rs 4,304,330 to Rajasthan Trustee Company Pvt. Ltd. A/C SME Tech Fund RVCF Trust II.

26. PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration beyond the monetary ceilings prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

27. SHARES

a) BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b) SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c) BONUS SHARES

No Bonus Shares were issued during the year under review.

d) EMPLOYEES STOCK OPTION PLAN

The Company has implemented ESOPS plan to the employees identified under the category of Loyalty, Performance and Exit strategy

28. VIGIL MECHANISM:

Vigil mechanism provisions are not applicable to the Company.

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

The Company has an effective mechanism as required Pursuant to the Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Rules issued thereunder, and confirms that no complaint / case has been filed / pending with the Company during the year in this regard.

30. ACKNOWLEDGEMENT:

Your Directors like to express their heartfelt gratitude to all the Bankers, Government Authorities, Customers, Vendors and Business partners for their continued support and association.

The Directors would also like to express their appreciation to the employees of the Company for their dedicated, individual and collective contribution in the overall growth of the Company.

For and on behalf of the Board of Directors of

SoftTech Engineers Private Limited



Name: Vijay Gupta

DIN : 01653314

Designation: Managing Director

Date: 05.06.2015

Place: Pune

Name: Priti Vijay Gupta

DIN : 01735673

Designation: Whole-time director

Date: 05.06.2015

Place: Pune

19TH ANNUAL REPORT

**SOFTTECH ENGINEERS PVT.LTD.
THE PENTAGON,
UNIT NO 5A NEAR PUNE SATARA
ROAD TEL EXCHANGE
PUNE-411 009**

F.Y. 2014-2015

A.Y. 2015-2016

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SOFTTECH ENGINEERS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of SOFTTECH ENGINEERS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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, financial performance and cash flows 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 Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal

financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) There are no observations and comments on financial transactions or other matters which have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) There are no qualifications, reservations or adverse remarks relating to maintenance of accounts and other matters connected therewith.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



M/s P. G. BHAGWAT

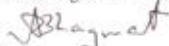
Chartered Accountants

- i. The Company did not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts, having any material foreseeable losses;
- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s P G Bhagwat

Chartered Accountants

Firm's Registration No.: 101118W



Abhijeet Bhagwat

Partner

Membership No.:136835

Pune

5th June, 2015



M/s P. G. BHAGWAT

Chartered Accountants

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March, 2015, for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

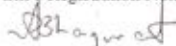
(c) According to the information and explanations given to us, there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Company has no accumulated losses at the end of 31st March, 2015. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution or bank. The Company does not have any debenture holders.
- (x) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the information and explanations given to us, term loans availed by the Company were, prima facie; applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed by us and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M/s P G Bhagwat

Chartered Accountants

Firm's Registration No.: 101118W



Abhijeet Bhagwat

Partner

Membership No.:136835

Pune;

5th June, 2015



M/s P. G. BHAGWAT

Chartered Accountants

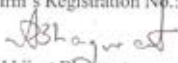
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- (xii) Based upon the audit procedures performed by us and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M/s P G Bhagwat
Chartered Accountants
Firm's Registration No.: 101118W


Abhijeet Bhagwat
Partner
Membership No.: 136835
Pune:
5th June, 2015



Particulars	Note No.	Rupees	
		Figures as at March 31, 2015	Figures as at March 31, 2014
I EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	A-1	34,434,900	30,130,570
(b) Reserves and Surplus	A-2	195,204,785	122,023,182
(c) Money received against share warrants		-	-
		229,639,685	152,153,752
2 Share application money pending allotment			
		-	-
3 Non Current Liabilities			
(a) Long Term Borrowings	A-3	72,519,637	96,856,068
(b) Deferred Tax Liabilities (Net)	A-4	2,430,974	2,968,634
(c) Other Long Term Liabilities	A-5	50,900	51,000
(d) Long Term Provisions	A-6	2,770,452	1,372,152
		77,771,063	101,247,854
4 Current Liabilities			
(a) Short Term Borrowings	A-7	14,809,927	23,322,526
(b) Trade Payables		44,657,668	30,394,412
(c) Other Current Liabilities	A-8	47,307,425	46,333,153
(d) Short Term Provisions	A-9	7,956,043	4,761,406
		114,731,063	104,811,497
		422,141,811	358,213,103
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets	A-10		
(i) Tangible assets		33,190,930	24,931,272
(ii) Intangible Assets		68,206,657	41,403,268
(iii) Capital work in progress		-	8,845,594
(iv) Intangible assets under development		12,921,310	12,389,248
(b) Non-current Investments	A-11	3,244,800	3,244,800
(c) Deferred Tax Assets (Net)		-	-
(d) Long-term Loan and Advances	A-12	5,908,929	5,046,958
(e) Other non-current assets	A-13	13,332,264	15,645,285
		136,804,890	111,506,426
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	A-14	206,023,108	159,426,394
(d) Cash and Bank Balances	A-15	29,884,371	53,322,780
(e) Short-term Loan and Advances	A-16	6,281,006	2,913,463
(f) Other current assets	A-17	43,148,435	31,044,034
		285,336,920	246,706,677
		422,141,811	358,213,103

Notes to Accounts

The notes referred to above and the accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M/s P. G. Bhagwat
Chartered Accountants

ABHINAV BHAGWAT
Partner



RIJAY GUPTA
Managing Director
DIN: 1653314

Part B & C

For and on behalf of the Board
SoftTech Engineers Private Limited

PRITHI GUPTA
Director
DIN: 7325473

MAHABHASKAR GORU
Chief Financial Officer



PUNE
Date:

05 JUN 2015

PUNE
Date:

