

**BOARD'S REPORT**

To  
The Members  
**SOFTTECH ENGINEERS PRIVATE LIMITED**

Your Directors have pleasure in presenting the Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended 31<sup>st</sup> March, 2016.

**1. THE FINANCIAL HIGHLIGHTS**

PARTICULARS	2015-2016	2014-2015
Total Revenue	443,986,619/-	363,906,458/-
Total Expenses	394,420,895/-	318,491,156/-
Net Profit/ (Loss) Before Tax	49,565,724/-	45,415,302/-
Current tax	19,564,809/-	15,380,000/-
Deferred tax	(2,884,441) /-	(47,199) /-
Net Profit/ (Loss) After Tax	32,885,356/-	30,082,501/-

**2. EXTRACT OF ANNUAL RETURN**

In accordance with the provisions of Section 134 (3) (a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is enclosed herewith as **Annexure I** to this Report.

**3. MEETINGS OF THE BOARD OF DIRECTORS**

During the year under review, the Board of Directors met Five times on 05.06.2015, 24.09.2015, 02.11.2015, 11.01.2016 and 08.03.2016.

Details of attendances are as under:

**SoftTech Engineers Pvt. Ltd.**

The Pentagon- SA, 5<sup>th</sup> Floor, Sahu College Rd, Pune- 411 009, Maharashtra, India

**CIN: U30107PN1996PTC016718**

Tel: +91 20 24217675 | Fax: +91 20 24218747

Email: [sepl@softtech-engr.com](mailto:sepl@softtech-engr.com) | [www.softtech-engr.com](http://www.softtech-engr.com)

Sr. No.	Director	No. of Board Meetings	
		Entitled to Attend	Attended
1.	Vijay Gupta	5	5
2.	Priti Gupta	5	2
3.	Babubhai Patel	5	0
4.	Girish Gupta	5	5
5.	Rahul Gupta	5	3

#### **4. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 in respect of Directors' Responsibility Statement, your Directors state that:

- a) In the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards had been followed and there were no 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 and loss of the company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual financial statements have been prepared on a going concern basis;
- e) Company being private company sub clause (e) of section 134(5) is not applicable; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

#### **5. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS**

The Company being a private Company is not required to appoint Independent Directors. Accordingly, statement on declaration by Independent Directors under Section 149(6) of the Act is not applicable. However the Company has appointed Mr Rahul Gupta as Independent Director voluntarily.

#### **6. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company being a private Company, it is not required to formulate a policy on Directors' Appointment and Remuneration.

#### **7. COMMENTS/ RESERVATIONS/ QUALIFICATIONS IN 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.

Further the Auditors' Reports, for the financial year ended, 31<sup>st</sup> March, 2016 & report on Internal Financial Controls for year ended March 2016, are annexed herewith for your kind perusal and information.

#### **8. REPORTING OF FRAUD BY STATUTORY AUDITORS**

Further there was no fraud suspected 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.

#### **9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year under review, the Company has not granted any loans, guarantees or made any investments covered under Section 186 of the Act.

#### **10. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and Approval of the Board of Directors & shareholders was obtained wherever required.

Further all the necessary details of transaction entered with the related parties are attached herewith in form AOC-2 for your kind perusal and information. (Annexure II).

#### **11. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

During the year under review, your Company has registered a profit of Rs. 32,885,356/- as compared to last year profit of Rs. 30,082,501/-. Also the Directors are continuously looking for avenues for future growth in the coming years.

#### **12. RESERVES**

No amount is proposed to be transferred to General Reserve.

#### **13. DIVIDEND**

The Directors of the company has recommended dividend of Rs. 0.5/- per equity share of Rs.10/- each i.e. total Rs. 1,762,819/- for the financial year ended 31<sup>st</sup> March, 2016. The dividend if declared by the members in the Annual General Meeting would involve cash outflow of Rs. 2,121,687/- including dividend distribution tax.

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

Since no unclaimed dividend amount is pending with the Company, no amount is required to be transferred to the Investor Education and Protection Fund.

**15. MATERIAL CHANGES AND COMMITMENTS**

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

**16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT-GO**

**A. Conservation of Energy, Technology Absorption**

Wherever necessary, appropriate energy consumption measures are being undertaken. The measures are aimed at effective management and utilization of energy resources and resultant cost saving of the Company.

**B. Technology Absorption**

No expenditure was made on Research & Development.

**C. Foreign exchange earnings and Outgo**

Earnings	Rs. 1,223,050/-
Outgo	NIL

#### **17. RISK MANAGEMENT**

Risk is an inherent aspect of business, especially in a dynamic economic scenario. The Company's Risk Management philosophy is to integrate the process for managing risk across the organization and throughout its business and lifecycle to enable protection of stakeholder value and ensure an institution in perpetuity.

The Company's risk management framework is in line with the current best practices and effectively addresses the emerging challenges in a dynamic business environment.

The Company as on date of this report does not face any operational, economical, inflationary or other risks which in the opinion of the Board may threaten the existence of the Company.

#### **18. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Act regarding Corporate Social Responsibility are not applicable to the Company and the Company was not required to frame the CSR Policy.

#### **19. BOARD'S EVALUATION ON ITS OWN, COMMITTEES AND INDIVIDUAL DIRECTOR'S PERFORMANCE:**

Provisions regarding evaluation of Board of Directors are not applicable to the Company.

#### **20. CHANGE IN NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of the Company.

## **21. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of your Company comprises of the following Directors:

1. Vijay Gupta (DIN: 01653314)
2. Priti Gupta (DIN: 01735673)
3. Girish Gupta (DIN: 00894066)
4. Rahul Gupta (DIN: 00024732)
5. Babubhai Patel (DIN: 01342839)\*

And RAJA GORU is CFO of the Company and considered as Key Managerial Personnel according to the provisions of section 203 of the Companies Act, 2013.

