

PART - C NOTES TO ACCOUNTS
C-12 Information in respect of Sales of Services:

Particulars	2014		2013	
	Sales Value in Rupees		Sales Value in Rupees	
Construction Management Services	46,696,810		14,104,791	
E-Governance Services	109,532,935		50,072,373	
Learning Resources Services	53,057		180,000	
Web Hosting Services	805,200		396,000	
Autocad OMS	-		673,200	
Other Services	-		117,201	
Total	157,088,002		65,543,565	

C-13 Information in respect of Sales of Products:

Particulars	2014		2013	
	Sales Value in Rupees		Sales Value in Rupees	
Developed Products				
Construction Management Software	450,000		625,088	
E-Governance Software	7,432,416		2,194,403	
Learning Resources Software	6,500,645		11,783,252	
	14,383,061		14,602,743	
Trading Products				
ISV Components	47,923,390		-	
Hardware Components	7,748,836		-	
Business Test Automation	358,020		118,523,812	
	56,030,246		118,523,812	
Total	70,413,307		133,126,555	

C-14 Information in respect of Purchases of trading products :

Particulars	Purchase value in Rupees	
ISV Components	47,897,760	-
Hardware Components	7,274,224	-
Business Test Automation	140,550	122,310,438
Total	55,312,534	56,030,246





2. PROGRESS REVIEW

The company has made significant progress in the following fronts:

Product Development Front:

- Our flagship product AutoDCR has made revolutionary impact on Building Plan approval process. This e-Governance product is a unique technology solution being appreciated through-out the country. The Product is recognized internationally. The product has received many awards including National e-Governance award from Government of India.
- We have successfully completed 5 modules of new SaaS based OPTICON product named OPTICON Galaxy. The product is going to be a path breaking innovation in years to come and will stand out of other products due to seamless integration with Revit. OPTICON – Mobile will be available to manage site activities online through tablets and smart phones.
- 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.
- We have taken an initiative to start a new product named CreoLex with associated portal named Rulebuddy. Leveraging success of AutoDCR we will be providing cloud based services to Architects related to building and layout permission through this portal.

Services front:

- We have started operations in Middle east , Africa and Singapore to take forward Building Information Modeling (BIM) Services around OPTICON and Revit. This is going to give a big boost to taking our products in International market.

Sales & Marketing Front:

- We have expanded our sales network all over India and in Middle East and Africa. We are planning to have more partners in various states throughout the country.

- We have got a major boost in getting a big ticket order from 14 cities of Madhya Pradesh for implementation of AutoDCR on PPP model. This is going to give continuous major revenue to SoftTech for next 5 years. Based on this order the company will plan many big ticket orders in subsequent years.
- We have got good success in penetration of OPTICON in Gulf and African market. Considering positive market sentiments in construction industry in GCC countries we foresee high potential of OPTIOCN and BIM services in next 2-3 years. We have appointed our technical and sales persons for moving aggressively in this market along with our partner.
- We have been able to generate a good amount of marketing awareness by way of e-marketing, direct mailers and publishing select articles in construction magazines. Trade shows and seminars are being arranged more frequently.
- We look forward to have a mission on closing 100 Crores revenue in next 3 years.

3. DIVIDEND:

In the view of profits, the Board of Directors recommends a final dividend @ 5 % on all the securities outstanding as on 31st March, 2014.

4. DIRECTORS:

During the year under review, Mr. Girish Gupta, a nominee of Rajasthan Venture Capital Fund was appointed as nominee director of the Company w.e.f 31st March, 2014.

5. DEPOSITS:

The Company has not accepted any deposits from the public during the financial year under report.

6. AUDITORS:

M/s P.G. Bhagwat, Chartered Accountants, Pune Statutory Auditors of the Company retire at the ensuing Annual General Meeting, and have conveyed their willingness to be reappointed as Statutory Auditors of the Company. Your Board recommends appointment of M/s P.G. Bhagwat, Chartered Accountants, Pune as the statutory auditors.

7. AUDITORS COMMENT REMARKS AND OBSERVATIONS:

Auditors Remark

The company does not have an internal audit system. According to the explanations given to us the management closely monitors the business and the day to day transactions of the company and is in the process of setting up an internal audit system.

Directors Reply

The Auditor's remark is self explanatory.

8. EMPLOYEES:

The Particulars of the employees as required under section 217 (2A) of the Companies Act, 1956 are not given as there is no employee covered by the provision.

9. ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Statement of particulars to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors Report

A. CONSERVATION OF ENERGY: Wherever possible steps are being undertaken to conserve the energy.

B. TECHNOLOGY ABSORPTION: The Company is making every effort to come out with effective and efficient software solutions.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Amount (Rs.)
Earnings in Foreign Exchange:	F.O.B Value of Exports: Rs. 3,35,97,511/-
Outgo in Foreign Exchange :	Foreign Expenditure: Rs 20,29,175/-

10. COMPLIANCE CERTIFICATE

The compliance certificates pursuant to the section 383 A (1) of the Companies Act, 1956 by practicing Company Secretary Mr. Devesh Tudekar is attached to this Report.

11. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to provisions contained in section 217 (2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that 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 ended 31st March, 2014 and of the profit of the company for that year;
- (iii) that the directors had taken proper 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;
- (iv) That the directors had prepared the annual accounts for the year ended 31st March, 2014 on a going concern basis.

12. ACKNOWLEDGEMENT

The Board gratefully acknowledges the valuable support given by the bankers, shareholders & the employees of the Company and is looking forward to their continued support in the future.

On Behalf of the Board of directors of
SOFTTECH ENGINEERS PRIVATE LIMITED


(Vijay Gupta)
DIRECTOR


(Priti Gupta)
DIRECTOR



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

Report on the Financial Statements

We have audited the accompanying financial statements of **Softtech Engineers Private Limited**, which comprise the Balance Sheet as at March 31st, 2014, the Profit and Loss Statement and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
(b) in the case of the Profit and Loss Statement, of the **profit** for the year ended on that date; and
(c) in the case of the Cash Flow Statement, of the 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, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

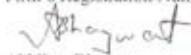
2. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M/S P. G. BHAGWAT

Chartered Accountants

Firm's Registration Number: 101118W



Abhijeet Bhagwat

Partner

Membership Number: 136835

Pune

Date: 17th July, 2014



ANNEXURE

Re: Softtech Engineers Private Limited

Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date:

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us by the management, the fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.
- c) The company has not disposed off substantial part of its fixed assets during the current year.
- ii) The company does not have stock of finished goods, raw materials, components, stores and spares. The nature of the business of the company is software development, sale of software and related services. Accordingly, the provisions of clause 4 (ii) (a), (b) and (c) of the Order are not applicable to the company
- iii) a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register to be maintained under section 301 of the Companies Act 1956. Accordingly, the provisions of clause 4 (iii) (b) (c) and (d) of the Order are not applicable to the company
- e) The company has taken unsecured loans from Directors being covered in the register to be maintained under section 301 of the Companies Act 1956. The details of the loans taken are as under:

Sr. No	No. Of parties	Opening Balance Rs.	Accepted during the year Rs.	Repaid during the year Rs.	Closing balance and maximum Balance during the year Rs.
1	Two	13,363,650/-	3,614,475/-	3,402,500/-	13,575,625/-

- f) According to the information and explanations given to us, no interest is payable on the unsecured loans taken by the company from the Directors. The terms and conditions of the loan taken are not prejudicial to the company.
- g) According to the information and explanations given to us, there are no specific terms with regard to the repayment of the above mentioned loans.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. We



have not observed any continuing failure or continuing failure to correct major weaknesses in internal control.

- v) a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us by the management, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public, hence the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder and the directives issued by the Reserve Bank of India are not applicable to the company.
- vii) *The company does not have an internal audit system.*
According to the explanations given to us the management closely monitors the business and the day to day transactions of the company and is in the process of setting up an internal audit system.
- viii) Maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956.
- ix) a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities.

According to information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears, as at March 31st, 2014 for a period of more than six months from the date they became payable

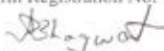
- b) According to information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty and cess which have not been deposited on account of any dispute.
- x) The company has no accumulated losses as at the end of the financial year. The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to any financial institution or bank. The company does not have any debenture holders.
- xii) According to information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the company.



- xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4(xiii) of Order are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the company.
- xv) 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.
- xvi) According to the information and explanations given to us by the management, term loans availed by the company were, prima facie; applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an examination of the financials statements of the company, on an overall basis, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of shares during the current year to parties covered in the Register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- xix) According to the information and explanation given to us, the company has not issued any debentures during the current year.
- xx) According to the information and explanations given to us, the company has not raised money by any public issue during the current year.
- xxi) 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 Registration No: 101118W



Abhijeet Bhagwat

Partner

Membership No. 136835

Pune

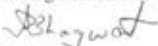
Date: 17th July, 2014



- xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4(xiii) of Order are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the company.
- xv) 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.
- xvi) According to the information and explanations given to us by the management, term loans availed by the company were, prima facie; applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an examination of the financials statements of the company, on an overall basis, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of shares during the current year to parties covered in the Register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- xix) According to the information and explanation given to us, the company has not issued any debentures during the current year.
- xx) According to the information and explanations given to us, the company has not raised money by any public issue during the current year.
- xxi) 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 Registration No: 101118W



