

NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE is hereby given that Twenty Forth Annual General Meeting of the Members of SoftTech Engineers Limited will be held on Monday, 28th September, 2020, at 2:30 P.M through video conferencing ('VC') / other audio visual means ('OAVM') to transact the following business:

A. Ordinary Business:

1. To receive, consider and adopt the Audited financial statements as on 31st March, 2020, and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mrs. Priti Gupta (DIN: 01735673), who retires by rotation and, being eligible, offers herself for re-appointment.

B. Special Business:

3. To regularise appointment of Mr. Pratik Patel (DIN: 08798734) as Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Pratik Patel (DIN: 08798734) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 18th July, 2020 , who holds office up to the date of this Annual General Meeting and being eligible for appointment as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as the Executive Director of the Company, liable to retire by rotation and who has been recommended for appointment by Nomination and Remuneration Committee of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To appoint Mr. Sundararajan Srinivasan (DIN: 07936396) as an Independent Director of the Company and in this regard, pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and any other applicable provisions, if any, of the Companies Act, 2013 consent of the members of the Company be and is hereby accorded to appoint Sundararajan Srinivasan (DIN: 07936396) as an Independent Director of the Company with effect from 10th July, 2020 for a consecutive period of 5 (Five) years as per Section 149(10) of the Companies Act, 2013 subject to necessary approvals.

RESOLVED FURTHER THAT the Director so appointed to the Board of Directors of the Company (“Board”) shall be entitled for such amount of sitting fees, commission, etc. as may be fixed by the Board, from time to time, subject to the applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respect including but not limited to filing of appropriate forms, returns or documents with the Registrar of Companies, Pune.”

5. To reappoint Mrs. Priti Gupta as a Whole Time Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mrs. Priti Gupta (DIN: 01735673) as a Whole Time Director, designated as Executive Director of the Company, liable to retire by rotation for a further period of 5 (five) years from the expiry of her present term of office, that is, with effect from 24th February, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit;

Notwithstanding anything herein and the statement annexed to the notice, where in any financial year during the currency of tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay her remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to appoint Mr. Pratik Patel (DIN: 08798734) as a Whole Time Director, designated as Assistant Vice President (Business Development) of the Company, liable to retire by rotation for a period of 5 (five) years with effect from 1st September, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit;

Notwithstanding anything herein and the statement annexed to the notice, where in any financial year during the currency of tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors,
SoftTech Engineers Limited**

**Place: Pune
Date: 01.09.2020**

**Sd/-
Aishwarya Patwardhan
Company Secretary
Mem. No. – A54477**

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting, is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

Only a member of the Company will be entitled to attend and vote at the AGM of the Company which will be held through VC or OAVM and no member will be entitled to appoint a proxy to attend and vote instead of himself/herself.

3. The Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tudekar@gmail.com with a copy marked to evoting@nsdl.co.in
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.softtech-engr.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. The Register of Members and Share Transfer Books will remain closed from Tuesday 22nd September, 2020 till Monday 28th September, 2020 (both days inclusive).

10. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment under Item no. 2 to Item no. 6 at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for appointment/ reappointment.
11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents, Link Intime India Private Limited (Link Intime) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime or to the Company.
12. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and Rules thereunder, including amendments thereof, any money transferred to the unpaid dividend account, which remains unpaid or unclaimed for a period of 7 years from the date of such transfer is required to be transferred to the 'Investor Education and Protection Fund (IEPF)'. Pursuant to the provisions of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendments thereon, all shares in respect of which the dividend has not been paid or claimed for 7 consecutive years or more, are required to be transferred to IEPF.

Members are requested to send their claims to the Company/ R & T Agent, if any, before the amount becomes due for transfer to the above Fund. Members are requested to encash the dividend warrants immediately on their receipt by them.

13. To prevent the fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. To support Green Initiative, Members are requested to register their e-mail addresses with R & T Agent viz. Link Intime India Private Limited in case of holding of shares in physical form and with concerned DPs in case of shares held in dematerialised form. Due to outbreak of the COVID 19 pandemic and prolonged situation, the postal/courier services are hampered. In order to receive the correspondence / dividend, if any from the Company in a timely manner, Members are requested to register their e-mail addresses / Bank Account details with R & T Agent / Depository Participant (DP).
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2019-20, is being sent only through electronic mode to those Members whose email addresses are registered with the R&T Agent /Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.softtech-engr.com, on the websites of Stock Exchanges i.e. National Stock Exchange of India Limited www.nseindia.com, respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
16. Electronic copy of relevant documents referred to in the Notice and Explanatory Statement will be made available through email for inspection by the Members. A Member is requested to send an email to investors@softtech-engr.com for the same. Electronic copies of necessary statutory registers and auditors' reports / certificates will be available for inspection by the Members at the time of AGM.

17. Register National Electronic Clearing Service (NECS) Mandate

Regulation 12 and Schedule I of SEBI Listing Regulation, 2015, including amendments thereunder requires all companies to use the facilities of electronic clearing services for payment of dividend. In order to get your dividend through electronic mode or NECS, members who are holding shares in physical form are requested to inform their Bank account details such as the name of the Bank, branch, its address, account number, 9

digit MICR code, IFSC code and type of account i.e. Savings or Current or Cash Credit etc. to Link Intime India Private Limited, R & T Agent of the Company having its office at ‘Akshay’ Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune – 411 001. (Ph. No. 020-26161629).

Members holding shares in dematerialised form are requested to inform their bank account particulars to their respective Depository Participant (DP) and not to the R & T Agent of the Company. Those Members who do not opt for NECS facility may inform only bank account number and bank name for printing the same on the dividend warrant to ensure safety.

As per SEBI vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018, unpaid unclaimed dividend will be processed through electronic mode only.

18. Since the AGM will be held through VC / OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
19. The Voting results declared along with the Scrutinizer’s Report will be placed on the Company’s website: <http://softtech-engr.com/> and on the website of NSDL e-Voting <https://www.evoting.nsdl.com/> immediately after their declaration and the same shall simultaneously communicated to National Stock Exchange of India Limited.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 24th September, 2020 (09.00 a.m.IST) and ends on Sunday 27th September, 2020 at (05.00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 21st September, 2020 may cast their vote electronically.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@softtech-engr.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@softtech-engr.com

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members seeking any information with regard to the Accounts are requested to write to the Company at least seven days prior to the date of the meeting at **investors@softtech-engr.com**, so as to enable the Management to keep the information ready at the meeting.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at **investors@softtech-engr.com**. The same will be replied by the company suitably.

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

ITEM NO.: 3 AND 6

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, the Board of Directors of the Company in their meeting held on 10th July, 2020 appointed Mr. Pratik Patel as an Additional Director of the Company with effect from 18th July, 2020. According to the provisions of Section 161 of the Companies Act, 2013, Mr. Pratik Patel holds office upto the date of ensuing Annual General Meeting.

Further the Board of Directors in their meeting held on 1st September, 2020 appointed him as a Whole Time Director designated as Assistant Vice President (Business Development) of the Company. According to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the appointments of Mr. Pratik Patel as a Whole-time Director is required to be made at the General Meeting.

Brief profile of Mr. Pratik Patel:

Mr. Pratik Patel holds bachelor's degree in science stream (BSc. IT) and Master degree in Business Administration (MBA) from Edinburgh Napier University, Edinburgh (UK). He has over 10 years of experience of handling various managerial assignments in the areas of Operations for Software Development Company and Real Estate Business/ Constructions.

Terms and Conditions of Appointment as a Whole Time Director: - Appointment is for a consecutive period of 5 (Five) years with effect from 1st September, 2020.

Place of work:

Place of work will normally be Pune or Surat as on today. He will be responsible for building overseas markets by continuous interaction with prospects, partners etc. online/ remotely. However, the company reserves the right, at its discretion, to require him to work at any other places or establishments or those of its holding companies or sister concern/s, anywhere in India, or abroad, as may be notified from time to time.

Salary & Allowances:

The annual increments will be decided by the Board based on the recommendations of the Human Resources, the Nomination and Remuneration Committee ("NRC"), within the said maximum amount. The Basic Salary is INR. 37,500 per month effective from 1st September, 2020.

In addition to the Salary payable, Mr. Pratik Patel shall also be entitled to the following allowances and perquisites. The allowances and perquisites shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules there under or any statutory modifications(s).

Monthly gross Allowances and perquisites include,

Particulars	Amount (INR)
<i>Housing Rent Allowance (HRA)</i>	15,000
<i>Special Allowance</i>	37,500
<i>Academic Pursuit Reimbursement</i>	1,000
<i>Dress and Attire Reimbursement</i>	5,000
<i>Telephone / Broad Band Reimbursement</i>	1,000
<i>Medical Reimbursement</i>	1,250
<i>Magazines/Periodicals/Newspaper</i>	10,603
<i>Bonus</i>	6,248

Other perks from time to time, as per the policy of the Company. In addition to the fixed compensation the employee will be eligible for Sales commission on the sales brought in through his efforts directly in the protected territory of business. Sales commission will be decided on case-to-case basis.

Other terms of Appointment:

This appointment is subject to the conditions contained in “Confidentiality and Service Agreement” of the Company. The terms and conditions of the appointment of the Whole Time Director may be altered and varied from time to time by the Board (Board include the Human Resources, Nomination and Remuneration Committee of the Board) as it may, in its discretion deem fit, subject to such approvals as may be required

Shareholding in the Company: -

As on date of Appointment as a Director i.e. 18th July, 2020, Mr. Pratik Patel holds 6,50,304 equity shares in the Company.

He is a Director of following Companies:

NIL

Membership of Committees:

NIL

The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his appointment as a Whole-time Director designated as Assistant Vice President (Business Development) of the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out.

ITEM NO.: 4

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, the Board of Directors of the Company in their meeting held on 10th July, 2020 appointed Mr. Sundararajan Srinivasan as an Independent Director of the Company. According to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the appointments of Mr. Sundararajan Srinivasan, Independent Director requires approval of the shareholders at the General Meeting.

Mr. Sundararajan Srinivasan holds a Master’s degree in Control & Instrumentation from IIT Bombay. He has been developing and leading innovations in India, Asia, Europe, and US over the past 31 years. He has covered a range of technology areas in computing, communication and control. In his early career, he has pioneered indigenous digital power plant control systems for small hydro and bagasse-based co-generation plants in sugar industry in India. He has led global R&D functions in Philips, NXP and Intel. He has served as Managing Director

of Intel Mobile GmbH in Munich for 3 years, while leading development of Mobile platform software. He took up path finding in 5G technology in Intel Mobile Communications India and led the development of solution for penetration of mobile internet for rural India. He served as member of the Governing Council of TSDSI (Telecom Standards Development Society of India) for 3 years and led the creation of Telecom Standards roadmap for India.

Terms and Conditions of Appointment:-For a consecutive period of 5 (Five) years with effect from 10th July, 2020. Sitting fees, commission, etc. is to be paid as fixed by the Board, if any, from time to time.

Shareholding in the Company: -NIL

Justification for Choosing as an Independent Director: Mr. Sundararajan Srinivasan is qualified to be appointed as Independent Director as he fulfills all the requirements of the Section 149(6) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Company will benefit with his experience & expertise. The Company has received declaration from him to this effect.

He is a Director of following Companies:

Mr. Sundararajan Srinivasan is the Chairman and MD and a co-founder of Ubiqare Health Pvt. Ltd.

Membership of Committees:

Nomination and Remuneration committee

The Nomination and Remuneration Committee and the Board of Directors of the Company recommends his appointment as an Independent Director of the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out.

ITEM NO.: 2 AND 5

Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, the Board of Directors of the Company in their meeting held on 26th December, 2019 re-appointed Mrs. Priti Gupta as a Whole-time Director of the Company, subject to approval of shareholders. According to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the appointments of Mrs. Priti Gupta as a Whole-time Director is required to be made at the General Meeting.

Profile of Mrs. Priti Gupta:

Mrs. Priti Gupta (DIN: 01735673), aged 55 years, was appointed as director on Board since March 04, 2008. She holds a Master's degree in Management studies from the University of Mumbai (Bombay), Maharashtra. She also holds a bachelor's degree in science in the stream of physics from Mumbai University and a diploma in Computer Applications from Maharashtra Technical Board.

She joined SoftTech Engineers Limited in the year 2008 as a director and also the head of the human resource and administration department and during her stint with the Company has been instrumental in bringing the ISO processes to the Company. Mrs. Gupta has over 20 years of experience in business processes and management, training, human resource & administration operations. She has been working as the Whole-time Director of our Company since 24th February, 2015. She has attended all 6 Board Meeting during FY 2019-20.

She holds Directorship in following Companies:

SoftTech Engineers Limited

SoftTech Engineers Inc.

SoftTech Finland Oy.

Covisible Solutions (India) Private Limited

Membership of Committees: CSR Committee

Terms and Conditions of Appointment as a Whole Time Director: - Appointment is for a consecutive period of 5 (Five) years with effect from 24th February, 2020.

Salary & Allowances:

The annual increments will be decided by the Board based on the recommendations of the Human Resources, the Nomination and Remuneration Committee (“NRC”), within the said maximum amount. The Basic Salary is INR. 37,500/-per month.

In addition to the Basic Salary payable, Mrs. Priti Gupta shall also be entitled to the following allowances and perquisites. The allowances and perquisites shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules there under or any statutory modifications(s).

Monthly gross Allowances and perquisites include,

Particulars	Amount (INR)
<i>Housing Rent Allowance (HRA)</i>	15,000/-
<i>Special Allowance</i>	52, 237/-
<i>Academic Pursuit Reimbursement</i>	1,000/-
<i>Dress and Attire Reimbursement</i>	5,000/-
<i>Telephone / Broad Band Reimbursement</i>	1,000/-
<i>Medical Reimbursement</i>	1,250/-
<i>Conveyance Allowance</i>	1,600/-
<i>Bonus</i>	10,413/-

Other perks from time to time, as per the policy of the Company.

Other terms of Appointment:

The terms and conditions of the appointment of the Whole Time Director may be altered and varied from time to time by the Board (Board include the Human Resources, Nomination and Remuneration Committee of the Board) as it may, in its discretion deem fit, subject to such approvals as may be required.

Shareholding in the Company: -

As on 31st March, 2020 Mrs. Priti Gupta holds 33,090 equity shares of the Company.

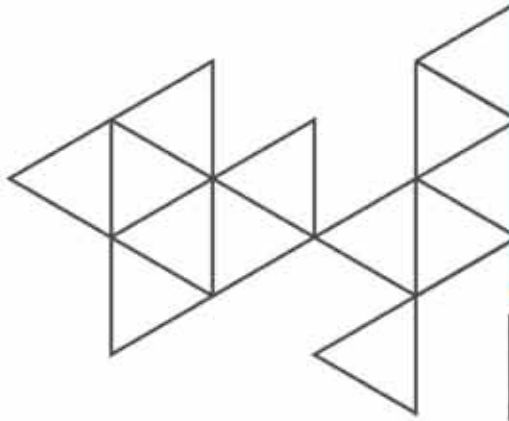
None of the directors or Key Managerial Person or, their relatives except Mrs. Priti Gupta (DIN: 01735673) and Mr. Vijay Gupta (DIN: 01653314), are concerned or interested in the resolution financially or otherwise.

The Board recommends above resolutions for the approval of the members of the Company.

**By Order of the Board of Directors,
SoftTech Engineers Limited**

**Place: Pune
Date: 01.09.2020
Mem. No. – A54477**

**Sd/-
AishwaryaPatwardhan
Company Secretary**



SoftTech[®]
Empowering Transformation



24TH ANNUAL REPORT
2019-20



The SoftTech Doctrine

We exist to meet, the worldwide digital & information-technology needs and wants, of the Architecture-Engineering-Construction industry stakeholders. Our products and services must focus on providing accurate solutions, which allows our users to experience High Value and Impeccable Reliability at Reasonable Prices.

Our Products and Services should consistently meet our Architecture-Engineering-Construction industry users' needs and wants, in a manner which creates for them solid operational excellence, genuine business advantages, and generate commercial gains. We must recognize that the key to our continuous growth lies in creating and maintaining high quality customer experience by serving them Accurately, Innovatively, Promptly, and Professionally. In order to achieve this, we need to pursue new ideas, continuously innovate, adopt new technologies, implement high quality standards, apply proven best practices and reengineer our products, processes, as well as mind-sets.

For our employees, throughout the world, we shall provide a work environment and culture that recognizes and respects each individual's diversity, dignity, abilities, work-profile, and organizational contribution. As responsible employers we must ensure that compensation to our employees is fair, adequate, and policy driven. Through our policies and actions, we shall create and sustain a culture that encourages equal opportunity for all; to generate organizational contribution from every individual employee, encourages their merit, recognizes their competence, endorses employee wellbeing, and provides them a sense of security as well as belongingness to us as an organization.

Our expressions and deeds will always reflect our sense of being responsible citizens of the society and the region of our operations. This shall primarily be achieved through our respect for the culture and conformity to the law-of-the-land, we are operating in. We shall accept our share of social responsibilities and execute them in a manner which adds value to the society.

Our business partners must feel proud to be associated with us. They should accomplish, through association with us, growth as a business, development as an organization, and advancement as individuals. Together, our partner and us, must realize a working relationship of immaculate business synergy, thereby opening new business and growth avenues for both.

Acknowledging the strength of our competitors and learning from them, in an unbiased manner, shall be one of our key strengths. Leveraging from, and adapting to competition will thus be one of our hallmarks. We shall always ensure that business competition is met with the spirit of competition, good management, concrete planning, and excellent execution.

We shall look after our shareholders and meet mutually agreed expectations. They must always carry in them, about us as an organization, a sense of investment security, fairness, and pride of association. They should consistently realize fair commercial as well as social returns. We thus, as a business must make good earnings, reserves must be created for difficult times, and shareholders need to realize a good return.



BOARD OF DIRECTORS

Mr. Vijay Gupta	Chairman and Managing Director
Mrs. Priti Gupta	Whole-time Director
Mr. Sridhar Pillalamarri	Independent Director
Mr. Rahul Gupta	Independent Director
Mr. Sundararajan Srinivasan	Independent Director
Mr. Pratik Patel	Additional Director (Appointed w.e.f. 18 th July, 2020)
Mr. Dominik Keller	Nominee Director (Ceased w.e.f. 21 st July, 2020)

CHIEF FINANCIAL OFFICER

Mr. Piranvez Irani

COMPANY SECRETARY

Ms. Aishwarya Patwardhan

STATUTORY AUDITORS

M/s. Walker Chandiook & Co LLP, Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001

REGISTERED OFFICE

The Pentagon, Unit No. 5A, Near Satara Road Telephone Exchange, Shahu College Road, Parvati,
Pune 411009

CIN: L30107PN1996PLC016718

Website: www.softtech-engr.com **Email Id:** investors@softtech-engr.com

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Chairman's Message



I'm proud to present to you the yearly report of 2019-20; a year of sustained performance by your company SoftTech Engineers Limited.