\*During the year under review, Mr. Babubhai Patel did not attend any meeting during the year resulting in vacation of his office on 24<sup>th</sup> February, 2016 in terms of section 167 (1) (b). Further he was appointed as Additional Director and designated as Whole Time Director w.e.f. 28<sup>th</sup> July 2016.

There has been no other change in the directorship of the Company.

## **22. SUBSIDIARIES/ JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company has one Joint Venture SoftTech Engineers. SoftTech Software TR LLC, an associate company of the Company has been dissolved on 15<sup>th</sup> July 2015. Further the Company does not have any subsidiary.

## **23. DEPOSITS**

The Company has not accepted any deposits within the meaning of Sections 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 made thereunder and, as such, no amount of principal or interest was outstanding as of the date of Balance Sheet.

**24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S FUTURE OPERATIONS**

To the best of our knowledge, the Company has not received any such orders from regulators or courts or tribunals during the year, which may impact the going concern status of the Company or its operations.

**25. INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls commensurate with the nature, scale and complexity of its operations.

The Statutory Auditor of the Company have also issued unqualified report stating that the Company has in all material aspects internal financial control system over financial reporting and such internal financial control over financial reporting are operating effectively as at 31st March, 2016.

**26. STATUTORY AUDITOR**

M/s. Walker Chandok & Co LLP, Chartered Accountants, Mumbai (Firm Registration No. 001076N/N500013) were appointed as Statutory Auditors of the Company in the extraordinary general meeting held on Friday, 29<sup>th</sup> January, 2016 to fill the casual vacancy caused by resignation of M/s P.G Bhagwat, Chartered Accountant(FRN:101118W), until the conclusion of the ensuing Annual General Meeting.

The Company has received letter from M/s. Walker Chandok & Co LLP, Chartered Accountants intending to be appointed as Statutory Auditors of the Company in the ensuing Annual General Meeting for the period of 5 years.



**27. COST AUDIT**

The provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, are not applicable to the Company.

**28. REPORTING UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Pursuant to 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, the Internal Committee constituted under the said Act has confirmed that no complaint / case has been filed / pending with the Company during the financial period under review.

**29. NOMINATION AND REMUNERATION COMMITTEE**

Provisions of constitution of Nomination and Remuneration Committee are not applicable to the Company.

**30. VIGIL MECHANISM**

Provisions regarding Vigil mechanism are not applicable to the Company.

**31. AUDIT COMMITTEE**

Provisions of section 177, regarding constitution of audit committee is not applicable to the Company.

**32. CHANGES IN SHARE CAPITAL:**

During the year under review the authorized share capital of the company was increased from Rs. 3,80,00,000/- to Rs. 4,60,00,000/-.

**27. COST AUDIT**

The provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, are not applicable to the Company.

**28. REPORTING UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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**37. ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For & on behalf of the Board of Directors  
**SOFTECH ENGINEERS PRIVATE LIMITED**



**VIJAY GUPTA**  
**MANAGING DIRECTOR**  
DIN : 01653314  
DATE: 21.09.16  
PLACE: PUNE



**PRITI GUPTA**  
**WHOLE-TIME DIRECTOR**  
DIN : 01735673  
DATE: 21.09.16  
PLACE: PUNE

**Encl:**

1. Annexure I- MGT-9
2. Annexure II- AOC-2

# **20<sup>th</sup> ANNUAL REPORT**

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

**F.Y. 2015-2016**

**A.Y. 2016-2017**

## Independent Auditor's Report

### To the Members of SoftTech Engineers Private Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of SoftTech Engineers Private Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2016, 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

2. 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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.



Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Private Limited, on the financial statements for the year ended 31 March 2016

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



# Walker ChandioK & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Private Limited, on the financial statements for the year ended 31 March 2016

- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker ChandioK & Co LLP  
For Walker ChandioK & Co LLP  
(Formerly Walker, ChandioK & Go)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



  
per **Bharat Shetty**  
Partner  
Membership No.: 106815

Place: Mumbai  
Date: 21 September 2016



Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Private Limited, on the financial statements for the year ended 31 March 2016

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.





# Walker Chandiook & Co LLP

statements of the Company for the year ended on that date and our report dated 21 September 2016 as per Annexure B expressed an unmodified opinion.

- g. 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:
- i. the Company does not have any pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*Walker Chandiook & Co LLP*  
For **Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



*B. Shetty*  
per **Bharat Shetty**  
Partner  
Membership No.: 106815

Place: Mumbai  
Date: 21 September 2016

Annexure B to the Independent Auditor's Report of even date to the members of SoftTech Engineers Private Limited, on the financial statements for the year ended 31 March 2016

**Annexure B**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

1. In conjunction with our audit of the financial statements of SoftTech Engineers Private Limited (the "Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

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

2. The Company's Board of Directors 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 the Company's 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 Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

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

6. A Company's IFCoFR 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 IFCoFR includes those policies and procedures that (1) pertain to the maintenance of



Annexure B to the Independent Auditor's Report of even date to the members of SoftTech Engineers Private Limited, on the financial statements for the year ended 31 March 2016

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**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 ICAI.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

(Formerly Walker, Chandiook & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013