Abhijeet Bhagwat

Partner

Membership No. 136835

Pune

Date: 17th July, 2014



SOFTTECH ENGINEERS PRIVATE LIMITED

Profit and Loss Statement for the year ended 31st March, 2014

Particulars	Note No.	Rupees	
		2013-14	2012-13
I. Revenue from operations	A-18	256,191,322	212,663,781
II. Other income	A-19	1,337,127	2,207,271
III. Total Revenue (I + II)		257,528,449	214,871,052
IV. Expenses:			
Cost of materials consumed		260,501	454,470
Purchases of Stock-in-Trade		54,435,667	123,773,489
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	A-20	30,627,536	26,634,425
Finance costs	A-21	15,494,663	8,685,036
Depreciation and amortization expense		23,852,100	12,334,089
Other expenses	A-22	102,767,900	31,276,721
Total expenses		227,438,368	203,158,230
V. Profit before exceptional and extraordinary items and tax (III-IV)		30,090,081	11,712,822
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		30,090,081	11,712,822
VIII. Extraordinary items:		-	-
IX. Profit before tax (VII- VIII)		30,090,081	11,712,822
X. Tax expense:			
(1) Current tax		9,535,000	3,298,996
(2) Deferred tax		214,414	359,078
(3) Short provision of income tax on account of earlier years		-	-
		9,749,414	3,658,074
XI. Profit (loss) for the period from continuing operations (IX-X)		20,340,667	8,053,748
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (loss) for the period (XI + XIV)		20,340,667	8,053,748
XVI. Earnings per equity share having nominal value of Rs.10/- per share			
Basic		7.70	3.23
Dilutive		6.80	3.23

Notes to Accounts

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

Part B & C

As per our report of even date attached

For M/s P. G. Bhagwat
Chartered Accountants

ABHILEK BHAGWAT
Partner

PUNE

Date: July 17, 2014



For and on behalf of the Board
SoftTech Engineers Private Limited

VIJAY GUPTA
Managing Director

PRITI GUPTA
Director

PUNE

Date: July 17, 2014

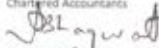


Particulars	Figures for the current reporting period ending on March 31, 2014	Figures for the current reporting period ending on March 31, 2013
A Cash flows from operating activities		
Net profit before taxes and extraordinary items	30,090,081	-
Adjustments for :-		
1 Depreciation / amortisation	23,852,100	-
2 Bad debts written off	9,462,691	-
3 Advances written off	1,553,489	-
4 Interest income	(422,293)	-
5 Dividend income	(2,500)	-
6 Interest expenses	14,684,714	-
7 Credit balances written back	(905,219)	-
8 Unrealised exchange loss	364,861	-
Operating profit before working capital changes	78,677,925	-
Adjustments for :-		
1 (Increase)/ decrease in current assets	(86,180,156)	-
2 (Increase)/ decrease in non current assets	(12,769,737)	-
3 Increase/ (decrease) in current liabilities	31,155,149	-
4 Increase/ (decrease) in non current liabilities	95,518	-
Cash generated from operations	10,978,698	-
Income tax (paid) / refunded	(7,766,890)	-
Net cash from operating activities	3,211,808	-
B Cash flows from investing activities		
1 Purchase of fixed assets	(30,143,493)	-
2 Interest received	167,005	-
3 Dividend received	2,500	-
Net cash from investment activities	(29,973,988)	-
C Cash flows from financing activities		
1 Proceeds from short term borrowing	27,712,794	-
2 Proceeds from long term borrowing	40,035,000	-
3 Repayment of borrowings	(39,297,134)	-
4 Interest paid	(14,807,705)	-
5 Dividend paid	(1,450,823)	-
6 Proceeds from issuance of share capital	56,546,843	-
Net cash used in financing activities	68,738,975	-
Net increase in cash and cash equivalents	41,976,795	-
Cash & cash equivalents at beginning of period (refer note part A - 15)	11,345,991	-
Cash & cash equivalents at end of period (refer note part A - 15)	53,322,786	-

Note - In the current year Accounting Standard 3 : Cash Flow Statements has become applicable and mandatory to the company since its borrowings have exceeded Rs. 10 Crore (Rupees Ten Crore) during the immediately preceding accounting year.

As per our report of even date attached


For M/s P. G. Bhagwat
Chartered Accountants


ABHIJEET BHAGWAT
Partner



PUNE
Date: July 17, 2014

For and on behalf of the Board
SoftTech Engineers Private Limited


VIJAY GUPTA
Managing Director


PRATI GUPTA
Director



PUNE
Date: July 17, 2014

SoftTech Engineers Private Limited

Notes to Accounts: Part A

Particulars	Rupees	
	Figures as at March 31, 2014	Figures as at March 31, 2013
Note : A-1		
Share Capital		
Authorised		
28,00,000 (26,00,000) Equity Shares of Rs.10/- each (Rs.10/-) each	28,000,000	26,000,000
10,00,000 (50000) Compulsory Convertible Cumulative Preference Shares of Rs.10/- each (Rs. 10/-) each	10,000,000	500,000
	38,000,000	26,500,000
Issued, subscribed & fully paid up		
25,82,623 (24,96,628) Equity Shares of Rs.10/- each (Rs.10/-) each	25,826,230	24,966,280
4,30,434 (NIL) CCCP shares of Rs 10/-each (NIL) each	4,304,340	-
Total	30,130,570	24,966,280

a) Reconciliation of share capital

Particulars	Rupees			
	Figures as at March 31, 2014		Figures as at March 31, 2013	
	Number	Rupees	Number	Rupees
I. Equity Shares - Issued, Subscribed and fully paid up.				
Shares outstanding at the beginning of the year	2,496,628	24,966,280	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	2,496,628	24,966,280
II. Compulsory Convertible Cumulative Preference Share - Issued, Subscribed and fully paid up.				
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	430,434	4,304,340	-	-
Shares outstanding at the end of the year	430,434	4,304,340	-	-

b) Rights of shareholder:

- 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 proportion to the number of equity shares held by the shareholders.
- II. The company has fully dilutive Compulsorily 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.