05 JUN 2015

SOFTTECH ENGINEERS PRIVATE LIMITED,PUNE
Cash flow statement for the year ended March 31, 2015

	Particulars	2014-15	2013-14
A	Cash flows from operating activities		
	Net profit before taxes and extraordinary items	45,415,302	90,090,085
	Adjustments for :-		
1.	Depreciation / amortization	30,297,855	23,852,100
2.	Bad debts written off	7,844,562	9,462,591
3.	Provision for Doubtful Debts	2,775,531	-
4.	Advances written off	102,535	1,553,489
5.	Interest income	(3,578,953)	(422,293)
6.	Dividend income	(2,500)	(2,500)
7.	Finance Costs	14,229,664	15,607,606
8.	Credit balances written back	(6,145,570)	(505,219)
9.	Unrealised exchange loss / (gain)	(325,656)	-4,861
	Operating profit before working capital changes	90,612,770	79,600,817
	Adjustments for :-		
1.	(Increase)/ decrease in current assets	(98,494,443)	(86,180,156)
2.	(Increase)/ decrease in non current assets	1,348,515	(12,769,737)
3.	Increase/ (decrease) in current liabilities	22,688,481	31,155,149
4.	Increase/ (decrease) in non current liabilities	1,397,300	95,518
	Cash generated from operations	17,552,623	11,901,591
	Income tax (paid) / refunded	(11,896,106)	(7,766,890)
	Net cash from operating activities	5,656,517	4,134,700
B	Cash flows from investing activities		
1.	Purchase of fixed assets	(58,660,189)	(30,143,493)
2.	Interest received	2,210,300	167,005
3.	Dividend received	2,500	-2,500
	Net cash from investment activities	(56,447,389)	(29,979,988)
C	Cash flows from financing activities		
1.	Proceeds from short term borrowings	-	27,712,794
2.	Proceeds from long term borrowings	-	40,035,000
3.	Repayment of borrowings	(31,961,115)	(89,297,314)
4.	Finance Costs Paid	(16,724,463)	(15,730,597)
5.	Dividend paid	(1,461,837)	(1,450,822)
6.	Proceeds from issuance of Share Capital	49,999,872	56,546,842
	Net cash used in financing activities	(147,543)	67,815,093
	Net increase in cash and cash equivalents	(50,938,415)	41,976,795
	Cash & cash equivalents at beginning of period (refer note part A -15(a))	53,322,786	11,345,991
	Cash & cash equivalents at end of period (refer note part A -15(a))	2,384,371	53,322,786

As per our report of even date attached

For M/s P. G. Bhagwat
Chartered Accountants

ABHILEET BHAGWAT
Partner



For and on behalf of the Board
SoftTech Engineers Private Limited

Vijay Gupta

VIJAY GUPTA
Managing Director
DIN: 1653814

Prati Gupta

PRITI GUPTA
Director
DIN: 1735673

Abhaskar Goru

ABHASKAR GORU
Chief Financial Officer

PUNE
Date:

05 JUN 2015

PUNE
Date:

05 JUN 2015



SOFTTECH ENGINEERS PRIVATE LIMITED,PUNE
Cash flow statement for the year ended March 31, 2015

	Particulars	2014-15	2013-14
A	Cash flows from operating activities		
	Net profit before taxes and extraordinary items	45,415,302	80,090,081
	Adjustments for :-		
1.	Depreciation / amortization	30,297,855	23,852,100
2.	Bad debts written off	7,844,562	9,462,691
3.	Provision for Doubtful Debts	2,775,531	-
4.	Advances written off	102,535	1,553,489
5.	Interest Income	(3,578,953)	(422,253)
6.	Dividend Income	(2,500)	(2,500)
7.	Finance Costs	14,229,664	15,607,606
8.	Credit balances written back	(6,145,570)	(905,219)
9.	Unrealised exchange loss / (gain)	(325,656)	-1,865
	Operating profit before working capital changes	90,612,770	79,600,817
	Adjustments for :-		
1.	(Increase)/ decrease in current assets	(98,494,443)	(86,180,156)
2.	(Increase)/ decrease in non current assets	1,348,515	(12,769,737)
3.	Increase/ (decrease) in current liabilities	22,688,481	31,155,149
4.	Increase/ (decrease) in non current liabilities	1,397,300	95,518
	Cash generated from operations	17,552,623	11,901,591
	Income tax (paid) / refunded	(11,896,106)	(7,766,890)
	Net cash from operating activities	5,656,517	4,134,700
B	Cash flows from investing activities		
1.	Purchase of fixed assets	(58,660,189)	(30,143,493)
2.	Interest received	2,210,300	167,005
3.	Dividend received	2,500	2,500
	Net cash from investment activities	(56,447,389)	(29,973,988)
C	Cash flows from financing activities		
1.	Proceeds from short term borrowings	-	27,712,791
2.	Proceeds from long term borrowings	-	40,035,000
3.	Repayment of borrowings	(31,961,115)	(39,297,311)
4.	Finance Costs Paid	(16,724,463)	(15,730,597)
5.	Dividend paid	(1,461,837)	(1,450,822)
6.	Proceeds from issuance of Share Capital	49,999,872	56,546,842
	Net cash used in financing activities	(147,543)	67,816,083
	Net increase in cash and cash equivalents	(50,938,415)	41,976,795
	Cash & cash equivalents at beginning of period (refer note part A -15(a))	53,322,786	11,345,991
	Cash & cash equivalents at end of period (refer note part A -15(a))	2,384,371	53,322,786