In spite of incumbent challenges, your company has registered a reasonable revenue performance. The company has bagged some strategically important projects from Municipal Corporations of Bengaluru & Coimbatore and MHADA (Maharashtra Housing & Area Development Authority). However, the last quarter which traditionally has proved to be the highest in terms of revenue was adversely impacted by the Covid -19 situation.

The major developments in FY 19-20 are –Launch of “Rulebuddy Plan Assist” a novel software product based on Company’s Rulebuddy platform and Acceptance of “Rulebuddy Plan Check” by Municipal Corporation of Bengaluru on SaaS model. Keeping in pace with the changing scenario, your company is focussing on international business and adopting SaaS model for long term sustained revenue stream.

Domestic & Global Economic Developments

KPMG has released a report titled, ‘Catalysing the National Infrastructure Pipeline – Project India’, which highlights how India can achieve the National Infrastructure Pipeline (NIP) task force’s investment target. The report proposes actions and policy recommendations to mitigate the impact of COVID-19 on India’s Infrastructure Vision 2025. Noting that the COVID-19 crisis has necessitated creative solutions to bridge the investment gaps in infrastructure, the report suggests that the government should revise its project priorities under NIP and focus on ensuring effective domestic resource utilisation, gaining outcome-focused financing support from international financial institutions and harnessing capital from private stakeholders. The total capital expenditure under the NIP in infrastructure sectors in India between fiscals 2020 and 2025 is projected at around INR 111 lakh crore. Out of this amount the projected capital expenditure for Urban infrastructure is INR 19.19 lakh crore and Rural Infrastructure is INR 7.73 lakh crores. This indicates on an average of INR 4.5 Lakh Crore per annum. Such kind of huge expenditure by GoI is going to catalyze the projects in infrastructure. Though the current situation looks shadowy due to Covid, it is certain that such efforts by Government are going to transform the situation in the coming five years. This abodes well for SoftTech’s software solutions which are meant for infrastructure development.

Additionally the Central Government is continuing its initiatives like Ease of Doing Business (EODB), Digital India, Smart Cities Mission (SCM) and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) which have maintained a strong focus on automating government processes in India. Your company considers the current situation as a short term hurdle the effects of which will be offset by long term opportunities.

AutoDCR and PWIMS continue to meet the requirements of the construction industry and your company is witnessing a sustained demand in e-Governance projects for construction & infrastructure software. The demand for the construction ERP like Opticon is also expected to increase due to the impetus for online management in response to the social distancing norms. Considering the potential to grow in overseas market and upbeat response to initial market survey, your company has set up subsidiaries in international market, with the objective of tapping into the international growth and demand for software in construction industry. Your Company is looking at infusion of investments to fuel the growth entering in International market.

I am happy to report that during the financial year 2019-20, your company has further reinforced its position as a leader in the implementation of “Building Plan Approval Systems” in India through its flagship product AutoDCR. The launch of RuleBuddy Plan Assist and RuleBuddy Plan Check has the potential to galvanize the revenue stream in next 2-3 years.

Performance Overview

Your company delivered a sustained financial performance in spite of the various challenges. Though the current situation looks rather grey, the long term view is quite bright & positive. The company was able to pull through the difficult situation and was able to achieve total revenue of Rs589 Million in FY 2019-20. , This indicates a decline of about 7.32 % as compared to the revenue in FY 18-19. Though this seems like a setback, we believe this is a minor hiccup which was caused due to the unexpected Covid situation in last quarter. However, the Profit after tax is INR 77.06 Million which is almost same (INR 77.93) as compared to last year. SoftTech Engineers Limited bagged key orders for AutoDCR from Municipal Corporations of Bangalore and Coimbatore as well as from MHADA.

Technology Vision and product roadmap

As we all know, we are living in the age of Big Data, Cloud Computing, AI and Machine Learning. And your company is all geared up to bring these revolutionary technologies into the AEC domain. We have been constantly investing and researching into these new technologies.

With the implementation of OBPAS (Online Building Plan Approval System) for Housing & Urban Planning Department, Govt. of Uttar Pradesh, we entered into the lucrative cloud-hosted portal-based service delivery approach, from earlier license based on premise server based approach. Now, it is our constant endeavour to push this momentum ahead. Acceptance of RuleBuddy Plan Check on SaaS model by BBMP (Bruhat Bengaluru MahanagarPalike) for providing plan check services to Architects is another step in that direction.

We have strengthened our partnership with RIB Software, world’s leading provider of iTWO 4.0 cloud enterprise platform technology for building and infrastructure industry. SoftTech along with RIB have participated in a bid by BCA, Singapore to provide 3D BIM based Building Plan Approval Software.

This partnership will allow us to concentrate our efforts in driving 21st-century state-of-the-art innovation for construction and building permit approvals. In the coming years, BIM and GIS are going to change the landscape of the AEC domain, and we are mapping all our products to be in sync with this change. True to our tagline, SoftTech will constantly keep working towards empowering transformation in the AEC industry through continuous innovation.

On the other hand, we entered into Partnership Agreement with ESRI which is the world leader in GIS space. The objective of this partnership is to enable product integration for SoftTech's flagship software products with GIS solutions, which will be beneficial for both government and non-government organizations in the Infrastructure & Urban Development sector. This partnership aims to target the lucrative geospatial market of India (projected to reach Rs 11,306 Cr in 2021).

During FY-19-20 your company revisited and rebranded the whole approach towards the US market. While formulating the niche-specific messaging strategy, we are all set to enter the US market with our leading technology suite named CIVIT platform for AEC industry.

Future Outlook

The outlook for 2020-21 is looking brighter with continued efforts by Government and Industry to overcome the Covid situation. While we are not exception to impact of Covid-19 on business however we are prepared to meet the challenge and come out victorious. Your company is looking forward to the revenue from RuleBuddy products from private sector. Your company is committed towards establishing strong footprints into the international market. Our new product BIMDCR is shaping excellently and we are confident we will establish this product in Asia Pacific, UK and US in the year 2020-21.

Your company will continue its efforts to maintain its leading position in Building Plan Approval Systems in India, at the same time, widening the reach of its other products in the market and making significant penetration in private sector.

Strategic relationship with RIB will help your company to make entry into the international market jointly, increase its sales revenue and achieve higher profits. On the whole, we shall continue to drive the Company's Revenue and Profitability, increasing Return on Capital Employed and resource utilization and improving cash flows for our business with strong ethical and corporate governance practices.

Your company remains guided by the values and culture it believes in. with a team of 500+ members is bound by high Company values and ethics, which translates into value generation for its customers. I'm confident, with the continued growth focus; your company will reach even higher summits.

Last but not the least, I would like to thank you for your constant support and increased faith in your company's abilities to make further progress and earnestly seek your continued participation in your company's upcoming success stories.

Thank You!



Board's Report and its annexures for the members



BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting the 24th Annual Report on the business and operations of your Company together with the Audited Financial Statement and the Auditors' Report of your Company for the financial year ended 31st March, 2020.

1. COMPANY'S PERFORMANCE, STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

Your Company is primarily involved in software development and providing software support and maintenance services to the clients. In last 24 years, the Company is constantly improving, developing and innovating software products to meet the AEC industry requirements. We have a portfolio of 5 products –AutoDCR, PWIMS, OPTICON, BIMDCR and RuleBuddy.

During the year under review, the Company has achieved a gross turnover of INR 579,470,196./- Your Company has earned a net profit of INR 77,065,421/-. Key aspects of Financial Performance of your Company for the current financial year 2019-20 along with the previous financial year 2018-19 are tabulated below in the Financial Results.

The future outlook of the Company and its professional management makes an enterprise of high quality and high efficiency as core competition. Our focus on quality has enabled us to sustain and grow our business model to benefit our customers. Our Company is managed by a team of experienced personnel having experience in different aspects of software industry.

2. FINANCIAL RESULTS:

The Company's financial performance for the year under review is given hereunder:

(Amount in INR)

Particulars	Standalone		Consolidated	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Revenue from Operations (Net)	579,470,196	627,554,789	579,470,196	627,554,789
Other Income	9,542,788	8,013,525	9,669,247	7,877,011
Total Revenue	589,012,984	635,568,314	589,139,443	635,431,800
Depreciation and Amortization	37,194,677	40,419,359	37,194,677	40,419,359
Total Expenses (including Depreciation and Amortization)	480,464,187	526,322,689	492,726,082	529,874,076
Profit/ (Loss) Before Tax	108,548,797	109,245,625	96,413,361	105,557,724
Tax Expenses:				
1. Current Tax	33,000,000	35,280,000	33,000,000	35,280,000
2. Deferred Tax	(1,516,624)	(3,969,167)	(1,516,624)	(3,969,167)
Net Profit/ (Loss) After Tax	77,065,421	77,934,792	64,929,985	74,246,890
Add/Less: Minority Interest (loss/profit)	-	-	21,485	13,982
Profit for the year	77,065,421	77,934,792	64,908,500	74,260,873

3. KEY DEVELOPMENTS OF THE COMPANY DURING THE YEAR:

- Bagged prestigious order from UP OBPAS Project, from Govt. of Uttar Pradesh on BOO model for a period of five years
- SoftTech Engineers Limited and Sputnik Consulting Sdn Bhd, Malaysia signed partnership agreement regarding selling of innovative products of the Company namely Opticon, AutoDCR, PWIMS and BIMDCR.
- During the Financial yer, your Company has availed the optionally convertible loan of INR 140,000,000/-(one hundred forty million Indian Rupees) from RIB ITWO Software Private Limited. The Loan facility comprises of committed loan facility of ₹ 119,000,000 and uncommitted loan facility of INR 21,000,000 which is to be disbursed only at the sole discretion of the lender. Loan facility amount shall be converted into equity shares of the Company at the sole discretion of the lender, thereby ensuring Lender's shareholding of 10% (ten percent) of the equity shares of the Company, for the full facility amount, subject to the applicable laws in relation thereto. RIB being a strategic partner lays multiple opportunities in overseas penetration of SoftTech products, international marketing support.

4. DIVIDEND:

Considering the Pandemic situation and in order to conserve the resources, the Board of Directors have recommended NIL dividend for the Financial Year 2019-20.

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

Since no unclaimed dividend amount is pending with the Company for seven consecutive years or more, no amount is required to be transferred to the Investor Education and Protection Fund.

6. LISTING OF SECURITIES ON STOCK EXCHANGES:

The shares of the Company are listed at the National Stock Exchange of India Limited on SME platform. Further the Company is registered with both NSDL & CDSL.

7. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:

In accordance with the provisions of the Companies Act, 2013 and SEBI regulations, the Management Discussion and Analysis report is given as 'Annexure A' to this report.

8. EXTRACT OF ANNUAL RETURN:

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

9. PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered with related parties during the F.Y. 2019-20 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013. Form AOC 2 is enclosed herewith as 'Annexure C' to the Boards' Report.

The other disclosures regarding the related party transactions are given in the notes to accounts.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

• CONSERVATION OF ENERGY:

The operations carried out by the Company are such that they are not deemed as energy intensive. However, the Company constantly makes efforts to avoid excessive consumption of energy. The measures are aimed at effective management and utilization of energy resources and resultant cost saving of the Company.

• TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption – Nil.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution – Nil.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year – Nil.

• FOREIGN EXCHANGE EARNINGS AND OUTGO (IN RUPEES):

Earnings	INR 17,506,869/-
Outgo	INR 8,430,363/-

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

I. Changes in Composition of the Board of Directors:

- a) Mr. Sundararajan Srinivasan (DIN: 07936396) was appointed as Additional Director of the Company w.e.f. 27th August, 2019. Mr. Sundararajan Srinivasan (DIN: 07936396) has been appointed as Non executive Director of the Company by the shareholders in the Annul General Meeting held on 30th September, 2019. Further he has been appointed as an Independent Director by change in his designation w.e.f. 10th July, 2020. Brief profile and other information of Mr. Sundararajan Srinivasan (DIN: 07936396) proposing appointment as an Independent Director is appended as an annexure to the notice of ensuing Annual General Meeting.

- b) Mr. Dominik Keller (DIN: 08585680) was appointed as Nominee Director of RIB ITWO Software Private Limited w.e.f. 27th December, 2019.
- c) Mr. Vijay Gupta (DIN: 01653314) has been re-appointed as Managing Director of the Company w.e.f. 24th February, 2020 in the Annual General Meeting held on 30th September, 2019.
- d) Mrs. Priti Gupta ((DIN: 01735673), Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.
- e) The Board of Directors and Nomination and Remuneration Committee has approved to re-appoint Mrs. Priti Gupta (DIN: 01735673) as Whole-time Director of the Company for a period of Five (5) years w.e.f. 24th February, 2020. Brief profile and other information of Mrs. Priti Gupta ((DIN: 01735673) proposing reappointment as Whole-time Director is appended as an annexure to the notice of ensuing Annual General Meeting.

II. Appointment / Resignation of Key Managerial Personnel:

- a) Designation of Mr. Amit Katariya Changed from CFO(KMP) to Finance controller w.e.f. 1st April, 2019
- b) Mr. Piranvez Irani has been appointed as CFO(KMP) with effect from 20th April, 2019

III. Declaration from Independent Directors:

Your Company has received necessary declarations from all its Independent Directors stating that they meet the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

All the Independent Directors of the Company have enrolled themselves in the data bank with the 'Indian Institute of Corporate Affairs', New Delhi, India.

In the opinion of the Board the Independent Directors possess necessary integrity, expertise and experience (including the proficiency) and they are of high integrity and repute.

IV. Board Evaluation:

The annual evaluation framework for assessing the performance of Directors comprises of the following key areas:

- a) Attendance for the meetings, participation and independence during the meetings.
- b) Interaction with Management.
- c) Role and accountability of the Board.
- d) knowledge and proficiency
- e) Strategic perspectives or inputs.

The evaluation involves assessment by the Board of Directors. A member of the Nomination and Remuneration Committee and Board does not participate in the discussion of his / her evaluation.

The Composition of Board of Directors & Key Managerial Person as at 31st March, 2020 consists of following:

Sr. No.	Name	Designation
1.	Mr. Vijay Gupta	Managing Director
2.	Mrs. Priti Gupta	Whole-time Director
3.	Mr. Rahul Gupta	Independent Director
4.	Mr. Sridhar Pillalamarri	Independent Director
5.	Mr. Sundararajan Srinivasan	Non-executive Director
6.	Mr. Dominik Keller	Nominee Director
7.	Mr. Piranvez Irani	CFO(KMP)
8.	Ms. Aishwarya Patwardhan	Company Secretary

12. AUDITORS:

a) Statutory Auditors:

M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting (AGM) held on 26th September, 2016. This was done as per the provisions of the Companies Act, 2013. In the Annual General Meeting dated 28th September, 2018 members approved ratification of appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company, for the remaining term of Three (3) years i.e. up to the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2021. They have indicated their willingness to continue as Statutory Auditors of the Company.

b) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Devesh Tudekar, Practising Company Secretary, as a secretarial auditor, a Report of the Secretarial Audit is annexed herewith as Annexure D.

13. REPORTING OF FRAUD BY STATUTORY AUDITORS:

There was no fraud suspect 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.

14. DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

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

No amount was transferred to the reserves during the Financial Year ended on 31st March, 2020.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- 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 profit of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the Annual Accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. PERSONNEL:

During the financial year under review, the provision of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 i.e. the particulars and information of the employees forms integral part of this report.

18. CORPORATE GOVERNANCE:

The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated and applicable under various regulations are complied with.

19. COMPLIANCE OF SECRETARIAL STANDARDS:

The Company has complied with the provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

20. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code provides for periodical disclosures from Directors and designated employees as well as pre-clearances of transactions by such persons.

The detailed Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders is placed on the Company's website and can be viewed at: <http://softtech-engr.com/wp-content/uploads/2018/07/3.-CODE-OF-INTERNAL-PROCEDURES-AND-CONDUCT-FOR-PREVENTION-OF-INSIDER-TRADING-REGULATIONS.pdf>

21. MEETINGS OF THE BOARD OF DIRECTORS AND IT'S COMMITTEES:

A. MEETINGS OF BOARD OF DIRECTORS:

During the Financial Year under review, the Board of Directors of the Company has duly met Six (6) times on:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	20 th April, 2019	2.	27 th May, 2019
3.	27 th August, 2019	4.	4 th November, 2019
5.	14 th November, 2019	6.	26 th December, 2019

The details of number of meetings attended by each director are summarized as below:

Sr. No.	Name of Director	Number of meetings entitled to attended	Number of meetings attended
1.	Mr. Vijay Gupta	6	6
2.	Mrs. Priti Gupta	6	6
3.	Mr. Rahul Gupta	6	5
4.	Mr. Sridhar Pillalamarri	6	4
5.	Mr. Sundararajan Srinivasan	3	3
6.	Mr. Dominik Keller	0	0

B. AUDIT COMMITTEE MEETING:

During the financial year under review, the Audit Committee of the Company has duly met on Four (4) times on:

Sr. No.	Date of Audit Committee Meeting	Sr. No.	Date of Audit Committee Meeting
1.	20 th April, 2019	2.	27 th May, 2019
3.	27 th August, 2019	4.	14 th November, 2019

The details of number of meetings attended by each member of the Audit Committee are summarized as below:

Sr. No.	Name of the member of the Audit committee	Number of meetings entitled to attended	Number of meetings attended
1.	Mr. Vijay Gupta	4	4
2.	Mr. Rahul Gupta	4	3
3.	Mr. Sridhar Pillalamarri	4	2

C. NOMINATION & REMUNERATION COMMITTEE MEETING:

During the financial year under review, the Nomination and Remuneration Committee of the Company has duly met Three (3) times on 20th April, 2019, 27th August, 2019 and 26th December, 2019.

Sr. No.	Name of the member of the Nomination and Remuneration committee	Number of meetings entitled to attended	Number of meetings attended
1.	Mr. Sridhar Pillalamarri	3	3
2.	Mr. Rahul Gupta	3	2
3.	Mr. Vijay Gupta	2	2
4.	Mr. Sundararajan Srinivasan	1	1

* With effect from 4th March, 2019 Mr. Ravi Mathur, Nominee Director ceased to be Director of the Company and member of Nomination of Remuneration committee and Mr. Vijay Gupta was appointed as a member of the Committee for the period 4th March, 2019 to 27th August, 2019. Mr. Sundararajan Srinivasan has been appointed as Director of the Company and member of Nomination and Remuneration committee w. e. f. 27th August, 2019.