Handwritten signatures in blue ink.

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.

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 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 valuer to be mutually appointed by the investor and company; or
- (iii). proportionate share of actual liquidation proceeds.

For the year ended March 31, 2014 the board of directors have proposed dividend of **Rs. 0.5/-** (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, 2014		Figures as at March 31, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
I. Equity Shares - Issued, Subscribed and fully paid up.				
Mr. Vijay Gupta	1,840,616	71.27%	1,774,800	71.09%
Mr Babubhai X. Patel	325,152	12.59%	313,200	12.54%
CoVisible Solutions (I) Pvt. Ltd.	149,574	5.79%	149,574	5.99%
II. Compulsory Convertible Cumulative Preference Shares - Issued, Subscribed and fully paid up.				
Rajasthan Trustee Company Pvt. Ltd. A/C SME Tech Fund RVCF Trust II*	430,434	100%	-	-



Handwritten signature in blue ink.

SoftTech Engineers Private Limited
Notes to Accounts: Part A

Rupees

Particulars	Figures as at March 31, 2014	Figures as at March 31, 2013
Note : A-2		
Reserves and Surplus		
(a) Securities Premium Account		
Opening Balance	2,319,125	2,319,125
Add: Securities premium credited on shares issued	52,435,762	-
Closing Balance	54,754,887	2,319,125
(b) Surplus		
Opening Balance	48,678,553	42,075,626
Add: Net Profit for the Current Period	20,340,667	8,053,768
Balance Available for appropriation	69,019,220	50,129,395
Less: Appropriation		
Proposed Dividend	1,506,529	1,248,314
Dividend Distribution Tax	264,397	202,508
Closing Balance	67,268,295	48,678,553
TOTAL	122,073,182	50,997,678

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	9,310,000
SIDBI (II) - Small Industries Development Bank of India Terms: Loan is secured against second charge on movable and current assets and IPR of products. Rate of interest is 15.75% p.a. Loan is repayable in monthly installments of Rs. 34,59,000/- starting from January 2016 to December 2017. During the current year, the company has received second tranche of Rs. 3,15,00,000/-	66,500,000	35,000,000
(b) Term Loans from Other Parties		
(I)TDI- 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. 20/- 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.	12,990,000	21,660,000
Unsecured		
(a) Term Loans from Banks		
(I)HDFC 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. 205473/- from November 2012 to October 2015.	700,443	1,759,971
(b) Loan and Advances from Related Parties		
Mr. Vijay Gupta - Managing Director	12,938,650	12,938,650
Mrs. Priti Gupta - Director	636,975	425,000
These are interest free loans and do not have a repayment schedule.		
TOTAL	96,856,068	81,093,621


 107
 04

SoftTech Engineers Private Limited
Notes to Accounts: Part A

Particulars	Rupees	
	Figures as at March 31, 2014	Figures as at March 31, 2013
Note: A-4		
Deferred Tax Assets/(Liabilities)(Net)		
(a) Deferred Tax Liabilities		
(i) On Depreciation/amortization of Fixed Assets Register	(3,625,490)	(3,273,047)
(b) Deferred Tax Assets		
(i) On Provision of Employee benefits	656,856	518,827
	(2,968,634)	(2,754,221)
Note: A-5		
Other Long Term Liabilities		
(a) Others		
(i) Dealer Deposits	51,000	151,000
	51,000	151,000
Note: A-6		
Other Long Term Provisions		
(a) Provision for employee benefits		
(i) Gratuity - (Refer Note Part C-6)	1,372,152	1,176,634
	1,372,152	1,176,634
Note: A-7		
Short Term Borrowings		
Secured		
(a) Loans repayable on demand from banks		
Cash Credit from: Saraswat Co-op Bank Ltd Nature of security: Secured against Trade Receivables		10,715,191
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 SIOBI. Interest Rate : 13.25% p.a	20,029,042	
Unsecured		
(a) Other loans and advances		
From other parties IBM India Pvt. Ltd.	3,293,484	
	23,322,526	10,715,191



Lot [Signature]