As per our report of even date attached

For M/s P. G. Bhagwat
Chartered Accountants

ADHJEET BHAGWAT
ADHJEET BHAGWAT
Partner



For and on behalf of the Board
SoftTech Engineers Private Limited

VJAY GUPTA

VJAY GUPTA
Managing Director
DIN: 1653314

PRITI GUPTA

PRITI GUPTA
Director
DIN: 1735473

ABHASKAR GORU
ABHASKAR GORU
Chief Financial Officer

PUNE
Date:

05 JUN 2015

PUNE
Date:

05 JUN 2015



Particulars	Rupees	
	Figures as at March 31, 2015	Figures as at March 31, 2014
Note : A-1		
Share Capital		
Authorised		
28,00,000 (28,00,000) Equity Shares of Rs.10/- each (Rs.10/-) each	28,00,000	28,00,000
10,00,000 (10,00,000) Compulsory Convertible Preference Shares of Rs.10/- each (Rs. 10/-) each	10,00,000	10,00,000
	38,00,000	38,00,000
Issued, subscribed & fully paid up		
25,82,623 (25,82,623) Equity Shares of Rs.10/- each (Rs.10/-) each	25,826,230	25,826,230
8,60,867 (4,30,434) CCCP shares of Rs.10/-each (Rs.10/-) each	8,608,670	4,304,340
Total	34,434,900	30,130,570

a) Reconciliation of share capital

Particulars	Figures as at March 31, 2015		Figures as at March 31, 2014	
	Number	Rupees	Number	Rupees
I. Equity Shares - Issued, Subscribed and fully paid up.				
Shares outstanding at the beginning of the year	2,582,623	25,826,230	2,496,628	24,966,280
Shares issued during the year	-	-	85,995	859,950
Shares outstanding at the end of the year	2,582,623	25,826,230	2,582,623	25,826,230
B. Compulsory Convertible Cumulative Preference Share - Issued, Subscribed and fully paid up.				
Shares outstanding at the beginning of the year	430,434	4,304,340	-	-
Shares issued during the year	430,433	4,304,330	430,434	4,304,340
Shares outstanding at the end of the year	860,867	8,608,670	430,434	4,304,340

b) Rights of shareholders:

- I. The company has equity shares, having par value of Rs. 10/- per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in prop. - art to the number of equity shares held by the shareholders.
- II. The company has fully dilutive Compulsory Convertible Preference Shares (CCCPs), having par value of Rs. 10/- per share. The CCCPs are convertible into equity shares at option of the investor at any time after July 31 2015, in accordance with the conversion price as under agreement with shareholder. The CCCPs shall be automatically converted into equity shares at the completion of 10 years from the date of subscription of the CCCPs, or in the event of listing pursuant to an IPO approved by the investor, whichever is earlier. The holders of CCCPs shall be entitled to voting rights on an "as if converted basis". The CCCPs shall carry a pre-determined cumulative dividend rate of 0.1% per annum. In addition, if the holders of Equity Shares are paid dividend in excess of 0.1%, the holders of the CCCPs shall be entitled to dividend at such higher rate.

The unpaid pre-determined cumulative dividend on CCCPs for the year is Rs. 5153.41/- (Rs.11.79)

In the event of occurrence of a liquidation event or winding up subject to applicable laws, the total proceeds from such an event will be distributed to the investor in preference to all other Shareholders of the company (including the Promoters) from the Assets, Cash and/or property of the Company and/or cash or other consideration payable on the occurrence of the liquidation event, as the case may be, prior a) in preference to payment of any dividend or distribution of any of the assets or surplus funds of the company to the shareholders of the company by reason of their ownership thereof so that the investor receives the higher of (Liquidation preference amount) :-

- (i) the investment amount plus all declared but unpaid dividends until the date of such payment plus an int of 20% p.a.; or
 (ii) proportionate share of the valuation as accorded by an independent third party valuer to be mutually appointed by the investor and company; or
 (iii) proportionate share of actual liquidation proceeds.

For the year ended March 31,2015 the board of directors have proposed dividend of Rs. 7/- (Rs. 0.5/-) per share subject to shareholders' approval.

c) Details of share holders holding more than 5% shares

Name of the shareholder	Figures as at March 31, 2015		Figures as at March 31, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
I. Equity Shares - Issued, Subscribed and fully paid up				
Mr. Vijay Gupta	1,840,617	71.27%	1,840,617	71.27%
Mr Babubhai K. Patel	325,152	12.59%	325,152	12.59%
CoVible Solutions (I) Pvt.Ltd.	149,574	5.79%	149,574	5.79%
B. Compulsory Convertible Cumulative Preference Shares - Issued, Subscribed and fully paid up.				
Rajasthan Trustee Company Pvt. Ltd. A/C SME Tech Fund RVCF Trust II	860,867	100%	430434	100%



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Particulars	Rupees	
	Figures as at March 31, 2015	Figures as at March 31, 2014
Note : A-2		
Reserves and Surplus		
(a) Securities Premium Account		
Opening balance	54,754,887	2,319,125
Add: Securities premium credited on shares issued	45,695,542	52,435,762
Closing Balance	100,450,429	54,754,887
(b) Surplus		
Opening balance	67,268,294	48,678,553
Add: Reversal of proposed dividend including tax thereon (Refer Note Part C-17)	289,088	-
Less: As per Schedule II Note 7 (b) of the Companies Act, 2013 (Refer Note Part C-16)	1,021,208	-
Add: Net Profit for the Current Period	30,082,501	20,340,666
Balance available for appropriation	96,618,674	69,019,220
Less: Appropriations:		
Proposed Dividend	1,548,982	1,506,529
Dividend Distribution Tax	315,337	244,397
Closing Balance	94,754,355	67,268,294
TOTAL	195,204,785	122,023,182