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING:

During the financial year under review, the Corporate Social Responsibility (CSR) Committee of the Company has duly met Once (1) on 27th August, 2019.

Sr. No.	Name of Member of the Corporate Social Responsibility (CSR) Committee	Number of meetings entitled to attended	Number of meetings attended
1.	Mr. Vijay Gupta	1	1
2.	Mrs. Priti Gupta	1	1
3.	Mr. Rahul Gupta	1	1

G. STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING:

During the financial year under review, no meeting of Stakeholders Relationship Committee was held.

22. COMMITTEES OF THE BOARD:

As on 31st March, 2020 the Board had Committees - the Audit Committee, the Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, and Stakeholders Relationship Committee.

- Composition of Audit Committee:**

As per the provisions of Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of the three directors for the financial year ended 31st March, 2020. The table sets out the composition of the Committee:

Name of the Director	Category
Mr. Vijay Gupta	Chairman
Mr. Rahul Gupta	Member
Mr. Sridhar Pillalamarri	Member

- Composition of Nomination and Remuneration Committee:**

As per the provisions of Section 178 of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprised of the three directors for the Financial Year ended 31st March, 2020. The table sets out the composition of the Committee:

Name of the Director	Category
Mr. Sridhar Pillalamarri	Chairman
Mr. Rahul Gupta	Member
Mr. Vijay Gupta	Member upto 27 th August, 2019
Mr. Sundararajan Srinivasan	Member w.e.f. 27 th August, 2019

- Composition of Corporate Social Responsibility (CSR) Committee:**

The Company's Corporate Social Responsibility (CSR) Committee comprised of the three directors for the Financial Year ended 31st March, 2020. The table sets out the composition of the Committee:

Name of the Director	Category
Mr. Vijay Gupta	Member
Mrs. Priti Gupta	Member
Mr. Rahul Gupta	Member

- Composition of Stakeholders Relationship Committee:**

The Company's Stakeholders Relationship Committee comprised of the three directors for the Financial Year ended 31st March, 2020. The table sets out the composition of the Committee:

Name of the Director	Category
Mr. Rahul Gupta	Chairman
Mr. Sridhar Pillalamarri	Member
Mr. Vijay Gupta	Member

23. RISK MANAGEMENT POLICY:

Periodic assessments to identify the risk areas are carried out and the management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also

periodically informed of the business risks and the actions taken to manage them. The Company has formulated a Policy for Risk Management with the following objectives:

- Provide an overview of the principles of risk management.
- Explain approach adopted by the Company for risk management.
- Define the organizational structure for effective risk management.
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

The Company has maintained adequate internal controls commensurate with its size and nature of operations. The Company has also formed an Audit Committee. Audit Committee reviews with the management adequacy and effectiveness of the internal control system and internal audit functions. The scope of the Internal Audit is decided by the Audit Committee and the Board. There are policies, guidelines and delegation of power issued for the compliance of the same across the Company.

25. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has given loan to SoftTech Finland Oy and SoftTech Engineers Inc. in the form of debentures. The details are given in the Financial Statements. Except this, the Company has not made any investment or granted any Loans or Guarantees covered under Section 186 of the Companies Act, 2013 & Rules thereof including amendments thereunder.

26. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

During the Financial Year under review there have been no subsidiary/JV/associate Company which was formed or ceased. Your Company has a wholly owned subsidiary namely SoftTech Finland Oy located in Republic of Finland and a subsidiary with name SoftTech Engineers Inc, in state of Delaware, USA. The Company has a step down subsidiary (Subsidiary of SoftTech Engineers Inc.) as SoftTech Government Solutions Inc. in the Commonwealth of Virginia.

27. NOMINATION & REMUNERATION POLICY:

The Policy, in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein, is formulated to provide a framework and set standards. The brief objectives of the policy are as follows:

- I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- III. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- IV. To ensure the relationship of remuneration with performance is clear and meets appropriate performance benchmarks.
- V. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- VI. To promote and develop a high performance workforce in line with the Company strategy.
- VII. To lay down criteria and terms and conditions with regard to identifying person who are qualified to become Director (Executive & Non- Executive/ Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- VIII. To determine the remuneration based on the Company’s size and financial position and practices in the industry.

The detailed Nomination & Remuneration Policy of the Company is placed on the Company’s website and can be viewed at: <http://softtech-engr.com/wp-content/uploads/2018/07/7.-Nomination-and-Remuneration-Committee.pdf>

28. VIGIL MECHANISM:

The Company has adopted a Vigil Mechanism / Whistle Blower Policy, to provide a formal mechanism to the directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, the Company has not received any complaints under the said mechanism. The Vigil Mechanism / Whistle Blower

Policy has been posted on the website of the Company (<http://softtech-engr.com/wp-content/uploads/2018/07/13.-Vigil-Mechanism-Whistle-Blower.pdf>).

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy has set guidelines on the redressal and inquiry process that is to be followed by aggrieved woman, whilst dealing with issues related to sexual harassment at the work place towards any women. All employees (permanent, temporary, contractual and trainees) are covered under this policy.

The Company has complied with the provision relating to the constitution of the Internal Complaint Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

It may be noted that during the year 2019-20, no grievance / complaint from any women employee was reported.

30. MATERIAL CHANGES & COMMITMENTS, BETWEEN THE DATE OF BALANCE SHEET AND THE DATE OF BOARD REPORT:

Changes in Composition of the Board of Directors:

1. Mr. Sundararajan Srinivasan (DIN: 07936396) has been appointed as an Independent Director by change in his designation from Non-Executive Director to Non-Executive Independent Director w.e.f. 10th July, 2020
2. Mr. Pratik Patel (DIN: 08798734) was appointed as Additional Director of the Company w.e.f. 18th July, 2020. Further he was appointed as a Whole time Director designated as Assistant Vice President (Business Development) w.e.f. 1st September, 2020 .
3. Mr. Dominik Keller (DIN: 08585680), Nominee Director has ceased to hold Directorship in the Company as a result of Withdrawal of Nomination by Investor group w.e.f. 21st July, 2020

Except above there have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report, except as disclosed elsewhere in this report.

31. INDUSTRIAL RELATIONS:

The industrial relations during the year 2019-20 have been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

32. CORPORATE SOCIAL RESPONSIBILITY:

The Company has developed Corporate Social Responsibility Policy as per the provisions of the Section 135 of the Companies Act 2013. The details as per the requirement are annexed to this report as 'Annexure E'.

33. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

34. THE EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITORS/ SECRETARIAL AUDITOR IN THE AUDIT REPORT:

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any clarification/ explanation. The notes on financial statements and comments by Statutory Auditors and Secretarial Auditors are self-explanatory, and need no further explanation.

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

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.

36. LOAN FROM DIRECTORS AND RELATIVES OF DIRECTOR:

The details of loans and advances accepted from directors of the Company and relatives of directors as on 31st March, 2020 given below:

Sr. No.	Name of person	Designation	Loan Taken during the year	Loan repaid during the year	Balance as on 31.03.2020
1	Vijay Gupta	Managing Director	-	3,500,000	13,439,662
2	Priti Gupta	Whole-Time Director	2,500,000	2,500,000	6,36,975

37. CHANGES IN SHARE CAPITAL:

During the year under review, there is no change in authorized, subscribed or paid up capital of the Company. Further, the Company has neither allotted any sweat equity nor it has bought back any shares or securities.

38. EMPLOYEE STOCK OPTION SCHEME:

The Company has the 'SoftTech Employees Stock Option Plan 2017 (SoftTech ESOP 2017)' being implemented in accordance to the SEBI regulations in this regard. The Company has obtained certificate of auditors of the Company pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in this regards. As on 5th May, 2020, the Company has allotted 44,196 equity shares of Rs. 10/- each fully paid to the employees, against exercise of stock options earlier granted to them under SoftTech Employees Stock Option Plan 2017. The Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 is available in Financial section on the website of the Company at <https://softtech-engr.com/investor-relations-in-softtech-engineers> .

39. ACKNOWLEDGEMENT:

Your directors would like to express their heartfelt gratitude to all Bankers, Government Authorities, Customers, Vendors and Business Partners for their continued support and association. The directors would also like to express their appreciation to the employees of the Company for their dedicated, individual and collective contribution in the overall growth of the Company.

INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUERATION OF MANAGERIAL REMUNERATION) RULES, 2014

Sr No	Particulars	Details
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year	Refer Annexure I
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	Refer Annexure II
3	The percentage increase in the median remuneration of employees in the financial year.	0.03%
4	The number of permanent employees on the rolls of Company.	273 as on 31 March 2020
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Percentage increase in salaries of managerial personnel is 36% Percentage decrease in salaries of employee is 0.01%. The increase in remuneration is not solely based on Company performance but also includes various other factors like individual performance vis-à-vis industry trends, economic situation, future growth prospects etc. The Board believes that the increase is in line with industry.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration to employees of the Company is as per the remuneration policy of the Company

Sr No	Particulars	Details
7	Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee, who, (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the Company.	Annexure III

Annexure I:

Sr. No.	Name of Director	Ratio of remuneration of each Director to the median remuneration of the employees of the Company
1.	Mr. Vijay Gupta	16.74 times of median
2.	Mrs. Priti Gupta	4.19 times of median
3.	Mr. Rahul Gupta	No remuneration. only sitting fees are paid
4.	Mr. Sridhar Pillalamarri	No remuneration. only sitting fees are paid
5.	Mr. Sundararajan Srinivasan	No remuneration. only sitting fees are paid
6.	Mr. Dominik Keller	No remuneration.

Annexure II:

Sr. No.	Name of Director/KMP	Designation	% Increase/(Decrease) in the Remuneration (Including sitting fees paid to the Directors)
1	Mr. Vijay Gupta	Managing Director	36 %
2	Mrs. Priti Gupta	Director	46 %
3	Mr. Rahul Gupta	Director	No change
4	Mr. Sridhar Pillalamarri	Director	No change
5	Ms. Aishwarya Patwardhan	Company Secretary	19 %
6	Mr. Piranvez Irani	CFO(KMP)	NIL*

* Mr. Piranvez Irani has been appointed as CFO(KMP) with effect from 20th April, 2019

Annexure III

Statement showing the names of the top ten employees in terms of remuneration drawn during FY 19-20

S.No	Emp code	Name of the employee	Designation	Remuneration received p.a. IN FY19-20 INR	Nature of employment	Qualification and Experience of the employee	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee	Whether any such employee is relative of any Director and if so name of such director
1	ST001	Vijay Gupta	Managing Director	5,200,002	Permanent	IIT Mumbai EXP-32 Years	17-Jun-96	58		39.07%	Related to Mrs. Priti Gupta
2	ST824	Piranvez Irani	Chief Financial Officer	2,379,435	Permanent	Bcom, CA EXP-29 Years	10-Apr-19	53	Redknee Technologies Pvt.Ltd	-	No
3	ST137	Neetesh Singhal	Assistant Vice President - Technology	2,171,029	Permanent	BE, MS EXP-20 Years	1-Apr-09	42	CoVisible Solutions Inc. USA	-	No
4	ST041	Srinivas Rao Perla	Senior Project Manager - Dev	2,044,855	Permanent	MCA EXP-16 Years	07-Feb-06	44	Surekha Ratna Software Pvt. Ltd.	-	No
5	ST070	Sheetal Kurhade	Assistant Vice President - AutoDCR	2,022,168	Permanent	B.Arch EXP-18 Years	14-Aug-06	44		-	No
6	ST177	Kuldeep Rathi	Senior Project Manager - Dev	2,011,522	Permanent	MCA EXP-14 Years	01-Sep-08	37	1. Apex Info Soft Pvt. Ltd. 2. Neuerung Technologies 3. Telex Communications	-	No
7	ST116	Premanath Basava	Assistant VP - Opticon Delivery	1,897,789	Permanent	BE, MMS EXP-26 Years	1-Nov-10	51	1. Avam Computer Mgmt & Consultancy 2. Global Solutions 3. Ador Samia Limited	-	No
8	ST503	Chandrashekhar Sambha	Program Manager	1,807,453	Permanent	BE- Mech EXP-20 Years	23-Jun-15	45	1. Magnaquest Technologies Limited 2. KPMG	-	No
9	ST053	Sarika Y. Jaglaganeshwari	Senior Product Manager	1,651,361	Permanent	Diploma in Architecture EXP-24 Years	1-Jun-06	44	1. Design Point Vision India Consultant 2. Sarjan Architects	-	No
10	ST305	Mahesh Totale	Project Manager - Dev	1,626,017	Permanent	BSc (Stats) & MCA EXP - 19 Years	1-Aug-11	47	Synechron	-	No

FORM NO. AOC.1
Statement containing salient features of the financial statement of
Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sr. No.	Particulars	SoftTech Finland Oy.	SoftTech Engineers Inc.
1.	Sl. No.	1	2
2.	Name of the subsidiary	SoftTech Finland Oy.	SoftTech Engineers Inc.
3.	The date since when subsidiary was acquired	16 th July, 2018	21 st November, 2018
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Reporting Currency-Euro Exchange rate as on 31.03.2020- 78.80	Reporting Currency-USD Exchange rate as on 31.03.2020- 70.88
6.	Share capital	202,806	608,424
7.	Reserves & surplus	(4,946,458)	271,550
8.	Total assets	479,013	12,304,516
9.	Total Liabilities	5,222,665	11,372,099
10.	Investments	Nil	643,293
11.	Turnover	Nil	Nil
12.	Profit before taxation	Nil	Nil
13.	Provision for taxation	Nil	Nil
14.	Profit after taxation	Nil	Nil
15.	Proposed Dividend	Nil	Nil
16.	% of shareholding	100%	92%

1. Names of subsidiaries which are yet to commence operations

- a) SoftTech Finland Oy.
- b) SoftTech Engineers Inc.

2. Names of subsidiaries which have been liquidated or sold during the year.
NIL

Part "B": Associates and Joint Ventures- NA

For and on behalf of the Board of Directors
SOFTTECH ENGINEERS LIMITED

SD/-

VIJAY GUPTA
CHAIRMAN & MANAGING DIRECTOR
DIN:01653314
DATE: 01.09.2020
PLACE: PUNE

Encl:

- a) **Annexure A- Management Discussion and Analysis Report.**
- b) **Annexure B- Extract of Annual Return in Form MGT-9.**
- c) **Annexure C- Particulars of Contract/Arrangement with Related Parties in Form AOC-2**
- d) **Annexure D- Report of the Secretarial Audit**
- e) **Annexure E- Annual Report on Corporate Social Responsibility Activities.**

Annexure - A
Management Discussion and Analysis Report.

This section lists forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

I. OVERVIEW OF COMPANY:

Established in 1996, SoftTech empowers business transformation through software products and solutions that are built on deep domain expertise. Over the years, we have leveraged our leading industry practices in the architecture, engineering and construction (AEC) domains to create value for businesses. Our solutions are designed to augment and enhance the sustainable competitive edge of businesses through robust frameworks that positively impact all the business critical factors. We constantly improve and maintain our high-quality solutions through dedicated, proactive market research and developmental efforts.

Coming with a deep domain expertise within the software and AEC industry, we bring the ability to understand customer and category needs and provide solutions to deliver business results. We're focused on software for the Infrastructure and Construction industry and have serviced over 4600 clients in India and across the world till date.

India's GDP is expected to witness a positive growth of 1.9% in 2020.

India's GDP is expected to reach US\$ 6 trillion by FY 27 and achieve upper middle income status on the back of

- *Digitization*
- *Globalization*
- *Favorable demographics and*
- *Reforms*

II. INDUSTRY OVERVIEW:

Global Economic Outlook¹:

The global economic growth in 2020 is projected to be negative 3.0% declining from 2.9% growth in 2019. The global GDP recovery is projected to be at 5.8% in 2021.

Emerging and Developing Asia is also expected to follow the suit with a decline in GDP growth rate from 5.5% in 2019 to only 1% in 2020. India's growth rate is also expected to decline from 4.2 percent in 2019 to 1.9 percent in 2020 and then increase by 7.4 percent in 2021.

The Global growth projected to be negative 3.0% in 2020, the recovery is expected to take place in 2021 with expected GDP growth of 5.8%

Indian Economy Overview¹

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 4.2 per cent in 2019 and is expected to grow at 1.9 per cent in 2020. The Indian economic output is expected to grow at 7.4% in 2021.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price water house Coopers.

¹Source: IMF

Indian Construction Industry²

The Gross Value Added (GVA at Current Prices) by the Construction Sector in India is estimated to be about USD 192 Bn in 2019-20 as compared to USD 183.5 Bn in 2018-19

Under Union Budget 2019-20, Government had announced to invest INR 100 lakh crores (US\$ 1.5 trillion) in infrastructure over the next five years. Increased impetus to develop infrastructure in the country is attracting both domestic and international players. Private sector is emerging as a key player across various infrastructure segments, ranging from roads and communications to power and airports. In order to boost the construction of buildings in the country, the Government of India has decided to come up with a single window clearance facility to accord speedy approval of construction projects. The country needs around 55 new airports by 2030 with an investment of US\$ 36-45 billion. In the road's sector, the government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with a large number of private players entering the business through the public-private partnership (PPP) model. During the next five years, investment through PPP is expected to be US\$ 31 billion. India has a requirement of investment worth Rs. 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country.

The Government of India has launched following schemes and reforms, which will have a positive impact on AEC (Architectural, Engineering & Construction) vertical in India:

Smart Cities Mission³:

Under Smart Cities Mission, 100 Smart Cities were to be selected through a 'City Challenge Competition,' linking financing and ability to achieve multidimensional objectives of urban infrastructure development like adequate and clean water supply, sanitation and solid waste management, efficient urban mobility and public transportation, affordable housing for the poor, power supply, robust IT connectivity, governance, especially e-governance and citizen participation, safety and security of citizens, health and education and sustainable urban environment. Smart City mission has been implemented through Special purpose Vehicles (SPV) to be managed by the state government.

Till date, 100 cities have been identified, with an outlay of USD 31.38 billion. The scheme is projected to positively impact 99 million of urban population. 98 Special Purpose Vehicles (SPVs) have been formed.

In order to boost the construction of buildings in the country, the Government of India has decided to come up with a Single Window Clearance (SWC) system to accord speedy approvals of construction projects

99 Smart cities have been identified. E-governance with citizens' participation is one of the key objectives of this mission.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)⁴:

The mission is interlinked to the Smart City Mission, adopting a project approach to ensure basic infrastructure services relating to water supply, sewerage, management, storm water drains, transport and development of green spaces.