*Bharat Shetty*

per Bharat Shetty

Partner

Membership No.: 106815

Place : Mumbai

Date : 21 September 2016

SoftTech Engineers Private Limited  
Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 in ₹	As at March 31, 2015 in ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	35,256,580	34,634,900
Reserves and surplus	4	225,146,974	195,204,785
		260,403,554	229,839,685
<b>Non-current liabilities</b>			
Long term borrowings	5	111,964,665	72,519,637
Deferred tax liabilities (Net)	6	-	2,430,974
Other long-term liabilities	7	50,000	50,000
Long-term provisions	8	3,207,640	3,770,452
		115,222,305	78,771,063
<b>Current liabilities</b>			
Short-term borrowings	3	34,269,828	14,809,327
Trade payables - outstanding dues to micro and small enterprises	9	-	-
Trade payables - outstanding dues to other than micro and small enterprises	9	84,690,118	44,657,664
Other current liabilities	10	85,330,580	47,907,422
Short-term provisions	8	9,722,505	7,956,043
		209,922,051	114,731,461
<b>Total</b>		<b>384,647,736</b>	<b>422,341,808</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	25,730,884	35,196,929
Intangible assets	12	57,406,585	68,206,654
Intangible assets under development		36,804,499	12,821,310
Non-current Investments	13	379,800	3,244,800
Deferred tax assets (net)	6	453,466	-
Long-term loans and advances	14	6,345,633	5,908,929
Other non-current assets	15	42,659,279	13,332,204
		169,880,064	136,804,886
<b>Current assets</b>			
Trade receivables	16	236,782,678	306,025,808
Cash and bank balances	17	32,909,578	20,884,371
Short-term loans and advances	14	11,673,408	6,280,000
Other current assets	18	135,402,028	43,148,435
		414,767,692	286,338,614
<b>Total</b>		<b>384,647,736</b>	<b>422,341,808</b>

Significant accounting policies and other explanatory information

1 to 34


As per our report of even date attached

For Walker Chandick & Co LLP  
(Formerly Walker, Chandick & Co)  
Chartered Accountants

  
P. S. Pruthi  
Partner



For and on behalf of the Board of Directors



Vijay Gupta  
Managing Director  
DIN: 1655314



Pooja Gupta  
Director  
DIN: 1756875



Place: Mumbai  
Date: 21 September 2016

Place: Pune  
Date: 21 September 2016

SoftTech Engineers Private Limited  
Statement of Profit and Loss for the year ended March 31, 2016

Notes	Year ended	Year ended
	March 31, 2016	March 31, 2015
	In ₹	In ₹
<b>Revenue</b>		
Revenue from operations	20 473,097,281	352,545,202
Other income	21 4,068,638	1,561,256
<b>Total revenue</b>	<b>477,165,919</b>	<b>354,106,458</b>
<b>Expenses</b>		
Cost of materials consumed	475,136	484,678
Purchases of stock-in-trade	156,400,457	115,655,202
Employee benefits expense	22 58,242,567	33,131,679
Finance costs	23 19,812,058	14,229,664
Depreciation and amortisation expense	24 36,211,590	30,297,835
Other expenses	25 143,189,797	124,236,784
Prior period expenses	26 -	437,098
<b>Total expenses</b>	<b>394,430,805</b>	<b>318,491,136</b>
<b>Profit before tax</b>	<b>82,735,114</b>	<b>35,615,322</b>
<b>Tax expense</b>		
Current tax	79,564,809	15,581,000
Deferred tax credit	(2,888,441)	(0,195)
<b>Profit for the year</b>	<b>3,081,864</b>	<b>20,000,127</b>
<b>Earnings per equity share</b>		
Basic	31 12.65	11.53
Diluted	12.65	11.53

Significant accounting policies and other explanatory information

1 to 24

As per our report of even date attached

For Walker Chandick & Co LLP  
(Formerly Walker, Chandick & Co)  
Chartered Accountants

*Prashant Shetty*  
Prashant Shetty  
Partner



For and on behalf of the Board of Directors

*Vijay Gupta*  
Vijay Gupta  
Managing Director  
DIN: 1483314

*Pooja Gupta*  
Pooja Gupta  
Director  
DIN: 1735673



Place: Mumbai  
Date: 21 September 2016

Place: Pune  
Date: 21 September 2016

SoftTech Engineers Private Limited  
Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016 IN ₹	Year ended March 31, 2015 IN ₹
<b>(A) Cash flow from operating activities</b>		
Profit before tax	45,561,724	45,613,502
Adjustments for:		
Depreciation/Amortisation	56,213,850	52,207,655
Finance costs	19,219,938	1,629,664
Advances written off	-	80,000
Bad debts written off	6,782,179	7,944,862
Provision for doubtful debts	342,560	2,73,037
Income tax written off	2,863,080	-
Dividend income	-	22,890
Interest payable written back	-	8,343,370
Interest income on bank deposits	11,627,269	12,78,533
Operating profit before working capital changes	<u>1,06,09,879</u>	<u>96,916,628</u>
<b>Changes in working capital</b>		
Secures: (Decrease) or trade payables and other liabilities	34,652,999	3,093,791
Secures: (Decrease) or trade receivables	39,009,269	(5,342,425)
Secures: (Decrease) or loans and advances and other assets	96,911,295	19,629,121
Cash generated from operations	<u>1,80,666,344</u>	<u>1,13,307,623</u>
Direct taxes refund/(paid) net	<u>(9,055,515)</u>	<u>15,496,256</u>
Net cash generated from/(used in) operating activities	<b>(A)</b>	<b>1,71,250,804</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of fixed assets including intangible assets under development	(41,954,902)	(38,699,389)
Fixed deposits created/(placed)	(2,028,615)	2,213,590
Interest received / Dividend received	3,002,421	2,881
Net cash used in investing activities	<b>(B)</b>	<b>(39,443,698)</b>
<b>(C) Cash flow from financing activities</b>		
Repayment of long term borrowings	(26,899,878)	(21,963,115)
Proceeds from long term borrowings	97,336,637	-
Dividend paid	(3,864,335)	(1,600,000)
Issue of shares	-	40,959,672
Proceeds from short term borrowings net	15,439,831	-
Interest paid	(71,975,395)	(56,724,863)
Net cash (used in)/generated from financing activities	<b>(C)</b>	<b>(36,927,645)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(6,115,539)</b>
Cash and cash equivalents at the beginning of the year	2,496,371	11,512,780
Cash and cash equivalents at the end of the year	<u>11,494,578</u>	<u>5,397,241</u>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	603,471	179,431
Balances with banks		
- as current accounts	11,097,107	5,217,810
	<u>11,699,578</u>	<u>5,397,241</u>

**Notes:**

- The above Cash Flow Statement has been prepared under "Indirect Method" as per Indian Accounting Standard - 1 on "Cash Flow Statement" notified under Section 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outflow.
- Previous year's figures have been regrouped/rearranged, wherever necessary.