Note: A-3		
Long Term Borrowings		
Secured		
(a) Term Loans from Banks		
SIDBI (i) - Small Industries Development Bank of India Terms of Loan: Loan is secured against second charge on movable and current assets and personal guarantee by Mr Vijay & Mrs. Priti Gupta. Rate of interest is 15 % p.a. Loan is repayable in quarterly installments of Rs. 15,55,000/- starting from June 2012 to September 2015	-	3,090,000
SIDBI (ii) - Small Industries Development Bank of India Terms: Loan is secured against second charge on movable and current assets and IFR of products. Rate of interest is 15.75% p.a. Loan is repayable in monthly installments of Rs. 14,59,000/- starting from January 2016 to December 2017	62,123,000	66,500,000
(b) Term Loans from Other Parties		
ICTDE - Technology Development Board Terms of Loan: Loan is secured by personal guarantee from Mr Vijay Gupta & Mrs. Priti Gupta pledging 3 Lakh shares of Rs 10/- each amounting to Rs. 30 Lakhs as a Corporate Guarantee by Company. Loan is borrowed in April 2010 and carries interest rate of 5% p.a. simple interest. Loan is to be repaid in half yearly installments of Rs. 43,35,000/- starting from September 2012 to September 2016.	4,320,000	12,990,000
Unsecured		
(a) Term Loans from Banks		
SHDFC Bank Ltd Terms of Loan: Loan is borrowed in September 2012 and carries interest rate of 16% p.a. Loan is repayable in equated monthly installments of Rs 105471/- from November 2012 to October 2015.	-	700,443
(b) Loan and Advances from Related Parties		
Mr. Vijay Gupta - Managing Director	5,439,662	12,938,650
Mrs. Priti Gupta - Director	636,975	616,975
These are interest free loans and do not have a repayment schedule.		
TOTAL	72,519,637	96,856,068



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Particulars	Figures as at March 31, 2015	Figures as at March 31, 2014
Note: A-4		
Deferred Tax Assets/(Liabilities)(Net)		
(a) Deferred Tax Liabilities		
(i) On Depreciation/amortisation of fixed assets	(4,311,390)	(3,625,490)
(b) Deferred Tax Assets		
(i) On provision of employee benefits	979,895	656,856
(ii) On provision of doubtful debts	900,521	-
	(2,430,974)	(2,968,634)

Note: A-5		
Other Long Term Liabilities		
(a) Others		
(i) Dealer deposits	50,000	51,000
	50,000	51,000

Note: A-6		
Other Long Term Provisions		
(a) Provision for employee benefits		
(i) Gratuity - (Refer Note Part C-7)	2,559,150	1,372,152
(ii) Leave encashment - (Refer Note Part C-11)	211,302	-
	2,770,452	1,372,152

Note: A-7		
Short Term Borrowings		
Secured		
(a) Loans repayable on demand from banks		
Cash credit from Axis Bank Ltd Nature of Primary security: First charge by way of hypothecation over entire current assets of the company, present & future with residual / sub-servient charge over with SIDBI. Interest Rate : 13.25% p.a	14,809,927	20,029,042
Unsecured		
(a) Other loans and advances		
From other parties IBM India Pvt. Ltd.	-	3,793,484
	14,809,927	23,822,526



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Particulars	Figures as at March 31, 2015	Figures as at March 31, 2014
Note: A-8		
Other Current Liabilities		
(a) Current maturities of long-term debt		
SIDBI	7,467,000	6,220,000
TDB (Technology Development Board)	8,670,000	8,670,000
HDFC Bank Ltd	700,443	1,059,528
	16,837,443	15,949,528
(b) Interest accrued but not due on borrowings	2,046,482	4,541,281
(c) Other Payable		
(i) Advances from customers	410,992	73,685
(ii) Salary, incentive & reimbursements	8,097,694	7,889,966
(iii) Contribution to provident fund	358,683	198,859
(iv) Statutory dues	3,745,061	8,041,269
(v) Provision for expenses	15,811,070	9,537,414
(vi) Payables for purchase of fixed assets	-	101,150
	47,807,425	46,338,153

Note: A-9		
Short Term Provisions		
(a) Provision for employee benefits		
(i) Gratuity (refer Note C-7)	113,567	652,371
(ii) Leave encashment (refer Note C-11)	136,153	-
(b) Others		
(i) Proposed dividend	1,548,982	1,506,529
(ii) Dividend distribution tax	315,337	244,397
(iii) Provision for income tax (net of advance tax)	5,842,004	2,358,110
	7,956,043	4,761,406



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Part - A: NOTES TO ACCOUNTS

Note A.11 - Non Current Investments

Particulars	Rupees	
	Figures as at March 31, 2015	Figures as at the March 31, 2014
1 Long term investments - at cost		
A Trade Investments (Refer A below)	3,244,850	3,244,850
(all investment in Equity instruments)		
Total (A)	3,244,850	3,244,850
Particulars	As at 31 March 2015	As at 31 March 2014
Aggregate amount of unquoted investments	3,244,850	3,244,850

A. Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary / JV Others	No. of Shares / Units		Face Value per share	Quoted / Unquoted	Party Paid / Fully paid	Extent of holding (%)		Amount in Rupees	
			2015	2014				2015	2014	2015	2014
(1)		(2)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
(a)	Investment in Equity Instruments										
1	SoftTech Software TR LLC	Associate	10,000	10,000	10,000 Dirhams	Unquoted	Fully Paid	49%	49%	2,865,000	2,865,000
2	The Sarawak Co Op Bank Ltd	Others	2,800	2,800	Rs. 100	Unquoted	Fully Paid	NA	NA	25,000	25,000
3	The Meehan Sarawak Bank Ltd	Others	14,182	14,182	Rs. 250	Unquoted	Fully Paid	NA	NA	3,544,850	3,544,850
Total										3,244,850	3,244,850