State level plans of USD 11 billion for 500 cities have been approved. Uttar Pradesh has got the highest investment under the Atal Mission of USD 1.75 billion. This is followed by: Tamil Nadu (USD 1.72 billion), Maharashtra (USD 1.03 billion), Haryana (USD 0.39 billion), Chhattisgarh (USD 0.33 billion), Manipur (USD 27 million), Sikkim (USD 6 million).

Pradhan Mantri AwasYojana (PMAY)⁵:

"Housing for All" Mission for urban area is to be implemented during 2015-2022 and this Mission will provide central assistance to implementing agencies through States and UTs for providing houses to all eligible families/beneficiaries by 2022.

²IBEF- Infrastructure Industry analysis report

³ Make in India- Construction

⁴Amrut.gov.in

⁵PMAY site

All 4041 statutory towns as per Census 2011 with focus on 500 Class I cities would be covered in three phases.

RERA⁶:

Government of India has enacted the Real Estate (Regulation and Development) Act 2016 and all the sections of the Act have come into force with effect from May 1, 2017. All commercial and residential real estate projects will have to register (with some exceptions). As per the RERA, details of all the Registered Projects shall be available online for citizens including

1. Sanctioned plans, layout plans, along with specifications, approved by the competent authority
2. Proposed Plan, Proposed Layout Plan of the whole project and Floor Space Index proposed to be consumed in the whole project, as proposed by the promoter
3. Proposed Number of building(s) or wing(s) to be constructed and sanctioned number of the building(s) or wing(s)
4. The stage wise time schedule of completion of the project, including the provisions for civic infrastructure like water, sanitation and electricity

The Real Estate sector involving over 76,000 companies came into the ambit of regulation from May'2017.

Ease of Doing Business⁷:

The Ease of Doing Business (EODB) index is a ranking system established by the [World Bank Group](#). India is ranked 77th in 2019 and 100th in 2018 improving by 23 positions among 190 countries.

Dealing with construction permits is one of the 10 areas of business regulation for which information is collected for research. India ranked 52nd in dealing with construction permits among 190 economies in 2019 rankings. Government has initiated Business Reform Action Plan (Ref: <http://eodb.dipp.gov.in/>) to improve the EODB rankings. As such there will be major reforms implemented for issuing construction permits all over India.

India ranked 77th in 2019 Ease of doing Business rankings by World Bank.

It ranked 52nd in dealing with construction permits among 190 economies in 2019.

Digital India:

Launched in 2015, Digital India encompasses a set of initiatives targeted at transforming India into a digitally empowered society and a knowledge economy. It promises to create digital infrastructure and internet for all in next few years and aims to ensure digital literacy and availability of government services in real time for everyone.

Due to the above mentioned Government initiatives, an overall boost to construction industry in terms of – i) Automation in management of smart city infrastructure, ii) Increase in housing – higher construction activities, iii) Increase in construction infrastructure projects, iv) Adoption of technology among private construction companies v) Greater automation in issuing construction permits vi) Digitization and usage of software application for e-Governance, replacing manual operations. Since SoftTech's software products are aimed at fulfilling the market requirements in above areas, we foresee a sustainable increase in demand for our software solutions during next five years.

IT and Technology Industry

Information technology (IT) spending will continue to dominate total tech spending, especially in emerging markets. The global tech market in currency terms will decline modestly throughout 2018 to 2020 at 5% and 3.8% respectively. ⁸ Information technology is

⁶RERA site

⁷Make in India- Ease of doing business; World bank group- doing business 16th Edition

⁸ Global Tech Market growth slows from 5%-3.8% from 2018-2020, Forrester

not only fueling major business transformation across industries, it's also changing how technology enterprises sell their products and services, operate and plan for future growth.

Global Digital Transformation Market:

New developments in Information technology and software solutions are transforming and disrupting almost every industry. There is a software application for every sector and business function such as, sales, banking, accounting, payroll software technology which has existed in the form of web, mobile technologies, management information systems, data management tools etc. The global digital transformation market size was valued at USD 284.38 Bn in 2019 and is expected to expand at CAGR of 16.5% to USD 1,010 Bn by 2025⁹. India's IT industry is increasingly focusing on digital opportunities as digital is poised to be a major segment in the next few years. It is also currently the fastest growing segment, growing over 30 per cent annually. The need for Digital Transformation has been never higher than in the ongoing Pandemic crisis.

Upcoming Technologies:

India, having proven its capabilities multiple times in delivering both on-shore and off-shore services to global clients, is now exposed to pioneering technologies which are offering a new spectrum of opportunities to IT firms.

Growth Area #1: Internet of Things is shaping the future with its high economic potential by disrupting nearly every sector- be it agriculture, manufacturing, healthcare, retail, transport or energy. IoT is often used in tandem with cloud computing, as IoT generates massive amounts of data and cloud computing provides a pathway for this data to travel and platform for it to be processed. Some of the few remarkable impacts created with the help of IoT are - driverless cars, wearable healthcare devices that provide constant monitoring & personalized care, agricultural drones & sensors making high tech farming possible and IT-optimized smart manufacturing using human resources at the manufacturing plant in a more productive way. Following this boom, the IoT market will likely hit US\$ 1.6 trillion by end of 2025 from USD 212 Bn in 2019¹⁰.

Some of the most promising aspects of digital transformation that are currently emerging and expected to change the dynamics of the IT adoption in AEC industry:

- *Building Information Modelling*
- *Augmented / Virtual Reality*
- *Artificial Intelligence(AI)*
- *Machine Learning(ML)*
- *Big Data Analytics*
- *Internet of Things(IoT)*
- *Product Engineering*
- *Digital Media*

Growth Area #2: Integration of **Artificial Intelligence & Machine Learning** are making routine business operations dynamic and less time-consuming. All types of services are getting smarter with sensors as well as intelligent controls. Machine Learning market is expected to grow at a CAGR of 44.1% and become worth US\$ 8.8 billion by 2022. ¹¹Spending on Artificial Intelligence will grow from US\$39.9 billion in 2019 to US\$667 billion by 2027 at a CAGR of 42.2%. ¹²

Growth Area #3: Another area that received high demand is **Big Data Analytics**-the process of examining large & varied data sets to uncover patterns, correlations, market trends & other useful information that can help organizations make more informed business decisions. The market for Big Data and Business Analytics will experience major growth from US\$ 171.39 billion in 2018 to US\$ 512.04 billion in 2026.¹³

⁹.Marketsandmarkets Research

** all figures are in fiscal year

¹⁰Forecast end-user spending on IoT solutions worldwide from 2017 to 2025, Statista

¹¹Machine Learning Market worth 8.81 billion USD by 2022, Markets and Markets

¹²Grand View Research

¹³Bloomberg - Big Data and Business Analytics Market Size

Growth Area #4: Product engineering is another field that has received high demand in recent times. It takes care of the entire product life cycle from the innovation phase to deployment & user acceptance phase. Product engineering is also expected to see robust growth in the future. The product engineering services market is estimated to reach US\$ 1 trillion by 2021 & grow at a CAGR of 8.2% in 5 years.¹⁴

Growth Area #5: Digital Media, a blend of technology & content used to develop various applications. Digital media products are abundant in the world we live in today and has penetrated almost every industry. With a current market revenue of US\$ 100.2 billion, its market is expected to reach US\$130.6 billion by 2022.¹⁵

"In this digital age, we have an opportunity to transform lives of people in ways that was hard to imagine just a couple of decades ago.

– Narendra Modi,

Prime Minister of India

Growth Area #6: Building Information Modelling is a digital representation of physical and functional characteristics of a facility. Building information model is a shared knowledge resource for information about a facility forming a reliable basis for decisions during its life-cycle; defined as existing from earliest conception to demolition. The adoption of BIM in Indian construction projects is to the tune of 22% currently and expected to grow rapidly in upcoming years.

The new road to development is Information Technology & that has helped to improve the image of India in the international forum.

III. OPPORTUNITIES AND THREATS

Our Business

In last 24+ years, the company is constantly improving, developing and innovating software products to meet the AEC industry requirements. We have a portfolio of 7 products and these products cover entire value chain of the construction industry right from pre-construction to during construction and then to the post construction stage. These products are being used by government authorities, local bodies, municipalities, construction and infrastructure enterprises, real estate developers, architects and other consultants in AEC sector. Company has added an AI enabled platform for AEC vertical in a unique way of offering its products.

Product portfolio includes-

- *AutoDCR*
- *PWIMS*
- *OPTICON*
- *BIMDCR*
- *RuleBuddy*
- *CIVIT Platform*
-



¹⁴Product Engineering services market worth 1003.12 billion USD by 2021, Markets and Markets

¹⁵ Digital media revenue worldwide from 2016 to 2022, by category (in million US dollars)

²¹http://www.fig.net/resources/proceedings/fig_proceedings/fig2014/ppt/ss36/ss36_kavanagh_7434.pdf

Products

AutoDCR–Technology to Deliver on The Building Plans

AutoDCR is an innovative solution boosting Smart City projects by automating building and layout plan approvals. AutoDCR reads 2D CAD drawings and checks them for compliance to Development Control Regulations (DCR) of Urban Local Bodies (ULBs), Municipal Corporations, Urban Development Authorities and other such approving authorities. It is integrated with online approval workflow to monitor the approval process with associated document scrutiny. This reduces human intervention and at the same time shortens time required for approvals drastically, which further helps the authorities on improving “Ease of Doing Business” rankings. Further, there is increased transparency and uniformity in the work flow.

PWIMS – Smarter Management for Public Works Organizations

PWIMS is a web based, integrated works and procurement management software which is used for managing the core functional processes of works planning, procurement and maintenance large government as well as private civil infrastructure organizations. The services in this software include Budget and Estimate management, Tenders & Project management, Asset & Inventory management, Finance & Accounts management and HR management. Further, it provides a comprehensive dashboard and generates real-time MIS reports for such organizations.

OPTICON – ERP for Construction Enterprises

OPTICON is Enterprise Resource Planning (ERP) software which combines enterprise technologies with nearly 20 years of construction industry domain experience into an integrated system. The product aims at optimizing construction processes. The services in the product includes detailed tender bid management, cost estimation for the project, managing timeline and schedules, generating MIS reports on real-time basis, managing inventory and purchase records, client billing, Sales & CRM among others. With growing infrastructural and construction activities, it aims at reducing the workload of construction companies and reducing their project completion time saving their overall cost.

BIMDCR

BIMDCR is a recently released product based on cutting edge 3D BIM technology. BIMDCR will update the AutoDCR customers with advanced technology to serve as integrated systems for Smart City projects. BIMDCR is an innovative 3D Building Information Model based Online Single Window Clearance (SWC) system. It enables automatic scrutiny of building proposals by reading 3D Building Models submitted by Applicant. BIMDCR helps in better coordination between different departments providing approvals, NOCs (No Objection Certificates) and ensures comments by different stake holders in a single 3D model thereby detecting or preventing clashes at an earlier stage. The novel BIM model approach will also help development authorities to track unauthorized constructions in due course.

RULEBUDDY

RULEBUDDY is an e-commerce platform which aims to help customers solve their queries prior to commissioning of any construction activities for particular area. By leveraging the current & validated database of DCRs of various authorities and SoftTech’s technical expertise in the construction industry, it will analyze and assess the feasibility of any construction project, further validating DC rules, NOC fees and other documentary requirements. The key users for this product will be Project owners, project developers, construction companies, architects, engineers, financial institutions involved in issuing housing loans among others. The product has recently been developed and is ready for commercialization.

The RULEBUDDY ecommerce portal acts as a one-stop application providing right from building by-laws search till the approval plan preparation and compliance check. It enables users to assess and analyze the commercial and legal feasibility of any building project and selection of appropriate land parcel in designated city. It lets the user know whether your project will pass through the authority based on selected project parameters. The services offered include: 1) Plan Draft, 2) Plan Check, 3) Plan Assist, 4) Rule Search, 5) Approval Processes, & 6) Project Verification

The AEC technology platform CIVIT :

After having established independent products in AEC which have delivered significantly with great success stories, we are moving towards providing a platform to connect all the stake holders and application products through a newly design platform named CIVIT.



CIVIT (PLACE LOGO)

CIVIT is the AI-powered platform transforming AEC landscape. Digitally aligning architecture, engineering and construction (AEC) eco-system to empower smarter planning, easy collaboration, and flawless project execution. CIVIT is all in one AI powered platform for Government, Architects, Builders & Developers & Contractors.



CivitPERMIT

AI-powered application for building plan permits compliance validation & digitization of permitting



CivitINFRA

All-in-one public infrastructure project management application with automation, intelligence and collaboration



CivitBUILD

The most powerful all-in-one AI-powered ERP application for builders, developers and contractors



CivitPLAN

Creation of accurate and compliance-ready building plans with pre-submission validation

CivitPERMIT is AI-powered building plan compliance validation and automated permitting based on CAD drawings or BIM models.

CivitINFRA is a web-based application for efficiently managing the lifecycle of public works projects by local and state governments including waterworks, roads, bridges, buildings and infrastructure facilities. From planning and procurement to execution and management, CivitINFRA replaces the existing manual, siloed and paper-based process of managing public infrastructure projects with an automated, intelligent, transparent, and integrated software.

CivitPLAN is the first AI-powered pre-submission building plan validation tool designed for architects and consultants. The engine reads 2D drawings as well as BIM models and validates for compliance against building codes. Civit's PlanComply engine automatically generates a detailed compliance report to aid building officials in rejecting or approving building plan.

CivitBUILD is the most powerful all-in-one AI-powered ERP software for builders, developers and contractors to transform their construction operations for high efficiency, speed, and agility.



Technology expertise and strength

- **CAD/ CAM Expertise-** CAD Drawing Entity reading, mathematical modelling, numerical methods and data processing; Strong skillset in reading AutoCAD, ZWCAD and open CAD platform APIs.
- **Web Development-** Strong Skill set in various Microsoft framework technologies; Team Proficiency in ASP. Net, C#, MVC, Bootstrap, jQuery, JSON, Ajax and various java script frameworks
- **Mobile Development- Separate** Teams of Android and iOS developments
- **Dashboards & Analytics-** Strong Skills in defining schemas of Transactional data; ETL services and analytical Models
- **Database Engineering & Administration group-** Team and Expertise in managing SQL Server, Oracle and Mongo DB
- **Quality & testing-** Team with strong domain and knowledge of business functions; Proficiency in Manual and Automations testing; Awareness on tools like Vega (for Security testing) & Selenium (for Automation testing)
- **Rule Engine-** Strong Skill set of C++/ Visual C++ & XML
- **Domain knowledge and expertise:** Specific knowledge and expertise in Architectural, Engineering and Project Management fields. Architectural: Building design as per Development Control Regulations of different authorities. Engineering- Costing, Rate Analysis, Estimation, automated BOQ generation. Project Management: Project Planning, Scheduling, Procurement calendar, Project Monitoring.
- **GIS:** Skill set of writing urban planning applications on GIS platforms.
- **Image Recognition:** Skill set of Image recognition for online 2D /3D building plan reading and review, online BIM Modeling reading & review
- **BIM Technology:** With its related products & service offerings, we provide comprehensive BIM solutions and supports to our customers an integrated solution which includes Technology Products, Implementation Support, Consulting Services and Integration Services.

With above products, deep technical expertise, and the experience of over 20 years, we are empowering business transformations in AEC vertical. With deep industry/ domain knowledge, scalable products and robust frameworks, experienced management team, and technical expertise we have ensured a competitive advantage in this market segment.

Business Strategy

Company is continuously innovating new products to cater to industry in which it operates. It provides solutions to various government departments, local bodies, corporations etc. and other private enterprises to enable transformation. It is focused on continually offering innovative products in entire value chain of the construction industry. Following is the broad level business strategy for next five years:

Business strategy includes-

1. *Innovate*
2. *Augment*
3. *Collaborate*

Strategy	Particulars	Impact
Innovate	<ul style="list-style-type: none"> - Develop new products - Integrate new technologies in companies products - Develop new applications for existing products - Platform development – Continue the work on CIVIT Suite Platform 	<ul style="list-style-type: none"> - Pro-active solutions to market needs. - Keeping ahead of competition through technological edge. - Working on emerging technologies' like AI ML, AR / VR - New business from existing customers - Offer Easy, fast & efficient AI Powered software platform making AEC industry digital with 360-degree automation, smarter planning, collaboration and flawless project execution
Augment	<ul style="list-style-type: none"> - Widen the customer base by augmenting our reach to enterprises and corporates - Increase product contribution PWIMS, Opticon and other products - Take the Products to newer geographies 	<ul style="list-style-type: none"> - Better coverage of market with increased revenue. - Up-selling and cross selling for business revenue growth. - Covering industry entirely across both government as well as private sector markets. - SoftTech entered the US market by CIVIT Suite Platform – Easy, fast & efficient AI Powered software platform making AEC industry digital with 360-degree automation, smarter planning, collaboration and flawless project execution.
Collaborate	<ul style="list-style-type: none"> - Strategic Collaboration - Marketing and Sales partnership for Government Business - Technology partnerships - Delivery Partnership - Incubate new technologies 	<ul style="list-style-type: none"> - JV's / collaborative approach as a strategy is expected to add competency and strength of partners and accelerate the speed of growth - Company can focus on its core strength of developing cutting edge technology products - Improve profitability by offloading non core activities

Action Initiated under above strategies -

- ❖ Company has raised strategic investment from RIB, and with that aims to leverage the global presence of RIB for taking SoftTech products to International market. Also utilize the Indian customer base of the company for RIB's product.
- ❖ Company has been able to enter into Sales and Marketing arrangement with a large Government Services company, to further enable penetration of the products in the Government Sector.
- ❖ Entered with an agreement with AutoDesk for developing our application under world no 1 CAD platform AutoCAD. Under this AutoCAD OEM agreement we have been offering a complete Plan Permit solution including AutoCAD as a platform labelled as Rulebuddy Plan Assist. . We have got a right to sell this product globally.
- ❖ Company has initiated plans to create a mechanism to incubate / invest in emerging tech startups with a vision to nurture leadership and maintain technology advantage.

Competition

Currently our business is distributed among two categories- (1) e-Governance projects and (2) Products and services to Private sector companies.

In e-Governance business, there is low level of competition for our AutoDCR products, as there are only 4 to 5 companies actively involved in Building Permission Management system (BPAS). The projects are awarded normally through a formal tendering & bidding process. Since our Company has created a number of success stories and has established our credentials in the market and since AutoDCR product has a technological edge over the competition, we envisage to continue with our leadership position in the BPAS.

There is moderate level of competition for our PWIMS product in e-Governance. However, the growth happening in infrastructure projects and as PWIMS has fully matured and well accepted by customers, we envisage a good growth and increase in our market share during next few years.