In per management of the firm attached

For Walker Chandick & Co LLP  
Chartered Accountants

*Pradyumn*  
Pradyumn Shetty  
Partner



For and on behalf of the Board of Directors

*Vijay Gupta*  
Vijay Gupta  
Managing Director  
DIN: 1633764

*Preet Gupta*  
Preet Gupta  
Director  
DIN: 1756878



Page: Number  
Date: 23 September 2016

Place: Pune  
Date: 23 September 2016.



**1. Background of the Company**

SoftTech Engineers Private Limited (the "Company") was founded in 1996 and is based out of Pune. The Company is an information technology and software services organisation, delivering end to end solution in Architectural-Engineering-Construction (AEC) space catering to property developers, investors, real estate companies, contractors, architects and consultants.

**2. Summary of significant accounting policies**

**a) Basis of preparation of financial statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 and Section 133 of the Companies Act, 2013 (the "Act").

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**b) Use of estimates**

The preparation of financial statements in conformity with GAAP requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

**c) Depreciation**

The Company provides pro-rata depreciation on additions and disposals made during the year. Depreciation on fixed assets is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II to 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.

**d) Revenue Recognition**

- i) Revenue from software development with respect to time and material contracts is recognised as related costs are incurred and services are performed in accordance with the terms of specific contracts.
- ii) Revenue from fixed price contracts are recognised based on the milestones achieved as specified in the contracts and for interim stages, until the next milestone is achieved, on the basis of proportionate completion method. Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.
- iii) Revenue from sale of traded software licenses is recognised on delivery to the customer.
- iv) Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue.
- v) Dividend income is recognized when the right to receive the dividend is established.
- vi) Interest income is recognized on time proportion basis.



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**e) 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 'Service Cell System'.

**f) Foreign Currency Transactions**

The reporting currency of the Company is Indian Rupee.

- i) Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates prevailing at the date of the transaction.
- ii) Monetary assets and monetary liabilities denominated in foreign currencies are converted at rate of exchange prevailing on the date of the Balance Sheet.
- iii) Exchange differences on settlement/conversion are included in the Statement of profit and loss in the period in which they arise.

**g) Investments**

Investments are classified into current investments and non-current investments. Current investments, i.e. investments that are readily realisable and intended to be held for not more than a year are valued at lower of cost and net realisable value. Any reduction in the carrying amount or any reversal of such provision towards reductions are charged or credited to the Statement of Profit and Loss.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the Management.

**h) 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 are its defined contribution plans. 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 Company has defined benefit plan in the form of gratuity. The same is determined by actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.



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Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of profit and loss as income or expense.

**Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the compensated absences is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of profit and loss in the year in which they arise.

**i) Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of profit and loss in the period in which they are incurred.

**j) Taxes on Income**

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Where there is no unabsorbed depreciation / carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

**k) Intangible Assets**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset 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
- How the asset will generate future economic benefits
- 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.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. Internally generated intangible assets are amortised on a straight line basis over the period of 5 years. Amortisation is recognised in the Statement of profit and loss.

Computer Software are amortised on a straight line basis over their estimated useful life of five years.

**l) Impairment of assets**

Management evaluates at regular intervals, using external and internal sources, the need for impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on its eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



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A previously recognised 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.

**m) Provisions and contingent liabilities**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to their present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



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	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
<b>3 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	3,000,000	30,000,000	2,800,000	28,000,000
Compulsorily convertible cumulative preference shares of ₹ 10 each	1,000,000	10,000,000	1,000,000	10,000,000
	<b>4,000,000</b>	<b>40,000,000</b>	<b>3,800,000</b>	<b>38,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	3,525,636	35,256,360	2,982,623	29,826,230
Compulsorily convertible cumulative preference shares of ₹ 10 each	-	-	569,367	5,693,670
	<b>3,525,636</b>	<b>35,256,360</b>	<b>3,552,000</b>	<b>35,520,000</b>

**4) Reconciliation of share capital****Equity shares**

Balance at the beginning of the year	2,982,623	29,826,230	2,982,623	29,826,230
Add: Issued during the year	543,013	5,430,130	-	-
Balance at the end of the year	<b>3,525,636</b>	<b>35,256,360</b>	<b>2,982,623</b>	<b>29,826,230</b>

**Compulsorily convertible cumulative preference shares**

Balance at the beginning of the year	569,367	5,693,670	431,434	4,314,340
Add: Issued during the year	-	-	437,933	4,379,330
Less: Converted into equity shares	(860,367)	(8,603,670)	-	-
Balance at the end of the year	-	-	<b>569,367</b>	<b>5,693,670</b>

**5) Rights, preferences and restrictions attached to equity shares**

The Company has equity shares, having par value of ₹ 10/- per share. Each holder of equity share is entitled the vote one 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 occurrence of a liquidation event or winding up subject to applicable laws, the total proceeds from such an event will be distributed to the Resolute Trustee Company Private Limited (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 and 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 IRR of 20% p.a.; or

(ii) proportionate share of the valuation as accorded by an independent third party value to be mutually appointed by the Investor and Company; or

(iii) proportionate share of actual liquidation proceeds.

Any proceeds remaining after its distribution to the Investor shall be distributed to all the shareholders (including the Investor), in proportion to their shareholding.