For basis of valuation (Refer Note Part B - 8)



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Part - A : NOTES TO ACCOUNTS

Note - A.11 : Non Current Investments

Particulars	Rupees	
	Figures as at March 31, 2015	Figures as at the March 31, 2014
I A Loans/Item Investments - at cost Trade Investments (Refer A below) (All Investments in Equity Instruments)	3,244,800	3,244,800
Total (A)	3,244,800	3,244,800

Particulars	As at 31 March 2015	As at 31 March 2014
Aggregate amount of unquoted investments	3,244,800	3,244,800

Sr. No.	Name of the Body Corporate	Subsidiary / JV Others	No. of Shares / Units		Face Value per share	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in Rupees	
			2015	2014				2015	2014	2015	2014
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
(B)	Investment in Equity Instruments										
1	SoftTech Software TR LLC	Associate	10,000	10,000	10,000 Dhs	Unquoted	Fully Paid	49%	49%	2,892,000	2,868,000
2	The Sarawati Co-op Bank Ltd.	Others	2,500	2,500	Rs. 10/-	Unquoted	Fully Paid	NA	NA	25,000	24,000
3	The Mahesh Sawant Bank Ltd	Others	14,192	14,192	Rs. 20/-	Unquoted	Fully Paid	NA	NA	354,800	354,800
	Total									3,244,800	3,244,800

For basis of valuation (Refer Note Part B - 8)



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U. J. J.



Particulars	Figures as at March 31, 2016	Figures as at March 31, 2014
Note: A-12		
Long Term Loan and Advances		
Unsecured, Considered good		
(a) Security Deposits	3,089,845	2,879,785
(b) Loans and advances to related parties - (Refer note Part C-5)	768,378	768,378
(c) Others		
Prepaid expenses	183,135	403,086
Tender deposits	1,867,571	995,729
TOTAL	5,908,929	5,046,958

Note: A-13		
Other Non Current Assets		
Unsecured, Considered good		
(a) Other Bank Balances		
Security against Bank Guarantees	3,320,825	14,627,164
(b) Long Term Trade Receivables		
Unsecured, considered good	10,011,439	1,018,121
Unsecured, considered doubtful	2,775,531	-
	12,786,970	1,018,121
Less: Provision for doubtful debts	2,775,531	-
	10,011,439	1,018,121
TOTAL	13,332,264	15,645,285

Note: A-14		
Trade Receivables		
Unsecured, Considered good		
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment	49,894,368	30,738,671
(b) Trade receivables outstanding for a period less than six months from the date they are due for payment	156,128,740	128,687,721
TOTAL	206,023,108	159,426,392

Note: A-15		
Cash & Bank Balance		
(a) Cash & Cash Equivalents		
(i) Balances with banks	2,204,900	53,189,076
(ii) Cash on hand	179,471	133,710
(b) Other Bank Balances		
Fixed Deposits with bank	27,500,000	-
TOTAL	29,884,371	53,322,786



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Particulars	Figures as at March 31, 2015	Figures as at March 31, 2014
Note: A-16		
Short Term Loan and Advances		
Unsecured, Considered good		
(a) Security Deposits		10,000.00
(b) Others		
(i) Advances to suppliers	3,272,062	609,633
(ii) Advances to employees	547,925	215,000
(iii) Prepaid expenses	454,238	593,106
(iv) Tender deposits	1,728,316	1,476,104
(v) Claims receivable		
VAT	278,485	9,620
TOTAL	5,281,006	2,913,463

Note: A-17		
Other Current Assets		
Unsecured, Considered good		
(a) Interest accrued on fixed deposits with banks	1,979,074	610,421
(b) Unbilled revenue	41,169,361	30,433,613
TOTAL	43,148,435	31,044,034

Note: A-18		
Revenue from Operations (Refer note Part C-13 & C-14)		
Sale of services	216,887,432	157,088,002
Unbilled revenue of services	10,735,748	28,690,013
	227,623,180	185,778,015
Sale of products	124,922,022	70,413,907
TOTAL	352,545,202	256,191,922

Note: A-19		
Other Income		
(a) Interest Income		
(i) From fixed deposits in banks	3,578,953	422,293
(b) Dividend income From long term investments		
(i) From others	2,500	2,500
(c) Other non-operating income (net of expenses directly attributable to such income)		
(i) Credit balances written back	6,145,570	905,219
(ii) Foreign exchange gain (net)	1,634,233	7,114
TOTAL	11,361,256	1,337,127



W. J. J. J.
W. J. J. J.



Part - A : NOTES TO ACCOUNTS

Rupees

Particulars	Figures as at March 31, 2015	Figures as at March 31, 2014
Note: A-20		
Employee benefits expenses		
Salaries, wages and bonus	27,186,888	26,026,191
Director's remuneration	3,900,000	3,050,000
Contribution to provident fund	1,124,800	924,816
Contribution to ESIC	29,902	48,664
Gratuity	637,161	313,761
Welfare expenses	252,327	264,104
TOTAL	33,131,078	30,627,536

Note: A-21		
Finance Cost		
Interest Expenses		
On borrowings from banks & others	13,139,406	14,797,657
	1,090,258	809,949
Other Borrowing Costs		
TOTAL	14,229,664	15,607,606