SoftTech Engineers Private Limited
Notes to Accounts: Part A

Particulars	Rupees	
	Figures as at March 31, 2014	Figures as at March 31, 2013
Note: A-8		
Other Current Liabilities		
(a) Current maturities of long-term debt		
Saraswat Bank	-	74,834
SIDBI	6,220,000	6,220,000
TDB(Technology Development Bank)	8,670,000	8,670,000
HDFC Bank Ltd	1,059,528	903,826
	15,949,528	15,868,660
(b) Interest accrued but not due on borrowings	4,541,281	4,564,272
(c) Other Payable		
(i) Advances from customers	73,685	30,500
(ii) Salary, incentive & reimbursements	7,889,966	4,843,347
(iii) Contribution to PF & Superannuation	198,859	182,283
(iv) Statutory dues	8,031,649	5,243,499
(v) Provision for expenses	9,537,414	3,389,571
(vi) Payables for purchase of fixed assets	101,150	-
	46,323,533	34,224,122
Note: A-9		
Short Term Provisions		
(a) Provision for employee benefits		
(i) Gratuity (refer Note C-6)	652,371	422,462
(b) Others		
(i) Proposed dividend	1,506,529	1,248,314
(ii) Dividend Distribution Tax	344,397	202,508
(iii) Provision for income tax (net of advance tax)	2,358,110	590,000
	4,761,406	2,463,284
Note: A-12		
Long Term Loan and Advances		
Unsecured, Considered good		
(a) Security Deposits	4,893,615	5,679,882
(b) Loans and Advances to related Parties - (Refer note Part C-8)	768,378	2,768,165
(c) Others		
Prepaid Expenses	403,086	106,434
TOTAL	6,065,079	8,554,481
Note: A-13		
Other Non Current Assets		
Unsecured, Considered good		
(a) Other Bank Balances		
Security against the Borrowings	14,627,164	921,513
TOTAL	14,627,164	921,513



Handwritten signature and initials.

SoftTech Engineers Private Limited
Notes to Accounts: Part A

Note : A 10 : Tangible and Intangible Assets

Particulars	Tangible Assets					Intangible Assets				Total	Intangible Assets under development	
	Furniture & Fixtures	Vehicles	Office equipments	Computer	Service Cell System	Service Cell system - Work in Progress	Computer Software	In house / Internally generated computer software	Total			
Cost Book												
At 01.04.2012	7,525,525	1,221,812	1,652,205	16,792,877	-	27,132,216	-	8,483,636	83,472,298	81,883,134	14,848,086	
Additions	-	-	94,213	247,036	8,078,108	8,417,253	-	1,032,041	-	1,032,041	3,999,130	
Capitalised Deposits	-	-	-	-	-	-	-	-	11,790,332	11,790,332	11,790,332	
At 31.03.2013	7,525,525	1,221,812	1,746,518	16,999,712	8,078,108	35,508,672	13,684,022	8,482,676	95,222,631	14,108,500	33,004,905	
Additions	124,850	-	-	2,127,350	8,943,777	13,196,697	4,895,349	2,392,782	18,469,842	20,862,630	20,794,199	
Capitalised Deposits	-	-	-	-	-	-	-	-	-	-	-	
Debitors	-	-	-	-	-	5,843,777	-	-	-	-	14,003,847	
At 31.03.2014	7,650,455	1,221,812	1,746,518	19,127,162	18,978,881	47,745,789	8,540,594	11,875,659	83,632,478	95,508,137	12,289,248	
Depreciation/Amortisation												
At 01.04.2012	2,266,962	408,796	518,459	13,280,721	-	13,683,839	-	3,032,411	22,086,028	27,699,336	-	
Charge for the year	480,956	116,872	932,292	2,994,218	119,482	4,882,207	-	1,474,866	7,877,816	9,453,882	-	
Depreciation on disposal	-	-	-	-	-	-	-	-	-	-	-	
At 31.03.2013	2,848,918	524,668	1,450,751	16,274,939	119,482	18,566,046	-	4,507,277	30,563,844	38,527,218	-	
Charge for the year	662,288	116,872	821,980	1,883,347	2,883,827	4,358,451	-	1,778,087	15,835,642	17,683,630	-	
At 31.03.2014	3,445,192	640,540	2,272,731	18,158,286	3,723,460	22,824,497	-	6,285,364	46,399,486	54,134,868	-	
Net Book												
At 31.03.2013	4,878,973	897,144	1,129,668	4,545,760	7,959,627	18,033,629	13,684,022	3,005,569	25,175,687	38,134,288	10,004,900	
At 31.03.2014	4,207,263	560,872	1,243,488	4,899,228	14,298,422	24,931,272	8,540,594	3,420,375	37,782,892	41,483,269	12,289,248	



Handwritten initials: LGT and a signature.