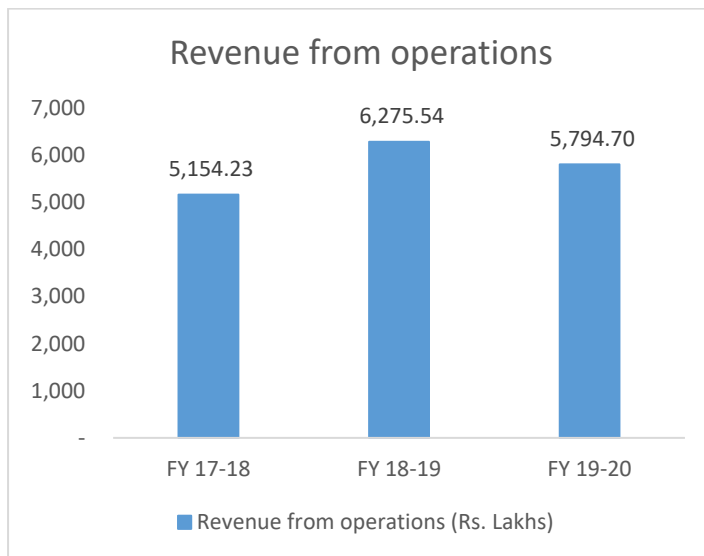
In private sector, though there is high level of competition for our OPTICON product as well as for our services, the increasing volume of market size is expected to have a positive impact for our revenue creation. Introduction of new products such as RuleBuddy and IBPS¹⁶ will help us acquire more and more customers from private sector and offer products with emerging technology integration.

Our competitive edge lies in:

- (i) Innovation & meeting market expectations at earlier stage
- (ii) Customer satisfaction through deep level support
- (iii) Continuous R&D to maintain technological edge
- (iv) Building on earlier successes and brand

IV. COMPANY PERFORMANCE

- Revenue from operations INR Lakhs

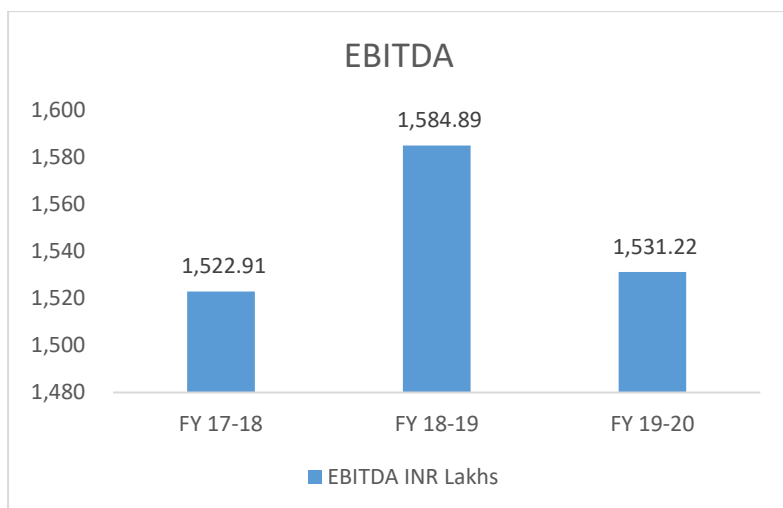


Revenue has grown by 21.76% in FY 2018-19 compared to FY 2017-18 and declined by 7.66% in FY 2019-20 compared to FY 2018-19

- Earnings before interest, depreciation and amortization and tax (EBITDA INR Lakhs)¹⁷

¹⁶Under research and design phase

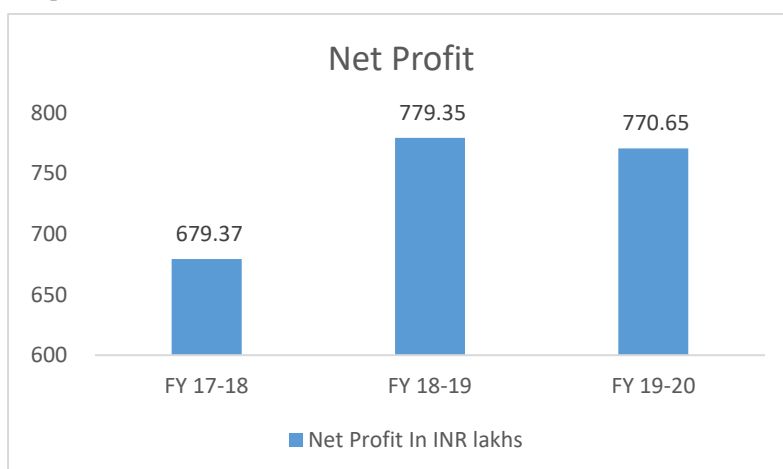
¹⁷Excluding other income



EBITDA has grown by 4.07% in FY 18-19 compared to FY 17-18 and declined by 3.39% in FY 19-20 compared to FY 18-19

EBITDA margin increased from 25.25% to 26.4% representing a strong growth of more than 110 bps

Net profit INR lakhs



Net profit has grown by 14.72% in FY 2018-19 as compared to FY 2017-18 and declined by 1.12% in FY 19-20 compared to FY 18-19

Performance of the Company

INR Lakhs

Particulars	Year Ended March 31			
	2020	%	2019	%
Revenue from operations	5,794.70	100	6,275.55	100
Purchases of stock-in-trade	621.90	10.73	492.29	7.84
Employee benefits expense	1,109.03	19.14	983.29	15.67
Depreciation and amortization expense	371.95	6.42	404.19	6.44
Other expenses	2,532.55	43.70	3,215.08	51.23
Total expenses	4,635.43	79.99	5,094.85	81.19
Operating profit	1,159.28	20.01	1,180.70	18.81
Other income	95.43	1.65	80.14	1.28
Finance costs	169.22	2.92	168.37	2.68
Profit before tax	1,085.49	18.73	1,092.47	17.41
Net tax expenses	314.83	5.43	313.11	4.99
Net profit	770.65	13.30	779.36	12.42

Revenue from operations has dropped from INR 6275.55 lakhs in FY19 to INR 5794.70 lakhs in FY20 a decline of 7.66%. Purchases of stock in trade has increased from INR 492.29 lakhs to INR 621.90 lakhs during the same period. Employee benefit expenses increased

from INR 983.29 lakhs to INR 1109.03 lakhs. As a % of revenue it has increased from 15.67% to 19.14%. Depreciation and amortization expenses have decreased by 7.89% compared to last year. Other expenses have decreased from INR 3215.08 lakhs to INR 2532.55 lakhs. Operating profit has increased as % of revenue from 18.81% to 20.01%. Finance cost increased as % of operating revenue from 2.68% to 2.92%. Profit before tax declined slightly from INR 1092.47 lakhs to INR 1085.49 lakhs. Net tax expenses increased from INR 313.11 lakhs to INR 314.83 lakhs. Net profit of the company declined from INR 779.36 lakhs in FY 18-19 to INR 770.65 lakhs in FY 19-20.

Factors impacting Current Year's Financial Performance

1. Election Year

- 2019 had three major elections in the country – Central Government; State Governments of Maharashtra, Haryana, Jharkhand and state Govt. of Andhra Pradesh
- This lead to Government Offices being engaged in election work and periods of election code of conduct delaying orders and acceptance of work done and hence actual conversion from order to sales.

2. Fund Raise Bandwidth

- During the year the company raised funding from Global digital construction software company RIB
- It involved significant interactions and discussions on various parameters of the transaction which consumed a lot of Management Bandwidth.

3. Slow Q4 FY20 – COVID19

- Q4 typically carries highest sales for the company as all Government approvals and Budget allocations add to the sales conversion.
- With the current market scenario due to corona virus; sales and recoveries are not performing as expected during the end of financial year.

4. Business Factors

- Overall Real Estate and Infrastructure Business has seen slowdown during the year due to non-availability of Financing / lending Options to the sector.
- The investments into Smart City and Infrastructure Projects have been slower than expected.

- Product wise revenue (INR Lakhs):

Particulars	FY 19-20	FY 18-19	Growth
AutoDCR	3,698.79	3536.93	4.58%
PWIMS	862.28	1833.7	-52.98%
Opticon	524.33	386.87	35.53%
Others	709.29	518.04	36.92%

- Performance of the company (INR Lakhs)

Particulars	Year ended March 31	
	2020	2019
Net worth	6832.98	6115.33
Gross debt (Long term + short term debt + Unsecured Loan)	2812.65	1578.33
Gross debt/net worth	0.41	0.26
Total fixed assets (including intangibles under development)	1698.91	1393.22
Current ratio	3.32	3.32

- Gross debt comprises of long term debt of INR 1726.35 lakhs in FY 19-20 (FY 18-19 INR 871.40 lakhs) and short term debt of INR 1086.30 lakhs (FY 18-19 INR 706.93 lakhs). The increase in the overall Long term borrowings is due to Unsecured Convertible loan from RIB ITWO of Rs. 1190.00 Lakhs. Overall the borrowings have decreased, excluding the convertible loan from RIB. Fixed assets include intangibles under development of INR 605.77 lakhs (FY 18-19- INR 510.89 lakhs). Gross debt

to net worth has increased from 0.26 x to 0.40 x (due to unsecured convertible loan of Rs. 1190.00 lakhs from RIB ITWO). Current ratio is 3.32 x FY 19-20.

Key Financial Ratios

Particulars	2018-19	2019-20
Operating Profit Margin %	18.81	20.19
Net Profit Margin %	12.42	13.41
Debtors Turnover ratio	3.33	1.61
Interest Coverage Ratio	7.49	6.85
Current Ratio	3.32	3.32
Return on Net Worth	13%	11%
Debt Equity Ratio	0.26	0.41

- Company secured funding from RIB during the FY 19-20 of Rs. 1190.00 lakhs in the form of Unsecured Convertible Loan. RIB being a strategic partner lays multiple opportunities in overseas penetration of SoftTech products, international marketing support.
- Due to the current market scenario due to corona virus; sales and recoveries could not perform in line with targets, during the end of financial year hence pile up in Unbilled revenue and debtors has resulted in increase in debtor’s turnover ratio and blockages of funds
- Increase in operating Profit Margin & Net profit Margin due to decrease in expenses in FY19-20 incurred for following:
 - Decrease in other expenses by 21.23% has improved operating profit margin and Net Profit margin especially the expenses on Professional consultants and outsourcing costs.

V. TALENT ACQUISITION, TRAINING AND RETENTION

Company believes that Human Resources of the Company are its core strength. The Company’s Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels. With expanding business, the company has also undertaken initiatives to re-orient the organizational structure for increased efficiency.

With the changing and turbulent business scenario, the Company’s basic focus is to enhance the skill and knowledge level of the existing human assets by providing appropriate leadership at all levels, motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities.

In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the work force is a continuous process.

As on March 31, 2020, the Company has total head count of 526 manpower resources.

Department wise team members

Particulars	As on March 31, 2020	As on March 31, 2019
Management	10	3
Implementation	340	359
Development	98	109
QA	33	24
Sales	22	13
Finance and accounts	8	8
Purchase and administration	10	8
Human resource	5	6
Total	526	530

Male and female team members count

Particulars	Male	Female	Male : Female
March 31, 2020	373	153	71:29
March 31, 2019	369	161	69:31

VI. RISKS AND CONCERNS

Risks, concerns and mitigations–

Risks	Impact on Company	Mitigation Plan
<p>Volatile global economic scenario in light of the COVID 19 Pandemic</p>	<p>Revenue growth may be impacted by instability or uncertain economic conditions as it is likely to influence the enterprise customer’s outlook to restrict their expenses. Overall logistical delays may also lead to slower business recovery</p>	<p>Company has been well diversified in its product applications and serves the digital transformation business which is the need of the hour. Also efficient Work from home delivery model should help company remain ahead of the hurdles</p>
<p>Rapidly changing business models due to technology</p>	<p>The dynamic technological environment is disrupting consumption patterns, rapidly changing demand-supply, leading to new competitors and new client bases. It’s becoming difficult to keep up with the pace of changing expectations, failure of which might lead to loss of market share and decrease in revenue.</p>	<p>Deep focus on Research & Development efforts by using internal experts and valuable external partnerships to develop solutions which are in high demand. Training and re-skilling the existing employees to successfully develop & implement new technologies.</p>
<p>Breach of data privacy and protection</p>	<p>Another area of increasing concern is the privacy and protection of personal data. In case of any violation or breach of security, non-compliance or inadequacy of privacy, policies might result in substantive penalties and financial impact on profitability.</p>	<p>A robust technology infrastructure and stringent data security norms help to keep the data secure. There are stringent confidentiality policies with employees in place as a part of the security management process.</p>
<p>Inadequate laws in case of Intellectual Property (IP) management</p>	<p>There is always a risk of violation by 3rd party IPs which may often lead to potential liabilities on the part of the company. It can hamper our reputation and increase legal obligations.</p>	<p>Measures to protect IPR through necessary certifications (Copyrights, Trademarks, patents).</p>
<p>Skilled Human Resource Availability and Retention</p>	<p>A lack of skilled human resource often prevents the company from staying relevant in the face of rapidly changing technology trends. This often leads to misalignment of business and workforce strategies.</p>	<p>Early planning and acquisition of talent in line with the expansion plans and estimated growth.</p>
<p>Client concentration risk</p>	<p>Majority client is government authorities etc.</p>	<p>Increase the business with private sector through new products as well as augmenting existing products.</p>

Expenditure on research and development	Company is making expenditure on research and development of new products which may not be recouped.	<ul style="list-style-type: none"> - Regular allocation of budget for R&D. - Build and enhance the R&D team.
Attrition	Our business depends upon the skilled personnel; we may not be able to attract, hire, motivate, retain and train personnel.	Company is providing training and other incentives to attract and retain its employees.
Government Policy change	If government policies relating to Smart cities, digital India, AMRUT, PMAY etc. change, it could result in lower future revenues and profitability	<ul style="list-style-type: none"> - Diversification and expansion of revenue streams to private sector. - Propose Saas based business models.
Technology changes	Changes in technology may render current technologies obsolete or may require significant capital investments	Company is investing in R&D to cope up with current technology changes.

VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems play a crucial role in the health of a Company in every industry. An effective system of internal control is a backbone, necessary for building, maintaining and improving shareholders' confidence and value as well as helps to enhance the overall quality of the business and the enterprise.

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business. The Company also has internal control system for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations. The company has appointed reputed firm as Internal Auditors.

The Company has also formed an Audit Committee. Audit Committee reviews with the management adequacy and effectiveness of the internal control system and internal audit functions. Besides the above, Audit Committee is actively engaged in overseeing financial disclosures.

VIII. OUTLOOK

Government Business Expansion

With the ongoing Pandemic, the company is expecting the recovery cycle to be led by Government. Also the continuous measures announced by the Government on Infrastructure spending and other lending reforms should help bring liquidity in the system and increase the flow of orders.

Along with the ongoing government initiatives like Smart Cities Mission, AMRUT, RERA, Digital India etc, huge opportunities are presented for technology companies like us to transform and simplify the current business activities. All are facing the challenges of new work style, and the company's product help the Government keep functioning despite physical presence.

SoftTech's major focus shall be on increasing its market share in each of the product category. The Company's strength lies in the vision of experienced management team and innovative products which would pave in for the future. The Company endeavors to enter into ventures and agreements with new business partners and introduce innovative products in newer geographies and is establishing new branch offices to provide direct customer services. The Company recognizes the need of timely and quality delivery

of service and is continuously working towards creating and expanding a work platform which is agile and shielded from most uncertainties.

The below developments lead to the management remain confident of a sustained positive outlook for company's product –

1. Robust development in the Strategic Partnerships initiatives undertaken by the company on both sales and technology front.
2. Rapid progress by the company in new age technologies especially BIM , GIS and Scan to BIM (Image Processing) aligned with its product offering
3. Strong offering emerging out of the CIVIT platform positioning the company as a Integrated Platform based offering on the cloud in AEC vertical

Opportunities

- **Overseas Opportunities**

International markets have shaped up well for the company during the year especially Asia Pacific –

- SoftTech has qualified for participating in Singapore Govts tenders and initiatives. Company is exploring certain important opportunities in the region along with RIB, and this is the first joint initiative of the company with RIB
- Developments in the Malaysia Market continue to present opportunities and the company expects to get POC's through and start generating revenue from the region during the year
- We are working on opportunities in Australia and Hong Kong.

- **Leveraging the RIB Network**

With stronger partnerships with RIB, SoftTech expects to leverage RIB's presence in Europe and make inroads to Germany and other European markets. RIB group companies in Dubai and US are already being discussed for potential product / sales partnership.

- **BIM**

The use of BIM technology in digital construction and smart city infrastructure management is going to bring immense potential for our products BIMDCR and OPTICON in digital construction permits and construction management leveraging BIM.

- **Emergence of Digital Transformation as a Necessity**

The ongoing pandemic has expedited the need for Digital transformation across all business. Such a massive shift of focus towards digitalization provides a significant opportunity to the company's product portfolio and the overall platform offering for AEC industry.