**6) Shareholders holding more than 5% of the shares**

	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares</b>				
Vijay Gupta	1,800,617	32.21%	1,800,617	71.21%
Nehalini K. Patel	325,332	9.22%	325,332	12.59%
Resolute Trustee Company Private Limited	945,808	26.77%	-	-
Co/Visible Solutions (India) Private Limited	-	-	149,574	5.79%
	<b>3,071,557</b>	<b>88.20%</b>	<b>2,315,543</b>	<b>89.65%</b>
<b>Compulsorily convertible cumulative preference shares</b>				
Resolute Trustee Company Private Limited	-	-	569,367	100%
	-	-	<b>569,367</b>	<b>100.00%</b>



*Signature*

	As at March 31, 2016	As at March 31, 2015
<b>4 Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance at the beginning of the year	100,450,629	34,734,887
Add: Premium on shares issued during the year	-	43,075,342
Less: Premiums on redemption of preference shares	821,480	-
<b>Balance as at the end of the year</b>	<b>99,629,149</b>	<b>100,430,229</b>
<b>Surplus in the Statement of profit and loss</b>		
Balance at the beginning of the year	34,734,350	67,268,204
Add: Retained of proposed dividend including tax thereon	-	289,089
Less: Transitional adjustment on account of Schedule II to Companies Act, 2013 (refer note 11)	-	(1,021,209)
Add: Transferred from Statement of profit and loss	32,885,356	30,082,501
Less: Proposed dividend on equity shares	1,752,819	1,201,311
Less: Proposed dividend on preference shares	-	237,071
Less: Tax on proposed dividend (on equity and preference shares)	358,868	315,337
<b>Balance at the end of the year</b>	<b>65,518,029</b>	<b>94,734,386</b>
<b>Total Reserves and surplus</b>	<b>225,147,174</b>	<b>195,204,785</b>

	As at March 31, 2016		As at March 31, 2015	
	Long term	Short term	Long term	Short term
<b>3 Borrowings</b>				
<b>Secured</b>				
Term loans				
From others				
Small Industries Development Bank of India (SIDBI)	107,123,000	-	61,590,700	-
Technology Development Board	4,320,000	-	12,990,000	-
Loans repayable on demand	-	-	-	-
Working capital loan from bank	-	34,209,836	-	14,809,927
	<b>111,443,000</b>	<b>34,209,836</b>	<b>74,580,700</b>	<b>14,809,927</b>
<b>Unsecured</b>				
Term loans				
From banks				
From others	13,300,638	-	700,443	-
From others	18,854,869	-	-	-
Loans from related parties	6,076,837	-	6,076,837	-
	<b>38,232,344</b>	<b>-</b>	<b>6,777,280</b>	<b>-</b>
Less: Current maturities of long-term debt (refer note 10)				
	37,660,079	-	16,837,443	-
	<b>11,964,665</b>	<b>34,209,836</b>	<b>72,328,637</b>	<b>14,809,927</b>

**a) Details of guarantees for each type of borrowings****Guaranteed by directors (exclusive of interest)**

## Term loans

## From others

## Loans repayable on demand

## Working capital loan from banks

111,443,000	-	82,980,000	-
-	34,209,836	-	14,809,927



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**Employee benefits****a. Gratuity:**

**Defined Benefit Plans** - The Company provides for gratuity benefits under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. The Gratuity Scheme provides for a lump sum payment to employees who have completed at least five years of service with the Company, based on salary and tenure of employment. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary. The Gratuity Scheme is a non-funded scheme and the Company intends to discharge this liability through its internal resources.

The following table sets out the status of the Gratuity Scheme as respect of employees of the Company:

Particular	Year ended	Year ended
	March 31, 2016	March 31, 2015
<b>Change in benefit obligation</b>		
Projected Benefit Obligation ("PBO") at the beginning of the year	2,672,717	2,024,323
Service cost	686,130	670,000
Interest cost	201,575	159,894
Actuarial loss	804,239	191,625
Benefits paid	(176,835)	(173,325)
<b>PBO at the end of the year</b>	<b>4,197,826</b>	<b>2,672,717</b>
<b>Funded status</b>	4,197,826	2,672,717
Add: Unrecognized net actuarial loss	-	-
Net liability as at year end recognized in Balance Sheet	<b>4,197,826</b>	<b>2,672,717</b>

Net gratuity cost comprises the following components:

Service cost	686,130	670,000
Interest cost	201,575	159,894
Recognized net actuarial loss	804,239	191,625
<b>Net gratuity cost</b>	<b>1,791,944</b>	<b>1,021,519</b>

The actuarial assumptions used in accounting for the gratuity plan were as follows:

Discount rate	7.50%	7.80%
Rate of increase in compensation levels	10.00%	6.00%
Rate of return on plan assets	NA	NA
Mortality rate	IALM Mortality Tables (2006-08) Ultimate	IALM Mortality Tables (2006-08) Ultimate

**Details of Present Value of Obligation, Plan Assets and Experience Adjustments:**

	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Present value of obligation	4,197,826	2,672,717	2,024,323	1,399,096	1,289,234
Fair value of plan assets	-	-	-	-	-
Deficit	4,197,826	2,672,717	2,024,323	1,399,096	1,289,234
Experience Adjustments	(88,795)	387,350	(125,407)	(214,167)	(272,843)
On plan liabilities- (gain) / loss	(88,795)	387,350	(125,407)	(214,167)	(272,843)
On plan assets- (gain) / loss	-	-	-	-	-

**b. Compensated absences**

The obligation for compensated absences is recognized in the same manner as gratuity and net credit to the Statement of profit and loss for the year is ₹ 70,345 (Previous Year net charge of ₹ 347,455).