SoftTech Engineers Private Limited
Notes to Accounts - Part A

Note .A.11 : Non Current Investments

	Particulars	Figures as at March 31, 2014	Figures as at the March 31, 2013
I	Long term investments - at cost		
A	These Investments (Refer A below)	3,244,800	3,244,800
	Investment in Equity Instruments		
	Total (A)	3,244,800	3,244,800

Particulars	As at 31 March 2014	As at 31 March 2013
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	
			2014	2013				2014	2013	2014	2013
(1)	(2)	(3)	(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 Dirhms	Unquoted	Fully Paid	40%	40%	2,865,000	2,865,000
2	The Saranath Co-op Bank Ltd	Others	2,500	2,500	Rs. 10/-	Unquoted	Fully Paid	NA	NA	25,000	25,000
3	The Manesh Sahasran Bank Ltd	Others	14,192	14,192	Rs. 25/-	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)



Handwritten signature and initials: "VGT" and "AY".

SoftTech Engineers Private Limited
Notes to Accounts: Part A

Particulars	Rupees	
	Figures as at March 31, 2014	Figures as at March 31, 2013
Note: A-14		
Trade Receivables		
Unsecured, Considered good		
(a) Trade receivables outstanding for a period exceeding six months	30,565,245	41,906,069
(b) Others	128,687,722	49,840,378
TOTAL	159,252,967	91,746,447

Note: A-15		
Cash & Bank Balance		
(a) Cash & Cash Equivalents		
(i) Balances with banks	53,189,075	10,971,961
(ii) Cash on hand	133,710	342,350
	53,322,786	11,314,311
(b) Other Bank Balances		
(i) Margin Money	-	31,680
	-	31,680
TOTAL	53,322,786	11,345,991

Note: A-16		
Short Term Loan and Advances		
Unsecured, Considered good		
(a) Tender Deposits & Other Deposits	1,655,530	2,632,446
(b) Others		
Unsecured, Considered good		
(i) Advance to Supplier	68,916	893,729
(ii) Advance to employees	755,717	615,033
(iii) Prepaid Expenses	593,106	205,290
(iv) Claims Receivable	-	-
TOTAL	3,073,269	4,346,498

Note: A-17		
Other Current Assets		
Unsecured, Considered good		
(a) Interest Accrued on Fixed Deposits	610,421	355,133
(b) Unbilled Revenue	30,433,613	20,318,301
TOTAL	31,044,034	20,673,434



Handwritten signature and initials.

SoftTech Engineers Private Limited
Notes to Accounts: Part A

Particulars	Rupees	
	2013-14	2012-13
Note: A-18		
Revenue from Operations		
Sale of Services - (Refer note Part C-12)	157,088,002	65,363,565
Unbilled Revenue	28,690,013	13,093,661
Subtotal	185,778,015	79,357,226
Sale of Products - (Refer note Part C-13)	70,413,307	133,306,555
TOTAL	256,191,322	212,663,781

Note: A-19		
Other Income		
[a] Interest Income		
(i) From Bank Fixed Deposits	422,293	652,985
[b] Dividend Income From long term investments		
(i) From others	2,500	5,000
[c] Other non-operating Income (net of expenses directly attributable to such Income)		
(i) Credit Balances Written Back	905,219	1,137,860
(ii) Foreign Exchange Gain (Net)	7,114	293,508
(iii) Miscellaneous Income	-	118,317
TOTAL	1,337,127	2,207,271

Note: A-20		
Employee benefits expenses		
Salaries, wages and Bonus	26,026,191	22,552,503
Director's Remuneration	3,050,000	3,000,000
Contribution to Provident Fund	924,816	672,162
Contribution to ESIC	48,664	42,067
Gratuity	313,761	178,593
Welfare Expenses	264,104	189,100
TOTAL	30,627,536	26,634,425

Note: A-21		
Finance Cost		
Interest Expenses		
On loans and borrowings from banks	14,684,714	8,196,807
Other Borrowing Cost	809,949	488,229
TOTAL	15,494,663	8,685,036



Handwritten signature/initials.

SoftTech Engineers Private Limited
Notes to Accounts: Part A

Particulars	Rupees	
	2013-14	2012-13
Note: A-22		
Other Expenses		
Electricity charges	655,864	464,723
Repairs and maintenance		
Plant and machinery	366,377	226,900
Rent	2,334,163	1,565,811
Rates and taxes	1,348,656	37,469
Travel and conveyance	6,246,239	4,795,038
Postage and telephone	429,506	426,668
Insurance		
Vehicle	54,962	53,220
Key Managerial	109,376	109,376
Contracting Expenses	34,799,170	4,858,226
Professional Fees for Software Consultants	31,397,546	5,922,227
Brokerage & commission	1,360,631	5,078,129
Bad debts written off	9,462,691	2,774,165
Deposits and Advances written off	1,553,489	32,078
Auditor's remuneration - (Refer Note Part C-1)	105,764	103,587
Legal & Professional charges	1,408,216	1,271,803
Bank charges	559,358	214,958
Internet charges	501,267	275,133
Office expenses	259,719	278,745
Printing & Stationery	1,560,843	266,203
Sales Promotion	6,915,983	2,126,310
TDR Royalty	505,636	-
Other Miscellaneous Expenses	832,443	395,951
	102,767,900	31,276,721



Handwritten signature/initials.