ANNEXURE B
FORM NO MGT-9
(EXTRACT OF ANNUAL RETURN)
As on Financial Year ended on 31 March, 2020
[Pursuant to Sec 92(3) of the Companies Act , 2013 and rule 12(1) of the Companies (Management and Administration) Rules,2014]

I. REGISTRATION AND OTHER DETAILS:

S. NO.	PARTICULARS	DETAILS
(i)	CIN	L30107PN1996PLC016718
(ii)	Registration Date	17/06/1996
(iii)	Name of the Company	SOFTTECH ENGINEERS LIMITED
(iv)	Category/Sub Category of the Company	Company Limited by Shares/ Indian Non Government Company
(v)	Address of Registered Office and Contact Details	The Pentagon Unit No 5A, Near Satara Road, Telephone Exchange, Shahu College Road, Parvati Pune 411009
(vi)	Whether Listed Company	Yes
(vii)	Name, Address and Contact Details of Registrar and transfer Agent, if any	Block No 202 2nd Floor Akshay Complex Off Dhole Patil Road Pune 411001 Telephone: +91 20 26160084 26161629 Fax: +91 20 26163503 Email : pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S.NO	NAME AND DESCRIPTION OF MAIN PRODUCTS	NIC CODE OF THE PRODUCT SERVICE	% OF TOTAL TURNOVER OF THE COMPANY
1	Providing software support and maintenance to the client	62013	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

S.NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SoftTech Finland OY Valurinkuja 2 A 125 02650 Espoo	-	Subsidiary	100%	2(87)(ii)
2	SoftTech Engineers Inc 105 Pear LN Union City, CA – 94587	-	Subsidiary	92%	2(87)(ii)
3	SoftTech Government Solutions Inc. 11490 Commerce Park D, Suite 520, Reston, VA 20191	-	Step down subsidiary	93% by SoftTech Engineers Inc.	-

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS*									
(1) INDIAN									
g) Individual/HUF	3,751,124	-	3,751,124	39.81	3,767,124	-	3,767,124	39.98	0.17
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	299,148	-	299,148	3.17	299,148	-	299,148	3.17	0.00
k) Banks /FI	-	-	-	-	-	-	-	-	-
l)Any other	-	-	-	-	-	-	-	-	-
Sub Total(A)(1):-	4,050,272	0	4,050,272	42.99	4,066,272	-	4,066,272	43.16	0.17
(2) FOREIGN									
a) NRI's -Individuals	-	-	-	-	-	-	-	-	-
b)Other Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)		0	0	0.00		0	0	0.00	0
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	4,050,272	-	4,050,272	42.99	4,066,272	-	4,066,272	43.16	0.17
B) PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	1,625,396	0	1,625,396	17.25	1,450,996	0	1,450,996	15.40	-1.85
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor	67,200	-	67,200	0.71	67,200	-	67,200	0.71	0.71
j) Others(specify)	-	-	-	-	-	-	-	-	-
Sub total (B)(1):	1692596	-	1692596	17.96	1,518,196	-	1,518,196	16.11	-1.85
2. NON-INSTITUTIONS									
a) Bodies Corp.									
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakhs	1,023,200	-	1,023,200	10.86	866,910	0	866,910	9.2004	9.20
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakhs	964,772	1,150,008	2,114,780	22.44	1,838,559	10,387	1,848,946	19.6227	-2.82
c) Others (specify)									
Trusts	174,400	-	174,400	1.85	174400	0	174400	1.8509	1.85
Hindu Undivided Family	147,200	-	147,200	1.56	137600	0	137600	1.4603	1.46
Non Resident Indians (Non Repat)	4,800	-	4,800	0.05	141042	0	141042	1.4969	1.50
Non Resident Indians (Repat)	8,000	-	8,000	0.08	243220	0	243220	2.5813	2.58
Clearing Member	59,200	-	59,200	0.63	1600	0	1600	0.017	0.02
Bodies Corporate	148,028	-	148,028	1.57	424290	0	424290	4.503	4.50
Sub-Total (B)(2)	2,529,600	1,150,008	3,679,608	39.05	3,827,621	10,387	3,838,008	40.73	18.29
Total public Shareholding (B)=(B)(1)+(B)(2)	4222196	1,150,008	5,372,204	57.01	5,345,817	10,387	5,356,204	56.84	(0.17)
C) SHARES HELD BY CUSTODIAN FOR GDR & ADRs	NIL				NIL				
GRAND TOTAL (A+B+C)	8,272,468	1,150,008	9,422,476	100	9,412,089	10,387	9,422,476	100	0

*Shareholding of promoters includes shareholding of Promoter group as well.

ii) Shareholding of Promoters								
Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered of total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered of total shares	
1	Vijay Gupta	3,681,234	39.07	3.18	3,681,234	39.07	3.18	0.00
2	Priti Gupta	33,090	0.35	0.00	33,090	0.35	0.00	0.00
3	Chirag Gupta	36,800	0.39	0.00	52,800	0.56	0.00	0.17
3	Covisible Solutions (India) Private Limited	299,148	3.17	0.00	299,148	3.17	0.00	0.00
iii) Change in Promoters Shareholding								
Sr. No.	Particulars	Shareholding		Cumulative shareholding				
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company			
Vijay Gupta (Promoter)								
1	At the beginning of the year	3,681,234	39.07%	3,681,234	39.07%			
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR						
3	At the end of the year	3,681,234	39.07%	3,681,234	39.07%			
Priti Gupta (Promoter Group)								
1	At the beginning of the year	33,090	0.35%	33,090	0.35%			
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR						
3	At the end of the year	33,090	0.35%	33,090	0.35%			
Chirag Gupta (Promoter Group)								
1	At the beginning of the year	36,800	0.39%	36,800	0.39%			
2	Transfer 31.01.2020	1,600	0.02%	38,400	0.41%			
	Transfer 20.03.2020	6,400	0.07%	44,800	0.48%			
	Transfer 27.03.2020	3,200	0.03%	48,000	0.51%			
	Transfer 31.03.2020	4,800	0.05%	52,800	0.56%			
3	At the end of the year	52,800	0.56%	52,800	0.56%			
Covisible Solutions (India) Private Limited (Promoter Group)								
1	At the beginning of the year	299,148	3.17%	299,148	3.17%			
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR						
3	At the end of the year	299,148	3.17%	299,148	3.17%			

iv) Shareholding of top ten Shareholders (other than Directors, Promoters and Holders of GDR & ADR):					
Sr. no		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
I	RAJASTHAN TRUSTEE COMPANY PVT LTD				
1	At the beginning of the year	1,407,796	14.94%	1,407,796	14.94%
2	Transfer 05.04.2019	(1,600)	-0.02%	1,406,196	14.92%
	Transfer 07.06.2019	(1,600)	-0.02%	1,404,596	14.91%
	Transfer 14.06.2019	(1,600)	-0.02%	1,402,996	14.89%
	Transfer 30.08.2019	(11,200)	-0.12%	1,391,796	14.77%
	Transfer 20.09.2019	(46,400)	-0.49%	1,345,396	14.28%
	Transfer 27.09.2019	(9,600)	-0.10%	1,335,796	14.18%
	Transfer 30.09.2019	(8,000)	-0.08%	1,327,796	14.09%
	Transfer 11.10.2019	(24,000)	-0.25%	1,303,796	13.84%
	Transfer 25.10.2019	(3,200)	-0.03%	1,300,596	13.80%
	Transfer 01.11.2019	(8,000)	-0.08%	1,292,596	13.72%
	Transfer 08.11.2019	(16,000)	-0.17%	1,276,596	13.55%
	Transfer 15.11.2019	(17,600)	-0.19%	1,258,996	13.36%
	Transfer 22.11.2019	(4,800)	-0.05%	1,254,196	13.31%
	Transfer 06.12.2019	(4,800)	-0.05%	1,249,396	13.26%
	Transfer 13.12.2019	(1,600)	-0.02%	1,247,796	13.24%
	Transfer 20.12.2019	(6,400)	-0.07%	1,241,396	13.17%
	Transfer 27.12.2019	(1,600)	-0.02%	1,239,796	13.16%
	Transfer 31.12.2019	(4,800)	-0.05%	1,234,996	13.11%
	Transfer 03.01.2020	(1,600)	-0.02%	1,233,396	13.09%
3	At the end of the year	1,233,396	13.09%	1,233,396	13.09%
II	BABUBHAI KANJIBHAI PATEL				
1	At the beginning of the year	650,304	9.22%	650,304	9.22%
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
3	At the end of the year	650,304	6.90%	650,304	6.90%
III	EAST INDIA UDYOG LTD				
1	At the beginning of the year	-	0.00%	-	0.00%
2	Transfer 13.09.2019	46,400	0.49%	46,400	0.49%
	Transfer 20.09.2019	83,200	0.88%	129,600	1.38%
	Transfer 30.09.2019	11,200	0.12%	140,800	1.49%
	Transfer 11.10.2019	33,600	0.36%	174,400	1.85%
	Transfer 18.10.2019	28,800	0.31%	203,200	2.16%
	Transfer 25.10.2019	22,400	0.24%	225,600	2.39%
	Transfer 01.11.2019	27,200	0.29%	252,800	2.68%
	Transfer 08.11.2019	17,600	0.19%	270,400	2.87%
	Transfer 03.01.2020	6,400	0.07%	276,800	2.94%
	Transfer 17.01.2020	6,400	0.07%	283,200	3.01%
3	At the end of the year	283,200	3.01%	283,200	3.01%
IV	AJAY KUMAR JAIN				
1	At the beginning of the year	236,820	2.51%	236,820	2.51%
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
3	At the end of the year	236,820	2.51%	236,820	2.51%

iv) Shareholding of top ten Shareholders (other than Directors, Promoters and Holders of GDR & ADR):					
Sr. no	For each of the top ten shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
V SIDBI TRUSTEE COMPANY LIMITED A/C MAHARASHTRA STATE SOCIAL VENTURE FUND					
1	At the beginning of the year	217600	2.31%	217600	2.31%
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
3	At the end of the year	217600	2.31%	217600	2.31%
VI PANTOMATH SABRIMALA AIF PANTOMATH SABRIMALA SME GROWTH FUND SERIES I					
1	At the beginning of the year	174400	1.85%	174400	1.85%
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
3	At the end of the year	174400	1.85%	174,400	1.85%
VII DHRUBJYOTI DEBCHODURY					
1	At the beginning of the year	131,442	1.39%	131,442	1.39%
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
3	At the end of the year	131,442	1.39%	131,442	1.39%
VIII DEVENDRA KUMAR TRIPATHI					
1	At the beginning of the year	131,442	1.39%	65,721	0.70%
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
3	At the end of the year	131,442	1.39%	131,442	1.39%
IX SANJAY POPATLAL JAIN					
1	At the beginning of the year	126,400	1.34%	126,400	1.34%
2	Trasfer 03.05.2019	(1,600)	-0.02%	124,800	1.32%
3	At the end of the year	124,800	1.32%	124,800	1.32%
X SUNIL MADANLAL BHUTADA					
1	At the beginning of the year	116800	1.24%	116800	1.24%
2	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
3	At the end of the year	116800	1.24%	116800	1.24%

v) Shareholding of Director and Key Managerial Person					
Sr No.	Particulars	Shareholding		Cumulative shareholding	
		No. of shares	% of total of the company	No. of shares	% of total of the company
a)	Mr. Vijay Gupta				
	At the beginning of the year	3,681,234	39.07%	3,681,234	39.07%
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	3,681,234	39.07%	3,681,234	39.07%
b)	Mrs. Priti Gupta				
	At the beginning of the year	33,090	0.35%	33,090	0.35%
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	33,090	0.35%	-	0.35%
c)	Mr. Rahul Gupta				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	Nil	Nil	Nil	Nil
d)	Mr. Sridhar Pillalamarri				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	Nil	Nil	Nil	Nil
e)	Mr. Sundarrajan Srinivasan				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	Nil	Nil	Nil	Nil
f)	Mr. Dominik Keller				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	Nil	Nil	Nil	Nil
g)	Mr. Piranvez Irani				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	Nil	Nil	Nil	Nil
h)	Ms. Aishwarya Patwardhan				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease	NO CHANGE DURING THE YEAR			
	At the end of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginnng of the financial year				
i.) Principal Amount	140,255,350	17,576,637	-	157,831,987
ii.) Interst due but not paid	0		-	0
iii.) Interest accrue but not due	311,114	1,098,243		1,409,357
Total(i+ii+iii)	140,566,464	18,674,880	-	159,241,344
Change in Indebtedness during the Financial year				
i.) Addition	40,437,474	122,045,158	-	162,482,632
ii.) Reduction	32,718,400	3,500,000	-	36,218,400
Net Change	7,719,075	118,545,158	-	126,264,233
Indebtedness at the end of the Financial year				
i.) Principal Amount	148,188,282	133,076,637	-	281,264,919
ii.) Interst due but not paid			-	0
iii.) Interest accrue but not due	97,257	4,143,401	-	4,240,658
Total(i+ii+iii)	148,285,539	137,220,038	0	285,505,577

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSON
A. Remuneration to Managing Director, Whole Time Director and/or Manager

Sr. No.	Particulars of Remuneration	MD	WTD		Total Amount
		Mr. Vijay Gupta	Ms. Priti Gupta		
1	Gross Salary				
a.	Salary as per provisions contained in Sec 17(1) of Income Tax Act, 1961	5,200,000.00	1,316,280.00		6,516,280.00
b.	Value of perquisites u/s 17(2) income Tax Act, 1961	-	-	-	-
c.	Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of Profit	-	-	-	-
	Others, please specify	-	-	-	-
5	Others, please specify				
	Total(A)	5,200,000.00	1,316,280.00	-	6,516,280.00
	Ceiling as per the act	Being 10% of the net profit of the Company as per section 198 of the Companies Act, 2013			11,536,507

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Rahul Gupta	Mr. Sridhar Pillalamarri	Mr. Sundararajan Srinivasan	
3	Independent Directors	-	-	-	-
i	Fee for attending board committee meeting	125,000.00	100,000.00	-	225,000.00
ii	Commission	-	-	-	-
iii	Others, please specify	-	-	-	-
	Total(1)				225,000.00
4	Other Non Executive Directors	-	-	-	-
i.	Fee for attending board committee meeting	-	-	75,000.00	75,000.00
ii.	Commission	-	-	-	-
iii.	Others, please specify	-	-	-	-
	Professional fees	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	125,000.00	100,000.00		300,000.00
	Total Managerial Remuneration	-	-		6,816,280.00
	Overall ceiling as per act	-	-		12,690,158.00

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD

Sr.No	Particulars of Remuneration	Key Managerial Person			
		Company Secretary	CFO		TOTAL
		Aishwarya Patwardhan	Piranvez Irani		
1	Gross Salary	364,303.00	2,379,435.00	-	2,743,738.00
a.	Salary as per provisions contained in Sec 17(1) of Income Tax Act, 1961	-	-	-	-
b.	Value of perquisites u/s 17(2) income Tax Act, 1961	-	-	-	-
c.	Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of Profit	-	-	-	-
	Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	364,303.00	2,379,435.00	-	2,743,738.00

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD/NCLT/ COURT]	APPEAL MADE IF ANY (GIVE DETAILS)
A. COMPANY					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
	Nil				
B. DIRECTORS					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
For and on behalf of the board of Directors SOFTTECH ENGINEERS LIMITED					
SD/- VIJAY GUPTA CHAIRMAN & MANAGING DIRECTOR DIN: 01653314 DATE: 01.09.2020 PLACE: PUNE					

Annexure C- Particulars of Contract/Arrangement with Related Parties in Form AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	(g)
NA						

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:
(a)					(d)	(e)

For and on behalf of the board of Directors
SOFTECH ENGINEERS LIMITED

SD/-
VIJAY GUPTA
CHAIRMAN & MANAGING DIRECTOR
DIN: 01653314
DATE: 01.09.2020
PLACE: PUNE

ANNEXURE D
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st of March 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SOFTTECH ENGINEERS LIMITED
CIN- L30107PN1996PLC016718
The Pentagon Unit No 5A Near Satara Road Telephone Exchange
Shahu College Road Parvati
Pune 411009

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SOFTTECH ENGINEERS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(not applicable to the Company during audit period)**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the Company during audit period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company during audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(not applicable to the Company during the Audit Period)**;

(vi) I further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- a) Trade Mark Act, 1999 and rules made thereunder
- b) Information Technology Act. 2000 and rules made thereunder

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment thereto;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) *During the year under review, the composition of Nomination and Remuneration Committee was not in compliance as per Section 178 of the Companies Act, 2013 till 26th August 2019. However, with effect from 27th August 2019, the composition of Nomination and Remuneration Committee is in compliance with provisions of Section 178 of the Companies Act, 2013.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, there were no specific events/ actions has occurred with a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, Standards etc. except that during the year under review, the Company availed financial assistance from RIB ITWO Software Private Limited not exceeding INR 14,00,00,000/- with an option to lender to convert the outstanding loan facility into equity shares of the Company, ensuring that the lender's shareholding does not exceed 10% of the equity shares of the Company on conversion, subject to the applicable laws in relation thereto.

Place: Pune
Date: 27th Aug, 2020

Sd/-
(Devesh Tudekar)
Company Secretary
FCS No. 5712
C.P. No. : 2506
UDIN: F005712B000624836

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

‘ANNEXURE A’ FORMING PART OF FORM MR-3’

To,
The Members,
SOFTTECH ENGINEERS LIMITED
CIN- L30107PN1996PLC016718
The Pentagon Unit No 5A Near Satara Road Telephone Exchange
Shahu College Road Parvati Pune 411009

Secretarial Audit Report of even date is to be read along with this letter.

Management’s Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 27th Aug, 2020

Sd/-
(Devesh Tudekar)
Company Secretary
FCS No. 5712
C.P. No. : 2506

ANNEXURE E

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

To,
The Members of
SoftTech Engineers Limited (the “Company”),
Pune.

Your directors hereby present the Annual Report on Corporate Social Responsibility (“CSR”) Activities of your Company for the financial year 2019-20.

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Vision:

Being a responsible business house through adoption of appropriate business processes and strategies and by carrying out various initiatives towards its social obligations.

Mission:

The Company has a philosophy of built-in, self-regulating mechanism whereby the Company monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms.

CSR Objective:

The focus of CSR activities of the company has been in the following broad areas.

- 1) Promoting education including special education
- 2) Giving medical aid, Promoting preventive health care and sanitation and making available safe drinking water
- 3) Eradicating hunger, poverty and malnutrition
- 4) Promoting education, gender equality and empowering women and physically handicap and disabled.
- 5) Ensuring Environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents
- 7) Rural Development Projects
- 8) Such other activities as specified in schedule VII of the Companies Act, 2013.

Company’s Corporate Social Responsibility Policy:

Your Company maintains standard of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. The Corporate Social responsibility will help in ensuring a long-term balanced & inclusive growth.

To that effect, SoftTech Engineers Limited has adopted the policy of Corporate Social Responsibility to comply with CSR.

2. The Composition of the CSR Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted Corporate Social Responsibility (“CSR”) Committee. As on 31st March, 2020 the CSR Committee consists of:

Sr. No.	Name of the Members	Designation
1.	Mr. Vijay Gupta	Member
2.	Mrs. Priti Gupta	Member
3.	Mr. Rahul Gupta	Member

3. Average net profit of the Company for last three financial years: INR. 92,955,385 /-

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): INR 1,859,108/-

5. Details of CSR spent during the financial year: As per point no. 5(c)

(a) Total amount to be spent for the financial year: INR 1,859,100/-

(b) Amount unspent: INR 8/-

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sr. No	CSR project or activity identified	Relevant Section of Schedule VII in which the project is covered	Projects or programs (Amount outlay (budget) project or programs wise (INR)	Amount spent on the projects or programs Sub-heads: (INR)		Cumulative expenditure up to the reporting period (INR)	Amount spent: Direct or through implementing agency
			Local area or other	Specify the State and district where projects or programs was taken		Direct	Overheads		
1.	Contribution to Shramik Mahila Mandal.	(ii)	Thane	Mumbai, Maharashtra	7,71,500/-	7,71,500/-	-	7,71,500/-	Through Implementing agency
2.	Contribution to Handicap Centre Pune	(ii)	Local area	Pune, Maharashtra	1,00,000/-	1,00,000/-	-	1,00,000/-	Through Implementing agency
3.	Contribution to Ajit Foundation	(ii)	Barshi, Solapur	Solapur, Maharashtra	2,00,000/-	2,00,000/-	-	2,00,000/-	Through Implementing agency
4.	Contribution to Indian Institute of Technology, Bombay	(ii)	Local area	Mumbai, Maharashtra	2,60,000/-	2,60,000/-	-	2,60,000/-	Through Implementing agency
5.	Contribution to Prime Minister CARES Fund	(viii)	--	--	5,27,600/-	5,27,600/-	-	5,27,600/-	Through Implementing agency
	Total				18,59,100/-	18,59,100/-		18,59,100/-	

6. Reasons for not spending the prescribed amount:

The unspent amount of Rs. 8/- resulted as a rounding of difference.