*Signature*

**SoftTech Engineers Private Limited**

Significant accounting policies and other explanatory information for the year ended March 31, 2016  
(Amount in ₹ except for share data, and if otherwise stated)

	As at March 31, 2016	As at March 31, 2015
<b>9 Trade payables</b>		
Debt to micro and small enterprises	-	-
Debt to others	84,699,118	44,657,668
	<u>84,699,118</u>	<u>44,657,668</u>

**Micro and Small Enterprises**

The Company is in the process of obtaining necessary confirmations from suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 (the 'Act') and hence disclosures regarding the following have not been made:

- i. Amount due and outstanding to MSME suppliers as at the end of the accounting year.
- ii. Interest paid during the year to MSME.
- iii. Interest payable at the end of the accounting year to MSME.
- iv. Interest accrued and unpaid at the end of the accounting year to MSME.

Management believes that the figures for disclosures, if any, will not be significant.

**10 Other current liabilities**

Current maturity of long term borrowings	37,660,079	16,837,443
Interest accrued but not due on borrowings	1,290,219	2,046,482
Advance from customers	3,215,418	410,992
Other liabilities	7,290,816	4,103,744
Outstanding expenses	30,964,048	23,908,761
	<u>80,330,580</u>	<u>47,307,422</u>

**Note:**

There are no amounts due to be transferred to the Investor Education and Protection Fund as at the year end.



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**SoftTech Engineers Private Limited**
**Significant accounting policies and other explanatory information for the year ended March 31, 2016**

(Amount in ₹ except for share data, and if otherwise stated)

**11. Tangible assets**

Gross block	Furniture and fixtures	Vehicles	Office equipment	Computer	Service call systems	Total
Balance as at April 01, 2014	7,655,455	1,221,812	1,746,518	19,127,102	18,013,882	47,765,769
Additions	287,028	-	532,428	1,738,341	16,925,255	19,503,052
Deposits	-	-	-	-	-	-
Balance as at March 31, 2015	7,942,483	1,221,812	2,278,946	20,865,443	34,943,137	67,252,621
Additions	17,509	-	24,056	2,072,879	-	2,114,444
Deposits	-	-	-	-	-	-
Balance as at March 31, 2016	7,994,992	1,221,812	2,303,002	22,938,322	34,943,137	69,783,265
<b>Accumulated depreciation</b>						
Balance as at April 01, 2014	3,440,172	140,040	703,030	14,317,875	3,725,460	22,834,477
Depreciation charge	1,765,918	232,223	218,283	1,886,765	5,328,536	8,511,725
Transferred to retained earnings #	3,707	-	397,868	1,110,094	-	1,511,669
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at March 31, 2015	5,209,817	372,263	1,319,181	17,414,734	9,053,996	33,877,892
Depreciation charge	427,352	232,223	166,660	2,359,298	6,989,027	10,174,560
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at March 31, 2016	5,644,169	1,304,586	1,485,842	19,774,032	16,043,023	44,052,461
<b>Net block</b>						
Balance as at March 31, 2015	2,738,666	849,549	959,765	3,450,709	25,889,141	35,190,029
Balance as at March 31, 2016	2,349,823	116,427	817,160	3,784,290	18,904,114	28,750,804

#Represents the written down value of fixed assets (net of residual value), which have no balance useful life as accordance with Schedule II to Companies Act, 2013 as at April 1, 2014. These balances (net of deferred tax benefit of ₹ 400,461) have been adjusted against the opening balance of Retained earnings.

**12. Intangible assets**

Gross block	Computer Software	Internally generated software	Total
Balance as at April 01, 2014	11,875,650	85,632,478	97,508,127
Additions	1,438,902	46,130,635	47,569,537
Deposits	-	-	-
Balance as at March 31, 2015	13,314,552	131,763,094	145,077,645
Additions	-	15,317,268	15,317,268
Deposits	-	-	-
Balance as at March 31, 2016	13,314,552	147,080,362	160,394,913
<b>Accumulated amortization</b>			
Balance as at April 01, 2014	8,233,284	43,843,581	54,504,870
Amortization charge	1,845,405	18,029,722	20,766,120
Reversal on disposal of assets	-	-	-
Balance as at March 31, 2015	10,078,689	64,779,312	74,879,999
Amortization charge	1,174,474	24,862,867	26,037,341
Reversal on disposal of assets	-	-	-
Balance as at March 31, 2016	11,278,163	89,632,179	100,909,340
<b>Net block</b>			
Balance as at March 31, 2015	3,235,874	64,992,782	68,228,656
Balance as at March 31, 2016	2,039,400	55,447,183	57,486,583



WILKINSON CHANDLER & CO. LLP  
 SoftTech Engineers Pvt. Ltd.  
 Pune, India

**SoftTech Engineers Private Limited**

 Significant accounting policies and other explanatory information for the year ended March 31, 2016  
 (Amount in ₹ except for share data, and if otherwise stated)

	As at March 31, 2016	As at March 31, 2015
<b>13 Non-current investments (Valued at cost unless stated otherwise)</b>		
Trades, Unquoted		
Investment in Associate		
SoftTech Software TM LLC		
200 equity shares (Previous year: 10,000 equity shares) of 10.00 AED each fully paid up)	-	2,605,000
Investments in equity shares		
The Mahesh Sahasra Bank Ltd	354,800	354,800
(14,132 equity shares (Previous year: 14,132 equity shares) of ₹ 25 each fully paid up)		
The Statewide Co-operative Bank Limited	25,000	25,000
(2,500 equity shares (Previous year: 2,500 equity shares) of ₹ 10 each fully paid up)		
	<u>379,800</u>	<u>3,244,800</u>
Aggregate amount of unquoted investments	379,800	3,244,800