Note: A-22		
Other Expenses		
Electricity charges	545,729	655,864
Repairs and maintenance		
Plant and machinery	430,737	366,377
Rent	2,431,638	2,334,163
Rates and taxes	1,139,648	1,235,713
Travel and conveyance	8,800,574	6,246,239
Postage and telephone	396,995	429,506
Insurance		
Vehicle	10,476	54,962
Key Managerial	109,376	106,376
Others	215,284	-
Projects' sub-contracting expenses	39,067,466	34,799,170
Professional fees for software consultants	45,431,446	31,397,546
Brokerage & commission	3,914,076	1,360,631
Bad debts written off	7,844,562	9,462,691
Deposits and advances written off	302,535	1,553,489
Auditor's remuneration - (Refer Note Part C-3)	153,902	105,764
Legal & professional charges	2,584,805	1,408,216
Bank charges	586,485	559,358
Internet charges	371,154	503,267
Office expenses	460,403	259,719
Printing & stationery	1,833,979	1,560,843
Sales promotion	4,223,105	6,915,983
TDB Royalty	389,732	505,636
Provision for doubtful debts	2,775,531	-
Other miscellaneous expenses	875,064	832,443
	124,694,682	102,654,957



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SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

- a) The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013.
- b) The financial statements have been prepared under the historical cost convention on an accrual basis.
- c) The accounting policies applied by the Company are consistent with those used in the previous year.

2. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumption that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

3. Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

4. Depreciation

Depreciation on tangible assets has been provided in a manner that amortises the cost of the assets over their estimated useful lives on Straight line method as per the useful life prescribed by Schedule II of the Companies Act, 2013 except in case of Service cell system which is depreciated on a useful life of 5 years on Straight line method based on internal technical evaluation done by the management.

5. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved. In such cases revenue is recognized only when it is reasonably certain that the ultimate collection will be made.



W. Anurag *Gyule*

PART - B: Notes to Accounts

- a) Revenue from sale of goods and services are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and when services are rendered and related costs are incurred.
- b) The fixed price service contract revenue is recognized by 'proportionate completion method' under which contract revenue is recognized with reference to the completion of a stage or the number of acts of the contract.
- c) Interest accrues on the time basis determined by the amount outstanding and the rate applicable.
- d) Dividend from investments in shares is not recognized in the Profit and Loss Statement until a right to receive payment is established in the reporting period.

6. Tangible Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of a fixed asset comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The cost of internally generated computer software developed for providing services by integrating it with computer system is recognized as tangible asset. The cost of computer and computer software for providing such services are grouped as 'Computer and Computer Software-Service Cell System'.

7. Foreign Currency Transactions

- a) Initial Recognition: A foreign currency transaction is recorded, on initial recognition 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.
- b) Conversion: At the year end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.
- c) Exchange Differences: All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Statement.

8. Investments

Investments are classified as trade when investment is made in the shares or debentures of another company, for the purpose of promoting the trade or business of the company.

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investment is made are classified as current investments. All other investments are classified as long-term investments.

- a) Current investments are carried at lower of cost and fair value determined on an individual investment basis.
- b) 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 such investments.
- c) On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged or credited to the Profit and Loss Statement.



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9. Employee Benefits

I. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences etc. are recognized in the period in which the employee renders the related service.

II. Post-Employment Benefits:

a) Defined Contribution Plans:

The Company's state governed provident fund and ESIC is its defined contribution plan. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

b) Defined Benefit Plans:

The employees' gratuity fund scheme is the Company's defined benefit plans. It is un-funded. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit & Loss Statement

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested.

III. Long Term Employee Benefit

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in note II (b) above.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.



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10. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. It also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Other borrowing costs are recognized as an expense in the period in which they are incurred.

11. Earnings Per Share

Basic earnings per share

For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders after deducting any attributable tax thereto for the period is divided by weighted number of equity shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

12. Taxes on Income

- a) Tax on income for the current period is determined on the basis of taxable income after considering the various deductions available under The Income Tax Act, 1961.
- b) Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted regulations.
- c) Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each reporting date the company reassesses the unrecognized deferred tax assets and reviews the deferred tax assets recognized.

13. Intangible Assets

Research and development costs are expensed as incurred, except for development costs which relate to the design and development of new or improved internally developed software which are recognized as an intangible when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- The asset will generate future economic benefits.



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PART - B: Notes to Accounts

- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Internally generated intangible asset: They are amortized over a period of 4 years on straight line method.

Acquired intangible asset: The Company has computer software as acquired intangible asset. It is amortized over a period of 5 years on straight line basis. In case of software having specific license period the amortization is over the period of the license.

14. Impairment Policy:

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

15. Provisions and contingent liabilities

A Provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liability is disclosed in case of

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) present obligation arising from past events, when no reliable estimate is possible
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.



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PART - C : NOTES TO ACCOUNTS		2015	2014
		Rupees	Rupees
C-1	Contingent liabilities and other commitments	-	-
C-2	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
C-3	Remuneration to Auditors		
	a) Statutory Audit Fees	1,20,000	80,000
	b) Tax Audit Fees	30,000	20,000
	c) Reimbursement of expenses	3,902	5,764
C-4	Expenditure in foreign currencies.		
	i) Foreign Travel Expenses	15,29,598	9,49,175
	ii) Bank Charges	12,976	27,097
	iii) Consultancy	64,90,901	-
C-5	Prior period expenditure		
	Legal & Professional charges	4,51,998	-
	Internet Charges	5,900	-
C-6	Earning per share		
	I - Basic		
a)	Profit for the year after tax	300,82,501	203,40,667
	Less: Dividends on convertible preference shares and tax thereon	3,10,126	2,50,136
	Net Profit / (loss) for calculation of basic EPS	297,72,374	200,90,531
b)	Weighted average number of equity shares used as denominator	25,82,623	24,97,570
c)	Basic earning per share of nominal value of Rs 10/- each	11.53	8.04

The company has Compulsorily Convertible Cumulative Preference Shares (CCCPS), having par value of Rs. 10/- per share. The CCCPS may be converted into such number of equity shares, at option of the Investor at any time after July 31 2015 or shall be automatically converted into equity shares at the completion of 10 years from the date of subscription of the CCCPS; in accordance with the conversion price as under the agreement with the shareholders based on fair valuation. The shares to be so issued are fairly priced and as per para 37 (a) of the Accounting Standard 20, "Earning Per Share" are assumed to be neither dilutive nor anti dilutive and hence not considered for the calculation of diluted earning per share. Previous year's figures are also revised to give the above effect.