PART B: NOTES FORMING PARTS OF ACCOUNTS

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. The financial statements have been prepared to comply in all material respects with The Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- 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.

4. Depreciation

Depreciation on fixed assets has been provided on Straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except in case of Service cell system which is depreciated at the rate of 20 percent on Straight line method.



107 24

PART B: NOTES FORMING PARTS OF ACCOUNTS

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.

- 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 Fixed 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.



PART B: NOTES FORMING PARTS OF ACCOUNTS

- 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.

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, incentives 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 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.



107 ay

PART B: NOTES FORMING PARTS OF ACCOUNTS**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.

10. 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.



107
BY

PART B: NOTES FORMING PARTS OF ACCOUNTS

11. 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.

12. 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.
- 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.



107
By

PART B: NOTES FORMING PARTS OF ACCOUNTS

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.

13. 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.

14. Provisions

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.



Handwritten signature in blue ink, appearing to be "V. S. S. S." followed by a flourish.

PART - C NOTES TO ACCOUNTS

C-1 Other commitments and contingent liabilities

a Other commitments

The company under an agreement for private equity placement has a future firm commitment to issue 430,433 Compulsorily Convertible Cumulative Preference Shares to SME Tech Fund - a scheme of RVCF, Trust II a venture capital fund acting through its investment manager, Rajasthan Asset Management Co. Pvt. Ltd. and its trustee Rajasthan Trustee Co. Pvt. Ltd. The agreement is subject encumbrances and covenants as laid out in the agreement in detail.

	2014 Rupees	2013 Rupees
b Contingent liabilities	-	-
C-2 Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
C-3 Remuneration to Auditors		
a) Audit Fees	80,000	80,000
b) Tax Audit Fees	20,000	20,000
c) Reimbursement of expenses	5,764	3,587
C-4 Expenditure in foreign currencies.		
i) Foreign Travel Expenses	949,175	968,751
ii) Bank Charges	27,097	7,935
iii) Publicity and Advertising Expenses	1,080,000	-
C-5 Earning per Share		
I - Basic		
a) Profit for the year before tax	30,090,081	11,712,823
Less : Attributable Tax thereto	9,749,414	3,659,078
Profit after Tax	20,340,667	8,053,745
b) Weighted average number of equity shares used as denominator	2,582,623	2,496,628
c) Basic earning per share of nominal value of Rs 10/- each	7.88	3.23
I - Dilutive		
a) Profit for the year before tax	30,090,081	11,712,823
Less : Attributable Tax thereto	9,749,414	3,659,078
Profit after Tax	20,340,667	8,053,745
b) Weighted average number of dilutive equity shares used as denominator	3,013,057	2,496,628
c) Dilutive earning per share of nominal value of Rs 10/- each	6.75	3.23



PART - C. NOTES TO ACCOUNTS

C-6 Employee Benefits :

i Defined Contribution Plans:

Amount of Rs 9,73,480 /- (Rs.7,14,229 /-); 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 31-03-2014	As at 31-03-2013
	Gratuity Plan (Unfunded)	Gratuity Plan (Unfunded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	2,024,523	1,599,096
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	2,024,523	1,599,096
B. Amounts reflected in the Balance Sheet		
Liabilities	2,024,523	1,599,096
Assets	-	-
Net Liability/(Assets)	2,024,523	1,599,096

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

Particulars	As at 31-03-2014	As at 31-03-2013
	Gratuity Plan (Unfunded)	Gratuity Plan (Unfunded)
1 Current Service Cost	466,861	389,960
2 Interest Cost	124,729	109,587
3 Expected Return on Plan Assets	-	-
4 Actuarial Losses/(Gains)	166,163	189,705
5 Past Service Cost	-	-
6 Effect of any curtailment or settlement	-	-
7 Actuarial Gain not recognised in books	-	-
8 Adjustment for earlier years	-	-
Total	425,477	309,842
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 31-03-2014	As at 31-03-2013
	Gratuity Plan (Unfunded)	Gratuity Plan (Unfunded)
1 Balance of the present value of Defined benefit Obligation as at 01-04-2013	1,599,096	1,289,254
2 Add: Current Service Cost	466,861	389,960
Add: Interest Cost	124,729	109,587
3 Add/(less): Actuarial losses / (gains)	(166,163)	(189,705)
4 Settlement Costs / (Credit)	-	-
5 Balance of the present value of Defined Benefit Obligation as at 31-03-2014	2,024,523	1,599,096



Handwritten initials 'LST' and 'aj' in blue ink.

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 31-03-2014 - 7.80%
- 2 Expected return on plan assets as at 31-03-2014 - Nil
- 3 Salary growth rate : For Gratuity Scheme - 8%
- 4 Expected Average remaining working lives of employees (years) - 2.49

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

Particulars	Amount - Rupees	
	Gratuity Plan (Funded)	Gratuity Plan (Funded)
	31.03.2014	31.03.2013
Defined Benefit Obligation	2,024,523	1,599,096
Plan Assets	-	-
Surplus/(Deficit)	(2,024,523)	(1,599,096)

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.