	As at March 31, 2016		As at March 31, 2015	
	Long-term	Short-term	Long-term	Short-term
<b>14 Loans and advances</b>				
(Unsecured, considered good (unless otherwise stated))				
Security deposits	2,861,865	-	3,089,845	-
Advances to related parties	768,378	-	768,378	-
Prepaid expenses	1,174,616	1,201,756	183,135	454,218
Advance to suppliers	-	7,014,946	-	3,272,062
Vendor deposits	1,540,774	2,073,777	1,867,571	1,728,316
Balances with government authorities	-	294,281	-	-
Advances receivable in cash or in kind or for value to be received	-	644,648	-	826,410
	<u>6,345,633</u>	<u>11,673,408</u>	<u>5,908,929</u>	<u>6,291,006</u>

	As at March 31, 2016	As at March 31, 2015
<b>15 Other non-current assets</b>		
(Unsecured, considered good (unless otherwise stated))		
Bank deposits with maturity of more than 12 months	13,149,282	5,321,825
Interest accrued but not due on fixed deposits	71,973	-
Trade receivables	28,792,034	10,011,439
	<u>42,013,289</u>	<u>15,333,264</u>



V. Anand

Ajay



	As at March 31, 2016	As at March 31, 2015
<b>16 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	86,207,276	49,894,568
Doubtful	<u>5,318,437</u>	<u>2,775,531</u>
Less : Allowances for bad and doubtful debts	<u>(5,318,437)</u>	<u>(2,775,531)</u>
	<u>86,207,276</u>	<u>49,894,568</u>
Other debts		
Unsecured, considered good	150,574,702	156,128,740
	<u>236,781,678</u>	<u>206,023,308</u>
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	832,471	179,471
Balances with banks		
- in current accounts	<u>12,557,107</u>	<u>2,204,900</u>
	<u>13,409,578</u>	<u>2,384,371</u>
<b>Other bank balances</b>		
Deposits with maturity more than 3 months but less than 12 months	19,500,000	27,500,000
	<u>32,909,578</u>	<u>29,884,371</u>
<b>18 Other current assets</b>		
(Unsecured, considered good (unless otherwise stated))		
Interest accrued but not due on fixed deposits	1,510,479	1,979,074
Unbilled revenue	<u>131,891,349</u>	<u>41,169,561</u>
	<u>133,401,828</u>	<u>43,148,635</u>
<b>19 Commitments and contingencies</b>		
Bank guarantees	53,558,533	21,997,434
	<u>53,558,533</u>	<u>21,997,434</u>



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## SoftTech Engineers Private Limited

Significant accounting policies and other explanatory information for the year ended March 31, 2016

(Amount in ₹ except for share data, and if otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
<b>20 Revenue from Operations</b>		
Sale of services	296,352,420	227,623,180
Sale of products	143,545,561	124,922,022
	<u>439,897,981</u>	<u>352,545,202</u>
<b>21 Other income</b>		
Interest income		
From fixed deposits in banks	1,671,799	3,564,945
Other interest	253,172	214,008
Dividend income	-	2,500
Amounts payable written back	-	6,145,570
Foreign exchange gain (net)	1,429,544	1,634,233
Miscellaneous income	734,123	-
	<u>4,088,638</u>	<u>11,361,256</u>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus (Refer note 8(a) and 8(b))	56,181,854	31,724,049
Contribution to provident fund and other funds (Refer note below)	1,639,589	1,154,702
Staff welfare expenses	421,124	252,327
	<u>58,242,567</u>	<u>33,131,078</u>
<b>Defined Contribution Plan:</b> The amount recognised as an expense during the year is ₹ 1,639,589 (Previous year: ₹ 1,154,702)		
<b>23 Finance costs</b>		
Interest expense	17,629,400	13,139,406
Other borrowing costs	1,590,538	1,090,258
Interest on delayed payment of statutory dues	592,100	-
	<u>19,812,038</u>	<u>14,229,664</u>
<b>24 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Refer note 11)	10,174,569	9,531,726
Amortisation of intangible assets (Refer note 12)	26,037,341	20,766,129
	<u>36,211,910</u>	<u>30,297,855</u>



*Signature*

## SoftTech Engineers Private Limited

Significant accounting policies and other explanatory information for the year ended March 31, 2016  
(Amount in ₹ except for share data, and if otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
<b>25 Other expenses</b>		
Electricity charges	753,147	545,729
Rent (Refer note 30)	2,485,967	2,431,638
Repairs and maintenance	508,198	430,737
Insurance	184,595	355,136
Rates and taxes	1,250,345	1,139,648
Travelling and conveyance	8,362,613	8,800,574
Postage and telephone	696,443	396,995
Sub-contracting expenses	17,850,159	39,067,466
Professional fees for technical consultants	78,214,914	45,431,446
Brokerage & commission	728,975	3,914,076
Bad debts and advances written off	8,926,199	7,844,562
Investment written off	2,865,000	-
Deposits and advances written off	-	102,535
Auditors' remuneration (Refer note below)	650,000	153,902
Legal and professional expenses	9,233,373	2,132,807
Bank charges	856,244	586,485
Internet charges	493,637	365,254
Office expenses	704,800	460,403
Printing and stationery	1,522,584	1,833,979
Sales promotion expenses	4,142,680	4,223,105
Royalty expenses	832,845	389,712
Provision for doubtful debts	542,000	2,775,531
Miscellaneous expenses	1,384,173	875,064
	<u>143,189,797</u>	<u>124,236,784</u>
<b>3. Auditors' remuneration</b>		
As auditor		
Statutory audit	650,000	120,000
Other services	-	30,000
Tax audit	-	3,902
	<u>650,000</u>	<u>153,902</u>
<b>26 Prior period expenses</b>		
Legal and professional expenses	-	451,998
Internet charges	-	5,900
	<u>-</u>	<u>457,898</u>



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**SoftTech Engineers Private Limited**
**Significant accounting policies and other explanatory information for the year ended March 31, 2016**

(Amount in ₹, except for share data, and if otherwise stated)

**27 Segment Reporting**

The Company is primarily an information technology and software services organisation. For the purpose of disclosure of segment information, the Company considers this business as a single business segment. Further, the Company operates primarily in India and there is no other significant geographical segment. In view of the above, both primary and secondary additional reporting disclosures for business / geographical segments as envisaged in Accounting Standard 17, "Segment Reporting" are not applicable to the Company.