7. Responsibility Statement:

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

“The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.”

For and on behalf of the board of Directors

SOFTTECH ENGINEERS LIMITED

SD/-

VIJAY GUPTA

CHAIRMAN & MANAGING DIRECTOR

DIN: 01653314

DATE: 01.09.2020

PLACE: PUNE

SD/-

PRITI GUPTA

DIRECTOR

DIN: 01735673

DATE: 01.09.2020

PLACE: PUNE



Auditor's Report and Financial Statement



Independent Auditor's Report

To the Members of SoftTech Engineers Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of SoftTech Engineers Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2020, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2020, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition - fixed price contracts:</p> <p>(Refer note 2(d) to the accompanying standalone financial statements for accounting policy and Note 21 for the revenues recorded during the year).</p> <p>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.</p> <p>The fixed price revenue contracts of the Company are by their nature complex given the significant judgements involved in estimation of efforts required to complete any particular project.</p>	<p>Our audit of recognition of revenue in respect of fixed price contracts included, but were not limited to the following:</p> <ul style="list-style-type: none">• Obtained and updated understanding of the revenue stream relating to fixed price contracts.• Evaluated the appropriateness of the Company's revenue recognition policies;• Evaluated the design and implementation of key controls over the recognition of contract revenue and tested the operating effectiveness of these controls;• For a sample of contracts, evaluated key management judgements inherent in the estimated hours to complete the underlying ongoing projects, that drive

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Key audit matter	How our audit addressed the key audit matter
<p>This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts input till date and efforts required to complete the remaining contract performance obligations, and the ability to deliver the contracts within planned timelines. These contract estimates are reviewed by the management on periodic basis.</p> <p>Changes in the estimates as contract progresses can result in material adjustments to revenue recorded by the Company.</p> <p>As a result of the complexities and judgment involved, and significance of the matter with respect to the standalone financial statements, this matter has been determined as a key audit matter in the audit of the accompanying standalone financial statements for the current year.</p>	<p>the accounting under proportionate completion method, by performing the following procedures:</p> <ul style="list-style-type: none"> - evaluated the contract terms and conditions; - obtained an understanding of the assumptions applied in determining the estimated hours to complete, and tested the same for appropriateness basis our understanding of the business and inspecting underlying estimate calculations including assessment of impact of COVID-19 on such estimates; - performed a retrospective review of hours expended with estimated hours in prior periods to identify significant variations, if any. - obtained reasons for any change in estimates of continuing contracts from prior period impacting revenue recognition in previous periods. - assessed the ability to deliver contracts within budgeted timescales. <ul style="list-style-type: none"> - Tested a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which requires change in estimated efforts to complete the remaining performance obligations. - Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements with respect to fixed price contract revenue in accordance with the requirements of applicable accounting standards.
<p>Recoverability of trade receivables</p> <p>(Refer Note 2(e) to the accompanying standalone financial statements for accounting policy and Note 17 for related disclosure)</p> <p>As at 31 March 2020, the total receivable balance net of provisions, included in Note 17 is INR 359,860,947 (as at 31 March 2019: INR 188,227,694).</p> <p>Owing to the nature of operations of the Company and the related customer profiles, the Company has significant receivable balances that are past the credit period. Allowance for doubtful accounts are established through evaluation of the accounts receivable ageing and prior collection experience, current market conditions, customers' financial conditions and the amount of receivable in dispute to ascertain ultimate collectability of these receivables.</p> <p>The recoverability of trade receivables and the level of provisions for bad and doubtful debts are considered to be key audit risk due to significance of these balances to the standalone financial statements and the judgements</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for computation of trade receivables provisioning, and related accounting policies adopted by the management. • Tested the design, implementation and operating effectiveness of the controls that the Company has established in relation to revenue recognition and allowance for trade receivables; • Tested the ageing profile of trade receivable balances; • Assessed the recoverability on a sample basis by testing the amounts received subsequent to year-end, confirmations received from customers, information collected from sales team, external available

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Key audit matter	How our audit addressed the key audit matter
<p>required in making appropriate provisions, and accordingly, this matter has been determined to be a key audit matter for the current year audit.</p>	<p>information regarding parties with significant balance outstanding as at year end, etc.;</p> <ul style="list-style-type: none"> • Evaluated the consistency of judgements applied by the management regarding provision for trade receivables to identify any evidence of management bias in this accounting estimate; • Evaluated the management's response to the recoverability of the long outstanding receivable balances which have not been assessed as doubtful, by corroborating the same with underlying documentation and correspondence with the customer. • Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements with respect to the trade receivables and provisioning thereof in accordance with the requirements of applicable accounting standards.
<p>Development costs towards intangible assets under development</p> <p>(Refer Note 2(l) to the accompanying standalone financial statements for accounting policy and Note 11 of Standalone Balance Sheet for related disclosure)</p> <p>The Company's research and development personnel are involved in development of new software offerings, enhancements to existing software and maintenance. Such Development costs are being capitalized by the Company in accordance with AS 26, Intangible assets (AS 26).</p> <p>Significant judgements relevant for capitalization of development expenses include determining whether the recognition criteria under AS 26 have been met which includes assessment of technical and economic feasibility of completing the intangible asset, the entity's intention and ability to sell/use the intangible asset in order to generate future economic benefits, and the entity's ability to measure reliably the expenditure attributable to the intangible asset during its development.</p> <p>Our audit focused on this area due to the value of the research and development costs incurred by the Company, the bi-furcation required between research expenses to be expensed off and the developments costs to be capitalized, the allocation of costs incurred towards the respective ongoing projects, and the judgement involved in assessing recognition criteria for capitalization of development costs as per accounting standard requirements.</p> <p>Accordingly, this matter has been determined as a key audit matter for the current year audit.</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the assessment of cost to be capitalized through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process of identifying and measuring costs incurred towards research and development of intangible assets, allocation of such costs between research phase and development phase, and determining the appropriate accounting treatment of such items; • Tested the design and operating effectiveness of the controls that the Company has established in relation to intangible assets under development including controls around approvals, costs estimation, allocation of costs and capitalization; • Evaluated the accounting policy for appropriateness in accordance with AS 26, Intangible Assets. • Discussed with management, including development personnel, the nature and amount of work completed for each product group, and their assessment of the areas of judgement for each, in particular the stage of technical development and economic feasibility, and their assessment of recognition criteria of intangible assets under AS 26; • Tested the underlying costs by inspection of supporting documents such as payroll records, vendor contracts, invoices and delivery evidence, • For intangible assets under development that are capitalized upon successful completion of their development, tested the accuracy of cost calculations and evaluated management's assessment of amortization period and amortization method used.

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements with respect to intangible assets under development in accordance with the requirements of applicable accounting standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 prescribed 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 for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under Section 143(3)(i) of the Act; we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 10 July 2020 as per Annexure B expressed an unmodified opinion; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 20 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Bharat Shetty
Partner
Membership No.: 106815

UDIN No.: 20106815AAAABZ3122

Place: Mumbai
Date: 10 July 2020

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited, on the standalone financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone 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 property, plant and equipment.
 - (b) The property, plant and equipment have been physically verified by the management during the year (except Service Cell System) and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). 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 complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (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 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, goods and services tax 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.
 - (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, goods and services tax and value added tax on account of any dispute, are as follows:

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure A (Contd.)

Statement of Disputed Dues:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax Act, 1956	Sales tax	4,131,770	250,000	F.Y. 2012-13	Joint Commissioner of Sales Tax	
Maharashtra Value Added Tax Act, 2002	Sales tax	55,505	25,000	F.Y. 2012-13	Joint Commissioner of Sales Tax	

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of initial public offer and term loans for the purposes for which these were raised.
- (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) Managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (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 the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standard.
- (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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-

Bharat Shetty
Partner
Membership No.: 106815
UDIN No.: 20106815AAAABZ3122
Place: Mumbai
Date: 10 July 2020

SoftTech Engineers Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure B to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited on the standalone financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements 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 standalone financial statements of SoftTech Engineers Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting **Annexure B (Contd.)**

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Bharat Shetty
Partner
Membership No.: 106815

UDIN No.: 20106815AAAABZ3122

Place: Mumbai
Date: 10 July 2020

SoftTech Engineers Limited
Standalone Balance Sheet as at 31 March 2020

	Notes	As at 31 March 2020 In ₹	As at 31 March 2019 In ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	94,224,760	94,224,760
Reserves and surplus	4	589,073,567	517,308,252
		<u>683,298,327</u>	<u>611,533,012</u>
Share application money pending allotment	3	220,980	-
Non-current liabilities			
Long-term borrowings	5	167,233,425	56,734,747
Other long-term liabilities	6	50,000	50,000
Long-term provisions	7	8,870,092	6,463,991
		<u>176,153,517</u>	<u>63,248,738</u>
Current liabilities			
Short-term borrowings	5	108,630,172	70,692,697
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	8	1,096,604	224,112
- Total outstanding dues of other than micro enterprises and small enterprises	8	19,918,014	16,522,300
Other current liabilities	9	90,084,612	89,472,920
Short-term provisions	7	9,391,121	3,020,672
		<u>229,120,523</u>	<u>179,932,701</u>
Total		<u>1,088,793,347</u>	<u>854,714,451</u>
Assets			
Non-current assets			
Property, plant and equipment	10	9,137,325	10,865,912
Intangible assets	11	100,176,541	77,377,080
Intangible assets under development		60,577,178	51,078,849
Non-current investments	12	17,432,080	5,872,374
Deferred tax assets	13	13,119,791	11,603,167
Long-term loans and advances	14	30,945,663	19,251,651
Other non-current assets	15	96,738,365	81,670,934
		<u>328,126,943</u>	<u>257,719,967</u>
Current assets			
Current investments	16	85,220,553	108,965,141
Trade receivables	17	359,860,947	188,227,694
Cash and bank balances	18	1,215,898	12,944,533
Short-term loans and advances	14	6,738,172	14,039,657
Other current assets	19	307,630,834	272,817,459
		<u>760,666,404</u>	<u>596,994,484</u>
Total		<u>1,088,793,347</u>	<u>854,714,451</u>

Significant accounting policies and other explanatory information 1 to 36

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Bharat Shetty

Partner

Membership No.: 106815

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Sd/-

Vijay Gupta

Managing Director

DIN: 1653314

Sd/-

Aishwarya Patwardhan

Company Secretary

Membership No. A54477

Place : Pune

Date : 10 July 2020

Sd/-

Priti Gupta

Director

DIN: 1735673

Sd/-

Piranvez Irani

Chief Financial Officer

SoftTech Engineers Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2020

	Notes	Year ended 31 March 2020 In ₹	Year ended 31 March 2019 In ₹
Revenue			
Revenue from operations	21	579,470,196	627,554,789
Other income	22	9,542,788	8,013,525
Total revenue		589,012,984	635,568,314
Expenses			
Purchases of stock-in-trade		62,190,359	49,229,196
Employee benefits expense	23	110,902,823	98,329,133
Finance costs	24	16,921,518	16,837,085
Depreciation and amortisation expense	25	37,194,677	40,419,359
Other expenses	26	253,254,810	321,507,916
Total expenses		480,464,187	526,322,689
Profit before tax		108,548,797	109,245,625
Tax expense			
Current tax		33,000,000	35,280,000
Deferred tax credit		(1,516,624)	(3,969,167)
Profit for the year		77,065,421	77,934,792
Earnings per equity share	32		
Basic		8.18	8.50
Diluted		8.12	8.44

Significant accounting policies and other explanatory information **1 to 36**

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Bharat Shetty

Partner

Membership No.: 106815

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Sd/-

Vijay Gupta

Managing Director

DIN: 1653314

Sd/-

Priti Gupta

Director

DIN: 1735673

Sd/-

Aishwarya Patwardhan

Company Secretary

Membership No. A54477

Sd/-

Piranvez Irani

Chief Financial Officer

Place : Pune

Date : 10 July 2020

SoftTech Engineers Limited
Standalone Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
	In ₹	In ₹
Cash flow from operating activities		
Profit before tax	108,548,797	109,245,625
Adjustments for:		
Depreciation and amortisation expense	37,194,677	40,419,359
Loss on sale of equipment	-	39,190
Unrealised gain on foreign currency transactions and translations (net)	(325,838)	(575,486)
Employees' stock option compensation	379,762	1,094,253
Finance costs	16,773,138	16,066,188
Bad debts and advances written off	6,156,131	12,023,608
(Reversal of)/Provision for doubtful debts	(1,197,174)	597,239
Dividend income	(2,015,388)	(1,987,818)
Interest income on deposits	(5,375,990)	(3,458,773)
Operating profit before working capital changes	160,138,115	173,463,385
Changes in working capital:		
Increase/(decrease) in trade payables, liabilities and provisions	31,232,456	(74,722,038)
(Increase)/decrease in trade receivables	(176,266,372)	17,754,065
Increase in loans and advances and other assets	(47,609,902)	(31,377,009)
Cash (used in)/generated from operations	(32,505,703)	85,118,403
Direct taxes paid (net)	(19,048,985)	(44,192,579)
Net cash (used in)/ generated from operating activities	(A) (51,554,688)	40,925,824
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and intangible assets under development)	(67,763,880)	(54,941,230)
Investments in subsidiary companies	(11,559,706)	(5,492,574)
Purchase of mutual fund units	(110,000,000)	(108,965,141)
Proceeds from sale of mutual fund units	133,744,588	-
Fixed deposits including balances in escrow account placed	(12,727,472)	(26,047,376)
Interest received	1,035,297	2,444,457
Dividend received	2,015,388	1,987,818
Net cash used in investing activities	(B) (65,255,785)	(191,014,046)
Cash flow from financing activities		
Proceeds from shares issued (net of Share issue expenses)	-	164,213,143
Share application money pending allotment	220,980	-
Repayment of long-term borrowings	(36,004,543)	(55,537,733)
Proceeds from long-term borrowings	121,500,000	36,918,000
Dividend paid (including dividend distribution tax paid)	(5,659,068)	(5,689,556)
Proceeds from short-term borrowings (net)	37,937,474	25,617,022
Interest paid	(13,941,836)	(15,184,171)
Net cash generated from financing activities	(C) 104,053,007	150,336,705
Net (decrease)/ increase in cash and cash equivalents	(A+B+C) (12,757,466)	248,483
Cash and cash equivalents at the beginning of the year	12,929,887	12,681,404
Cash and cash equivalents at the end of the year	172,421	12,929,887

SoftTech Engineers Limited
Standalone Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
	In ₹	In ₹
Cash and cash equivalents comprise of :		
Cash on hand	5,794	5,120
Balances with banks (in current accounts)	166,627	12,924,767
	172,421	12,929,887

Notes:

- The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Accounting Standard - 3 on "Cash Flow Statements" notified under Section 133 to the Companies Act, 2013.
- Figures in brackets indicate cash outgo.

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Bharat Shetty

Partner

Membership No.: 106815

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Sd/-

Vijay Gupta

Managing Director

DIN: 1653314

Sd/-

Aishwarya Patwardhan

Company Secretary

Membership No. A54477

Place : Pune

Date : 10 July 2020

Sd/-

Priti Gupta

Director

DIN: 1735673

Sd/-

Piranvez Irani

Chief Financial Officer

SoftTech Engineers Limited
Significant accounting policies and other explanatory information

1. Background of the Company

SoftTech Engineers Limited (the “Company”) was founded in 1996 and is based out of Pune. The Company was converted from private limited to public limited company and consequently, has changed its name from "SoftTech Engineers Private Limited" to "SoftTech Engineers Limited", the same being registered with Registrar of Companies on 1 March 2018. The equity shares of the Company have been listed in the SME portal of National Stock Exchange of India Limited (‘NSE’) on 11 May 2018.

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 standalone financial statements

These standalone 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 standalone 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 (as amended) 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 standalone 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 at the date of the standalone financial statements. Examples of such estimates include the useful lives of property, plant and equipment and intangible 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

Depreciation on property, plant and equipment is provided using the straight-line method based on the useful lives of assets as estimated by the management. Depreciation is charged on pro-rata basis for assets purchased/sold during the year.

The following assets are depreciated at a rate which is different than the depreciation rates prescribed in Schedule II of the Companies Act, 2013 considering the estimated useful life of the assets and obsolescence:

Class of assets	Useful life as specified in Schedule II of the Companies Act, 2013 (in Years)	Useful life as followed by the Company (in Years)
Office equipment	5	5
Office equipment – AC equipments	5	5
Furniture, fixtures and fittings	10	10
Computers	3	3
Servers	6	6
Vehicles	8	8
Service cell system	5	5

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

The Company believes that the useful lives as given above best represent the useful lives of these assets, based on internal assessment and supported by technical advice where necessary, which are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

d) Revenue recognition

- i) Revenue from services is recognised when the provision of services is complete and there is either no unfulfilled obligations on the Company or unfulfilled obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services.
- 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 future estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.
- iii) Revenue from annual technical service contracts is recognised on a pro-rata basis over the period in which such services are rendered.
- iv) Revenue from sale of traded software licenses is recognised on delivery to the customer.
- v) 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.
- vi) Dividend income is recognised when the right to receive the dividend is established.
- vii) Interest income is recognised on time proportion basis.

e) Trade Receivables

Trade receivables are recorded net of allowance for doubtful accounts. Allowance for doubtful accounts are established through evaluation of the trade receivables ageing and prior collection experience, current market conditions and the amount of receivable in dispute to ascertain ultimate collectability of these receivables. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is remote.

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of property, plant and equipment 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 recognised as tangible asset. The cost of computer and computer software for providing such services are grouped as 'Service Cell System'.

g) 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.

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

j) 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.

k) Taxes on income

The provision for current taxation is computed in accordance with the relevant tax regulations applicable in respective jurisdiction. Deferred tax is recognised on the 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 deferred tax assets can be realised in the 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.

l) 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.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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 4 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.

m) 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.