Handwritten signature and initials.

PART - C NOTES TO ACCOUNTS

C-7 As per the information available with the Company till date none of the suppliers have informed the company about their having registered themselves under the " Micro, Small and Medium Enterprises Development Act, 2006 ". As such, information as required under this Act, cannot be compiled and therefore, not disclosed for the year.

C-8 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	
		2,014	2,013
1	Loan Taken / received Key Management Personnel Mr Vijay Gupta	527,500	2,050,000
	Relatives of Key Management Personnel Mrs Priti Gupta	3,086,975	1,000,000
2	Repayment of loan taken Key Management Personnel Mr Vijay Gupta	527,500	-
	Relatives of Key Management Personnel Mrs Priti Gupta	2,875,000	1,000,000
3	Rent Paid Relatives of Key Management Personnel Mrs Priti Gupta	478,916	436,290
4	Remuneration Paid Key Management Personnel Mr Vijay Gupta	2,400,000	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	200,709	1,121,573
6	Receiving of Services Relatives of Key Management Personnel Mr Pawan Gupta	750,000	330,000
7	Dividend Paid Mr Vijay Gupta	887,400	887,400
	Mrs Priti Gupta	8,000	8,000
	CoVisible Solutions (India) Private Ltd	74,787	74,787



107
dy.

(C) Amount due to / from related parties

Sr No.	Nature of transactions / relationship	2,014	2,013
1	Amount Receivable		
	Sundry Debtors		
	SoftTech Engineers (JV)	1,538,265	3,853,278
	SoftTech Software TR LLC	614,451	1,004,198
	Advance Receivable		
	CoVisible Solutions (India) Pvt Ltd	768,378	2,768,165
2	Amount Due		
	Mr Vijay Gupta		
	Unsecured Loan Due	12,938,650	12,938,650
	Remuneration Payable	483,614	6,814
	Dividend Payable	920,308	887,400
	Mrs Priti Gupta		
	Unsecured Loan Due	636,935	425,000
	Remuneration Payable	281,781	41,891
	Dividend Payable	8,273	8,000
	Rent Payable	248,574	372,599
	Mr Pawan Gupta		
	Remuneration Payable	108,000	356,826
	Commission Payable	123,189	-
	CoVisible Solutions (India) Pvt Ltd		
	Dividend Payable	74,787	74,787

(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



Handwritten initials: VJ, P.G.

PART - C NOTES TO ACCOUNTS

C-9 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

Particulars	Amount in FCY		Equivalent amount in INR
Asset			
Sundry Debtors	USD	537,312	31,739,329
	USD	(145,773)	(7,912,566)

C-10 Details of provisions and movements in each class of provisions.

Particulars	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
	Income Tax	Income Tax
Carrying amount at the beginning of the year	19,140,000	15,840,000
Provision made during the year	9,535,000	3,300,000
Amount used during the year	-	-
Carrying amount at the end of the year	28,675,000	19,140,000

C-11 FOB Value of Exports

Particulars	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Sale of Software Products	33,597,511	11,172,138



Handwritten initials: 09 and 04.

PART - C NOTES TO ACCOUNTS
C-12 Information in respect of Sales of Services:

Particulars	2014		2013	
	Sales Value in Rupees		Sales Value in Rupees	
Construction Management Services	46,696,810		14,104,791	
E-Governance Services	109,532,935		50,072,373	
Learning Resources Services	53,057		180,000	
Web Hosting Services	805,200		396,000	
Autocad OMS	-		673,200	
Other Services	-		117,201	
Total	157,088,002		65,543,565	

C-13 Information in respect of Sales of Products:

Particulars	2014		2013	
	Sales Value in Rupees		Sales Value in Rupees	
Developed Products				
Construction Management Software	450,000		625,088	
E-Governance Software	7,432,416		2,194,403	
Learning Resources Software	6,500,645		11,783,252	
	14,383,061		14,602,743	
Trading Products				
ISV Components	47,923,390		-	
Hardware Components	7,748,836		-	
Business Test Automation	358,020		118,523,812	
	56,030,246		118,523,812	
Total	70,413,307		133,126,555	

C-14 Information in respect of Purchases of trading products :

Particulars	Purchase value in Rupees	
ISV Components	47,897,760	-
Hardware Components	7,274,224	-
Business Test Automation	140,550	122,310,438
Total	55,312,534	56,030,246



Handwritten signature/initials

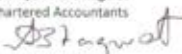
PART - C NOTES TO ACCOUNTS

C-15 Figures of the previous year have been regrouped wherever necessary. Figures in bracket relate to the previous year.

As per our report of even date attached

For M/s P. G. Bhagwat

Chartered Accountants



ABHJEET BHAGWAT
Partner

PUNE

Date: July 17, 2014



For and on behalf of the Board

SoftTech Engineers Private Limited



VIJAY GUPTA
Managing Director



PRITI GUPTA
Director

PUNE

Date: July 17, 2014