**28 Related Party Disclosures**
**a) Names of related parties and description of relationship**

Name of the related party	Nature of relationship
SoftTech Software IX LLC	Associate (01 July 13, 2013)
SoftTech Engineers (P) V	Company over which key managerial personnel and their relatives exercise significant influence
CoViable Solutions (India) Private Limited	Enterprise over which key managerial personnel and their relatives exercise significant influence
Vijay Gupta	Managing Director
Pam Gupta	Director
Parasmit Gupta	Relative of Director
Babubhai K. Patel	Director
Raja Bhaskar Goyal	Chief Financial Officer
Rajasthan Theatre Company Private Limited	Enterprise having significant influence over the Company

**b) Transactions with related parties**

Nature of transactions / relationship	Year ended March 31, 2016	Year ended March 31, 2015
<b>Loan taken</b>		
Vijay Gupta	13,000,000	2,000,000
Pam Gupta	2,000,000	-
<b>Repayment of loan taken</b>		
Vijay Gupta	13,000,000	5,400,000
Pam Gupta	2,000,000	-
<b>Rent paid</b>		
Pam Gupta	380,000	527,904
Vijay Gupta	-	32,500
Babubhai K. Patel	804,432	771,301
<b>Remuneration paid</b>		
Vijay Gupta	3,000,000	3,000,000
Babubhai K. Patel	300,000	300,000
Pam Gupta	780,000	600,000
Raja Bhaskar Goyal	2,992,000	886,258
<b>Commission paid</b>		
Parasmit Gupta	18,308	674,825
<b>Receiving of services</b>		
Parasmit Gupta	305,356	206,363
<b>Dividend paid</b>		
Vijay Gupta	820,309	887,851
Pam Gupta	8,273	8,064
Babubhai K. Patel	142,575	156,682
CoViable Solutions (India) Private Limited	74,787	74,787
Rajasthan Theatre Company Private Limited	258,113	891
<b>Interest income on security deposit</b>		
Babubhai K. Patel	214,008	214,008



*Signature*  
*Vijay Gupta*

## c) Balances with related parties (as at year end)

Nature of transactions / relationship	As at March 31, 2016	As at March 31, 2018
<b>Amount Receivable</b>		
<b>Trade receivables</b>		
SoftTech Software TR LLC	-	407,255
<b>Advance towards purchase of goods</b>		
CoVisible Solutions (India) Private Limited	768,378	768,378
<b>Security deposit</b>		
Vijay Gupta	553,395	553,395
Balabhai K. Patel	1,785,400	1,785,400
Pooi Gupta	202,000	202,000
<b>Interest receivable</b>		
Balabhai K. Patel	1,407,840	1,193,832
<b>Amount Payable</b>		
<b>Unsecured Loan</b>		
Vijay Gupta	5,439,662	5,439,662
Pooi Gupta	636,975	636,975
<b>Remuneration payable</b>		
Vijay Gupta	973,453	356,386
Balabhai K. Patel	475,000	178,000
Pooi Gupta	298,212	147,112
<b>Rent payable</b>		
Balabhai K. Patel	1,687,177	963,193
Pooi Gupta	308,607	215,425
<b>Consultancy fees payable</b>		
Pawan Gupta	167,728	131,728



*Handwritten signature: V. Gupta*

**SoftTech Engineers Private Limited**

Significant accounting policies and other explanatory information for the year ended March 31, 2016  
(Amount in ₹ except for share data, and if otherwise stated)

**29 Expenditure in foreign currency (accrual basis):**

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Traveling and conveyance	448,378	1,529,508
Bank charges	-	12,976
Professional fees for technical consultants	3,122,060	6,600,001

**30 The Company has entered into Operating lease agreements for office facilities and such leases are basically cancellable in nature.**

Lease rental expense recognized in the Statement of profit and loss for the year ended March 31, 2016 in respect of operating lease is ₹ 2,449,967 (Previous year: ₹ 2,431,638).

**31 Earnings per share**

The amount considered in ascertaining the Company's earnings per share concentrates the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net profit after tax	32,885,536	30,082,501
Less Dividends on Compulsorily convertible cumulative preference shares and tax thereon	-	510,127
Net profit after tax attributable to equity shareholders	32,885,536	29,772,374
Weighted average number of shares outstanding during the year - Basic and diluted	2,695,292	2,582,623
Basic earnings per share(₹)	12.63	11.53
Diluted earnings per share(₹)	12.63	11.53
Notional value per equity share (₹)	10.00	10.00

**32 Earning in foreign currency :**

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Export of products on F.O.B basis	1,323,050	22,735,031

**33 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:**

Particulars	Currency	As at March 31, 2016		As at March 31, 2015	
		₹	FX	₹	FX
		Trade receivables	USD	23,038,979	333,018
Trade receivables	AUD	540,655	30,485	1,315,274	82,220

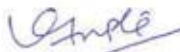
**34 The financial statements of the Company for the year ended March 31, 2015 were audited and reported by another firm of Chartered Accountants. Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.**

For Walker Chandick & Co LLP  
(Formerly Walker, Chandick & Co)  
Chartered Accountants

  
Bhushetty  
Partner



For and on behalf of the Board of Directors



Vijay Gupta  
Managing Director  
DIN: 1653314



Preet Gupta  
Director  
DIN: 1735673



Place : Mumbai  
Date : 21 September 2016

Place : Pune  
Date : 21 September 2016