PART - C : NOTES TO ACCOUNTS

C-7 Employee Benefits :

i Defined Contribution Plans:

Amount of Rs 11,54,702/- (Rs.9,73,480/-); is recognised as an expense and included in "Employee Benefits Expense" (Refer Note A-20) in the Profit and Loss Statement.

ii Defined Benefit Plans:

a) The amounts recognised in Balance Sheet are as follows:

Particulars	Rupees	
	As at 31-03-2015	As at 31-03-2014
	Gratuity Plan (Unfunded)	Gratuity Plan (Unfunded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	2,672,717	2,024,523
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	2,672,717	2,024,523
B. Amounts reflected in the Balance Sheet		
Liabilities	2,672,717	2,024,523
Assets	-	-
Net (liability)/(Assets)	2,672,717	2,024,523

b) The amounts recognised in Profit and Loss Account are as follows:

Particulars	2014-15	2013-14
	Gratuity Plan (Unfunded)	Gratuity Plan (Unfunded)
	1 Current Service Cost	670,000
2 Interest Cost	159,894	124,729
3 Expected Return on Plan Assets	-	-
4 Actuarial Losses/(Gains)	166,163	166,163
5 Past Service Cost	-	-
6 Effect of any curtailment or settlement	-	-
7 Actuarial Gain not recognised in books	-	-
8 Adjustment for earlier years	-	-
Total	663,731	425,427
Actual Return on Plan Assets	-	-

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31-03-2015	As at 31-03-2014
	Gratuity Plan (Unfunded)	Gratuity Plan (Unfunded)
	1 Balance of the present value of Defined benefit Obligation as at 01-04-2014	2,024,523
2 Add: Current Service Cost	670,000	466,861
Add: Interest Cost	159,894	124,729
3 Add/(less): Actuarial losses / (gains)	191,625	(166,163)
4 Settlement Costs / (Credit)	(373,325)	-
5 Benefits paid	-	-
6 Balance of the present value of Defined Benefit Obligation as at 31-03-2015	2,672,717	2,024,523



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PART - C : NOTES TO ACCOUNTS

Basis used to determine the overall expected return:

Life Insurance Corporation (LIC) manages the investments of Employee Gratuity Scheme.

Expected rate of return on investments is determined based on the assessment made by the LIC at the beginning of the year on the return expected on its existing portfolio.

d) Principal actuarial assumptions at the balance sheet (expressed as weighted averages)

- 1 Discount rate as at 31-03-2015 - 7.80%
- 2 Expected return on plan assets as at 31-03-2015 - Nil
- 3 Salary growth rate : For Gratuity Scheme - 6%
- 4 Expected Average remaining working lives of employees (years) - 5.37

e) The amounts pertaining to defined benefit plans are as follows:

Particulars	Amount - Rupees	
	Gratuity	Gratuity
	Plan (Unfunded) 31.03.2015	Plan (Unfunded) 31.03.2014
Defined Benefit Obligation	2,672,717	2,024,523
Plan Assets	-	-
Surplus/(Deficit)	(2,672,717)	(2,024,523)

f) General descriptions of defined plans:

Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, whichever is earlier.



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PART - C : NOTES TO ACCOUNTS

C-8 The identification of suppliers as micro, small and medium enterprise defined under "The Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of information to the extent provided by the suppliers of the Company. There were no outstanding dues to micro, small and medium enterprises which were outstanding for more than the stipulated period.

C-9 Related Party Disclosures

(A) Names of the related party and nature of relationship where control exists

Sr No	Name of the related party	Nature of relationship
1	SoftTech Software TR LLC	Associate
2	SoftTech Engineers (JV)	Joint Venture
3	Vijay Gupta	Substantial Interest/ Key management personnel

(B) Disclosure of related parties transactions:

Sr No.	Nature of transactions / relationship	Rupees	
		2015	2014
1	Loan Taken / received Key Management Personnel Mr Vijay Gupta	2,000,000	527,500
	Relatives of Key Management Personnel Mrs Priti Gupta	-	3,086,975
2	Repayment of loan taken Key Management Personnel Mr Vijay Gupta	9,498,988	527,500
	Relatives of Key Management Personnel Mrs Priti Gupta	-	2,875,000
3	Rent Paid Relatives of Key Management Personnel Mrs Priti Gupta Mr Vijay Gupta	527,904 32,500	479,916
4	Remuneration Paid Key Management Personnel Mr Vijay Gupta	3,000,000	2,400,000
	Relatives of Key Management Personnel Mrs Priti Gupta	600,000	600,000
5	Commission Paid Relatives of Key Management Personnel Mr Pawan Gupta	674,823	200,709
6	Receiving of Services Relatives of Key Management Personnel Mr Pawan Gupta	206,365	750,000
7	Dividend Paid Mr Vijay Gupta Mrs Priti Gupta CoVisible Solutions (India) Private Ltd Rajasthan Trustee Company Pvt.Ltd. A/c SME Tech Fund RVCF Trust II	887,851 8,004 74,787 591	887,400 8,000 74,787



Signature
Vijay Gupta



PART - C : NOTES TO ACCOUNTS

(C) Amount due to / from related parties

Sr No.	Nature of transactions / relationship	2,015	2,014
1	Amount Receivable		
	Sundry Debtors		
	SoftTech Engineers (JV)		1,538,265
	SoftTech Software TR LLC	467,235	614,451
	Advance Receivable		
	CoVisible Solutions (India) Pvt Ltd	768,378	768,378
2	Amount Due		
	Mr Vijay Gupta		
	Unsecured Loan Due	5,439,662	12,938,650
	Remuneration Payable	356,386	483,614
	Dividend Payable	-	920,308
	Security Deposit	553,395	553,395
	Mrs Priti Gupta		
	Unsecured Loan Due	636,935	636,935
	Remuneration Payable	147,112	281,781
	Dividend Payable	-	8,273
	Rent Payable	215,425	248,574
	Security Deposit	202,000	202,000
	Mr Pawan Gupta		
	Remuneration Payable	131,728	108,000
	Commission Payable	-	123,189
	CoVisible Solutions (India) Pvt Ltd		
	Dividend Payable	-	74,787
	Rajasthan Trustee Company Pvt.Ltd. A/c SME Tech Fund RVCF Trust II		
	Dividend Payable	-	591

(D) Names of related parties with whom transactions have been entered into:

Sr No.	Name of the related party	Nature of relationship
1	SoftTech Software TR LLC	Associate
2	SoftTech Engineers (JV)	Joint Venture
3	CoVisible Solutions (India) Pvt Ltd	Enterprise over which key managerial personnel and their relatives exercise significant influence
4	Mr Vijay Gupta	Substantial interest/Key Management Personnel
5	Mrs Priti Gupta	Spouse of Key Management Personnel
6	Mr Pawan Gupta	Brother of Key Management Personnel
7	Rajasthan Trustee Company Pvt.Ltd. A/c SME Tech Fund RVCF Trust II	Associate



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Gupta



PART - C : NOTES TO ACCOUNTS

C-10 a) The company does not have any Derivative Instruments for the purpose of hedging a foreign currency exposure.

b) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise

Asset	Currency	2015		2014	
		Amount in INR		Amount in INR	
Sundry Debtors	USD	393,781	537,312	24,646,753	31,739,129
	AED	82,220	-	1,395,274	-

C-11 Details of provisions and movements in each class of provisions.

Particulars	As at 31st March, 2015 (Rs.)		As at 31st March, 2014 (Rs.)	
	Income Tax		Income Tax	
Carrying amount at the beginning of the year	28,675,000		19,140,000	
Provision made during the year	15,380,000		9,535,000	
Amount used during the year	-		-	
Carrying amount at the end of the year	44,055,000		28,675,000	

Particulars	Leave encashment		Leave encashment	
Carrying amount at the beginning of the year	-		-	
Provision made during the year	347,455		-	
Amount used during the year	-		-	
Carrying amount at the end of the year	347,455		-	

C-12 FOB Value of Exports

Particulars	As at 31st March, 2015 (Rs.)	As at 31st March, 2014 (Rs.)
Sale of Software Products	22,759,031	33,597,511



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PART - C : NOTES TO ACCOUNTS

2015

2014

	Rupees	Rupees
C-13 Information in respect of Sales of Services:		
Construction Management Services	43,435,028	46,096,810
E-Governance Services	184,116,152	138,222,948
Learning Resources Services	-	53,057
Web Hosting Services	72,000	805,200
	<u>227,623,180</u>	<u>185,178,015</u>
C-14 Information in respect of Sales of Products:		
Developed Products		
Construction Management Software	-	450,000
E-Governance Software	615,727	7,432,416
Learning Resources Software	<u>297,844</u>	<u>6,500,645</u>
	1,613,571	14,383,061
Trading Products		
ISV Components	123,308,451	47,923,390
Hardware Components	-	7,748,836
Business Test Automation	-	358,020
	<u>123,308,451</u>	<u>56,030,246</u>
Total	<u>124,922,022</u>	<u>70,413,307</u>
C-15 Information in respect of Purchases of trading products :		
ISV Components	115,653,302	47,020,893
Hardware Components	-	7,274,224
Business Test Automation	-	140,550
Total	<u>115,653,302</u>	<u>54,435,667</u>



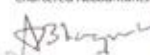
W. J. Patil
Chartered Accountant



PART - C : NOTES TO ACCOUNTS

- C-16** Effective from April 1, 2014 the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013 and in certain cases based on technical evaluation. Due to above, depreciation charge for the year ended March 31, 2015 is higher by Rs. 33,25,336/-. Further, an amount of Rs.15,11,669/- (net of deferred tax of Rs.10,21,208/-) representing the carrying amount of assets with revised useful life as nil, has been charged to the retained earnings as on April 01, 2014 pursuant to the Companies Act, 2013.
- C-17** During the Annual General Meeting for financial year 2013-14, the shareholders approved payment of dividend on prorata basis for the number of days shares were held by the Rajasthan Trustee Company Pvt Ltd, hence the company has reversed the excess proposed dividend including tax thereon of Rs. 2,89,088/-
- C-18** The previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's disclosure. Figures in bracket relate to previous year.

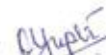
As per our report of even date attached
For M/s P. G. Bhagwat
Chartered Accountants



ASHDEEP BHAGWAT
Partner



VIJAY GUPTA
Managing Director
DIN: 1653514



PRITI GUPTA
Director
DIN: 1735673

For and on behalf of the Board
SoftTech Engineers Private Limited



RAJABHASKAR GORU
Chief Financial Officer



PUNE
Date:

05

05 JUN 2015

PUNE
Date:

05 JUN 2015