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

h) 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.

i) 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 recognised 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 recognised 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.

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.

III. Share based payments

Stock options granted by the Company are accounted using intrinsic value method. Intrinsic value of the option represents excess of the market value of the underlying share over its exercise price. Share based employee compensation is charged to the Statement of Profit and Loss together with a corresponding increase in share options outstanding account, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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.

n) 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.

o) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

p) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	11,000,000	110,000,000	11,000,000	110,000,000
	11,000,000	110,000,000	11,000,000	110,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	9,422,476	94,224,760	9,422,476	94,224,760
	9,422,476	94,224,760	9,422,476	94,224,760

a) Reconciliation of share capital

Equity shares

Balance at the beginning of the year	9,422,476	94,224,760	7,051,276	70,512,760
Add: Shares issued during the year	-	-	2,371,200	23,712,000
Balance at the end of the year	9,422,476	94,224,760	9,422,476	94,224,760

b) 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 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.

Pursuant to the investor agreement entered into with 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 Rajasthan 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 valuer 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 (excluding the Investor), in proportion to their shareholding.

In accordance with the investor agreement indicated in the preceding paragraph, subsequent to the listing of the equity shares of the Company on NSE on 11 May 2018, the shares held by the investor rank pari passu with the remaining shares of the Company without any preferential rights.

c) Shareholders holding more than 5% of the shares

	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Vijay Gupta	3,681,234	39.07%	3,681,234	39.07%
Rajasthan Trustee Company Private Limited	1,233,396	13.09%	1,407,796	14.94%
Babubhai K. Patel	650,304	6.90%	650,304	6.90%
	5,564,934	59.06%	5,739,334	60.91%

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Standalone Balance Sheet date -

1. During the financial year ended 31 March 2018, 3,525,638 equity shares of ₹ 10 each had been allotted as fully paid up bonus shares by way of capitalisation of general reserves.
2. Pursuant to the resolution passed by the Board of Directors on 21 August 2017 and shareholders on 22 September 2017, the Company has instituted "SoftTech Employees Stock Option Plan 2017" (ESOP 2017) for issue of stock options to the eligible employees. During the financial year ended 31 March 2018, the Company had granted 35,116 shares under ESOP 2017 Plan wherein part consideration will be received in the form of employees' services. As per ESOP 2017, the options get adjusted for any bonus issue subsequent to the date of grant in the similar proportion of the bonus issue on equity shares.

e) The Company had made an initial public offering (IPO) of 2,371,200 equity shares of face value ₹ 10 each fully paid up for cash at a price of ₹ 80 per equity share (including share premium of ₹ 70 per equity share) aggregating to ₹ 189,696,000. The aforementioned equity shares were allotted on 9 May 2018. The equity shares of the Company got listed on NSE on 11 May 2018.

f) The proceeds from IPO were ₹ 189,696,000 and IPO related expenses were ₹ 25,482,857. The utilisation of the net proceeds are as follows:

(₹ in lakhs)

	Planned as per Prospectus	Balance as at 31 March 2019	Utilisation during the financial year 2019-20	Balance as at 31 March 2020
Product development and enhancement costs	662.40	262.67	262.67	-
Funding of the domestic and international product penetration and marketing costs	598.12	441.96	441.96	-
Repayment/Pre-payment of certain unsecured borrowings availed by the Company	203.47	1.21	1.21	-
General corporate purposes (excluding transaction costs of IPO)	178.15	178.15	178.15	-
	1,642.14	883.99	883.99	-

g) Share Application money pending allotment:

Pursuant to the scheme of "SoftTech Employees Stock Option Plan 2017" (ESOP 2017) for issue of stock options to the eligible employees, the Company has received application money of ₹ 220,980 till 31 March 2020. The Company has authorised capital of 11,000,000 equity shares of face value of ₹ 10 each which is sufficient for allotment of 44,196 equity shares (including bonus shares). These shares have been allotted to employees on 05 May 2020.

4 Reserves and surplus

Securities premium account

Balance at the beginning of the year
Add: Additions made during the year
Less: Unamortised share issue expenses *
Balance as at the end of the year

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	240,130,092	99,628,949
Add: Additions made during the year	-	165,984,000
Less: Unamortised share issue expenses *	-	25,482,857
Balance as at the end of the year	240,130,092	240,130,092

*Unamortised share issue expenses incurred in connection with the Initial Public Offering (IPO) of the Company, include fees paid to bankers, stock exchanges, lawyers, auditors etc. These expenses are adjusted against securities premium, arising on public issue of equity shares of the Company on 11 May 2018, in accordance with Section 52 of the Companies Act, 2013.

Share options outstanding account

Balance at the beginning of the year
Add: Employees' stock option compensation expense
Balance at the end of the year

Balance at the beginning of the year	1,802,148	707,895
Add: Employees' stock option compensation expense	379,762	1,094,253
Balance at the end of the year	2,181,910	1,802,148

Surplus in the Standalone Statement of Profit and Loss

Balance at the beginning of the year
Add : Transferred from Standalone Statement of Profit and Loss
Less: Dividend on equity shares
Less: Tax on dividend (on equity shares)
Balance as at the end of the year

Balance at the beginning of the year	275,376,012	203,130,776
Add : Transferred from Standalone Statement of Profit and Loss	77,065,421	77,934,792
Less: Dividend on equity shares	4,711,238	4,711,238
Less: Tax on dividend (on equity shares)	968,630	978,318
Balance as at the end of the year	346,761,565	275,376,012
	589,073,567	517,308,252

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

	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
5 Borrowings				
Secured				
Term loans (from others):				
Small Industries Development Bank of India (SIDBI)	15,350,000	-	44,849,000	-
Technology Development Board (TDB)	22,000,000	-	22,000,000	-
Axis Bank vehicle loan	2,208,110	-	2,713,653	-
Loans repayable on demand:				
Working capital loan from banks	-	108,630,172	-	70,692,697
	39,558,110	108,630,172	69,562,653	70,692,697
Unsecured				
Term loans				
From others	119,000,000	-	-	-
Loans from related parties	14,076,637	-	17,576,637	-
	133,076,637	-	17,576,637	-
Less : Current maturities of long-term borrowings (refer note 9)	5,401,322	-	30,404,543	-
	167,233,425	108,630,172	56,734,747	70,692,697

a) Details of guarantee for each type of borrowings

Guaranteed by directors (exclusive of interest, which is also guaranteed)

Term loans				
From others	39,558,110	-	69,562,653	-
Loans repayable on demand				
Working capital loan from banks	-	108,630,172	-	70,692,697

b) Nature of security and terms of repayment

Unsecured loan from RIB ITWO Software Private Limited

The total sanctioned loan amount is ₹ 140,000,000 which comprises of committed loan facility of ₹ 119,000,000 and uncommitted loan facility of INR 21,000,000 which is to be disbursed only at the sole discretion of the lender. The committed portion of loan facility was fully disbursed in the month of December 2019. Committed loan facility is carrying the interest rate of 6% p.a.. Loan facility amount shall be converted into equity shares of the Company thereby ensuring Lender's shareholding of 10% (ten percent) of the equity shares of the Company, for the full facility amount, subject to the applicable laws in relation thereto. If the uncommitted portion of the facility amount is not disbursed and conversion is effected by the lender, then the committed portion as disbursed, shall be proportionately converted to 8.5% of the Company's shareholding. The Conversion can be effected by lender within a period of 18 months from the date of disbursement. The repayment of this loan shall commence after the expiry of 3 years in 6 equal quarterly instalments.

Loans from related parties

This constitutes loan availed from managing director, Mr. Vijay Gupta of ₹ 13,439,662 (previous year - ₹ 16,939,662) and director, Mrs. Priti Gupta ₹ 636,975 (previous year - ₹ 636,975). These loans do not have a repayment schedule and carry an interest rate of 14% p.a..

Vehicle loan

Vehicle loan was obtained by the Company in November 2018 at an interest rate of 8.70% p.a., secured against first charge on the underlying vehicle so purchased, repayable in 60 monthly instalments along with interest.

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

b) Nature of security and terms of repayment

Nature of security Term loans from others	Terms of repayment
<p>(a) SIDBI Loan of 1,250,000 (Previous Year: ₹ 18,750,000) is secured against:</p> <ul style="list-style-type: none"> i) first charge by way of hypothecation on all moveable assets acquired from loan ii) first charge by way of hypothecation on all the book-debts arising out of the project of implementing integrated online building permission management system in urban local bodies in the state of Andhra Pradesh iii) extension of first charge by way of hypothecation on all IPRs owned by the Company and Vijay Gupta, both existing and future iv) pledge of fixed deposits to the tune of 40% of the loan amount v) pledge of fixed deposits of ₹ 1,500,000 towards Debt Service Reserve Account (DSRA) vi) lien on contracted future receivables under the project to be deposited in designated escrow account. vi) Personal guarantee from Vijay Gupta and Priti Gupta. 	<p>Repayable in 1 instalment of ₹ 1,250,000 per month from the end of the reporting period along with interest at SIDBI PLR - 100 basis points, currently at 10.50% p.a.</p>
<p>(b) SIDBI Loan of 14,100,000 (previous year: ₹ 16,500,000) is secured against:</p> <ul style="list-style-type: none"> i) first charge by way of hypothecation on all movable assets acquired from loan. ii) extension of first charge by way of hypothecation of all the movable assets, book debts and actionable claims of the Company, acquired/to be acquired/arising out of earlier assistance of ₹ 500 lakhs. iii) extension of lien on deposits created for earlier borrowings. iv) extension of first charge by way of hypothecation on all IPRs owned by the Company, both existing and future. v) extension of lien on contracted future receivables under the project to be deposited in designated escrow account. vi) Personal guarantee from Vijay Gupta and Priti Gupta. 	<p>Repayable in 47 monthly instalments of ₹ 300,000 per month from the end of the reporting period along with fixed interest at 10% p.a.</p>
<p>(c) TDB Loan is secured against:</p> <ul style="list-style-type: none"> i) Hypothecation of movable assets of the Company including assets created under the project ranking first pari pasu charge with other holders. ii) Personal guarantee from Vijay Gupta and Priti Gupta pledging 3 Lakh shares of ₹ 10 each having face value of ₹ 3,000,000. iii) Own corporate guarantee of SoftTech Engineers Limited 	<p>Loan of ₹ 24,500,000 will be disbursed in 3 instalments, with two instalments of ₹ 7,500,000 and ₹ 14,500,000 disbursed on 28 March 2017 and 16 February 2019.</p> <p>As per old repayment schedule, the first instalment was due in March 2020. However, as per negotiation during current year, the first repayment will be done in April 2021. TDB is in the process of issuing a revised repayment schedule to the Company. The interest rate is 5% p.a..</p>

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

b) Nature of security and terms of repayment

Nature of security

Terms of repayment

Loan repayable on demand

Working capital loan from banks

Loan is secured against:

Interest rate is 3 month MCLR rate plus 1.95% p.a. currently 9.95% p.a.

- i) First charge by way of hypothecation over entire current assets of the Company, both present and future along with residual / sub-servient charge with SIDBI
- ii) First pari pasu charge by way of hypothecation over entire movable fixed assets (excluding assets financed by SIDBI) of the Company, both present and future, with TDB and Residual / sub-servient charge with SIDBI
- iii) First charge over all the immovable assets of the Company with residual / sub-servient charge with SIDBI
- iv) Equitable mortgage on flat at Bibewadi, Pune, owned jointly in the name of Vijay Gupta and Priti Gupta
- v) Equitable mortgage on flat at Wagholi, Pune, owned jointly by Vijay Gupta and Priti Gupta
- vi) Lien on fixed deposits of ₹ 36 lakhs and ₹ 243 lakhs to be created.
- vii) Lien on recurring deposit of ₹ 42 lakhs (₹ 1.75 lakhs p.m. for 24 months starting from March 2018) and ₹ 120 lakhs (12 monthly instalments of ₹ 10 lakhs p.m. started from March 2019)
- viii) Assignment of LIC policies of ₹ 64 lakhs in the name of Vijay Gupta having surrender value of ₹ 24 lakhs (as on October 2016).
- ix) Negative lien on the office premises (Unit 5C, 5th Floor, Pentagon) located at Swargate, Pune, owned jointly by Vijay Gupta and Priti Gupta.
- x) Personal guarantee from Vijay Gupta, Neetesh Singhal and Priti Gupta.

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

	As at 31 March 2020	As at 31 March 2019
6 Other long-term liabilities		
Dealer deposits	50,000	50,000
	50,000	50,000

	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
7 Provisions				
Provision for gratuity (refer note (a) below)	7,747,643	4,180,624	6,081,121	2,823,794
Provision for compensated absences (refer note (b) below)	1,122,449	635,383	382,870	196,878
Provision for income tax (net of advance tax)	-	4,575,114	-	-
	8,870,092	9,391,121	6,463,991	3,020,672

a Gratuity

Defined Benefit Plan: - The Company provides for gratuity benefit 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 in respect of employees of the Company:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Change in benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	8,904,915	6,773,773
Current service cost	1,625,721	1,468,880
Interest cost	619,610	483,394
Actuarial loss	884,706	298,809
Benefits paid	(106,685)	(119,941)
PBO at the end of the year	11,928,267	8,904,915
Net gratuity cost comprises the following components:		
Current service cost	1,625,721	1,468,880
Interest cost	619,610	483,394
Recognised net actuarial (gain)/loss	884,706	298,809
Net gratuity cost	3,130,037	2,251,083

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

Discount rate	5.80%	7.00%
Rate of increase in compensation levels	10.00%	10.00%
Rate of return on plan assets	NA	NA
Mortality rate	IALM Mortality- Tables (2012-14) Ultimate	IALM Mortality- Tables (2012-14) Ultimate

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

a Gratuity (Continued)

Details of present value of obligation, plan assets and experience adjustments:

	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
Present value of obligation	11,928,267	8,904,915	6,773,773	5,276,793	4,197,826
Fair value of plan assets	-	-	-	-	-
Deficit	11,928,267	8,904,915	6,773,773	5,276,793	4,197,826
Experience adjustments:					
On plan liabilities: (gain)/loss	430,269	25,453	(67,154)	62,406	(88,795)

b Compensated absences

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Standalone Statement of Profit and Loss for the period is ₹ 1,178,084 (previous year - ₹ 365,833).

c Employee stock compensation (ESOP 2017 Scheme)

The Company had instituted Employees' Stock Option Plan "ESOP 2017" under which the stock options have been granted to the employees. The scheme was approved by the shareholders at the annual general meeting held on 22 September 2017.

The details of activities under the ESOP 2017 scheme are summarised as follows:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	70,232	5.00	70,232	5.00
Granted during the year	-	-	-	-
Adjusted for bonus	-	-	-	-
Lapsed during the year	3,354	5.00	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	66,878	5.00	70,232	5.00
Exercisable at the end of the year	44,585	5.00	-	-

* WAEP denotes weighted average exercise price

The Company incurred ₹ 379,762 (previous year - ₹ 1,094,253) towards employee stock compensation during the year.

c Employee stock compensation (Continued)

The Company measures the cost of ESOP using intrinsic value method. Had the Company used fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Profit after tax attributable to equity shareholders	77,065,421
Add: ESOP cost using intrinsic value method	379,762	1,094,253
Less: ESOP cost using fair value method	287,675	839,613
Proforma profit after tax	77,157,508	78,189,432
Basic earnings per share		
- as reported	8.18	8.50
- proforma	8.19	8.53
Diluted earnings per share		
- as reported	8.12	8.44
- proforma	8.13	8.47

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	As at 31 March 2020	As at 31 March 2019
8 Trade payables		
Dues to micro and small enterprises (refer note (a) below)	1,096,604	224,112
Dues to other than micro and small enterprises	19,918,014	16,522,300
	21,014,618	16,746,412

Details of dues to micro and small enterprises as defined under MSMED Act, 2006

a. Based on information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows;

	As at 31 March 2020	As at 31 March 2019
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	1,096,604	224,112
Interest due to suppliers registered under MSMED Act on the principal amount due as at year end and remaining unpaid as at year end	3,797	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,594,621	2,434,507
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made	3,738	34,518
Further interest remaining due and payable for earlier years	34,518	-
Interest accrued and remaining unpaid as at the year end	42,053	34,518

	As at 31 March 2020	As at 31 March 2019
9 Other current liabilities		
Current maturities of long-term borrowings	5,401,322	30,404,543
Interest accrued but not due on borrowings	4,240,658	1,409,357
Statutory dues	26,319,172	16,699,205
Advance from customers	548,004	1,751,746
Payable towards capital purchases	8,653,549	2,118,633
Outstanding expenses	44,901,107	37,089,436
Unpaid Dividend	20,800	-
	90,084,612	89,472,920

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10 Property, plant and equipment

	Furniture and fixtures	Vehicles	Office equipment	Computers	Service cell system	Total
Gross block						
Balance as at 1 April 2018	8,281,463	1,221,812	1,424,055	19,456,001	35,058,137	65,441,468
Additions	681,366	3,389,082	1,314,463	2,447,017	-	7,831,928
Disposals	-	1,221,812	169,390	7,297,481	7,499,574	16,188,257
Balance as at 31 March 2019	8,962,829	3,389,082	2,569,128	14,605,537	27,558,563	57,085,139
Additions	21,000	-	172,166	3,094,278	-	3,287,444
Balance as at 31 March 2020	8,983,829	3,389,082	2,741,294	17,699,815	27,558,563	60,372,583
Accumulated depreciation						
Balance as at 1 April 2018	6,767,850	1,221,812	956,098	17,470,248	29,049,717	55,465,725
Depreciation charge	515,322	189,185	287,455	1,643,232	4,267,375	6,902,569
Reversal on disposal of assets	-	1,221,812	130,200	7,297,481	7,499,574	16,149,067
Balance as at 31 March 2019	7,283,172	189,185	1,113,353	11,815,999	25,817,518	46,219,227
Depreciation charge	537,035	423,635	541,157	1,836,191	1,678,013	5,016,031
Balance as at 31 March 2020	7,820,207	612,820	1,654,510	13,652,190	27,495,531	51,235,258
Net block						
Balance as at 31 March 2020	1,163,622	2,776,262	1,086,784	4,047,625	63,032	9,137,325
Balance as at 31 March 2019	1,679,657	3,199,897	1,455,775	2,789,538	1,741,045	10,865,912

11 Intangible assets

	Computer software	Internally generated software	Total
Gross block			
Balance as at 1 April 2018	13,542,843	220,584,746	234,127,589
Additions	2,004,512	32,057,588	34,062,100
Disposals	1,643,785	-	1,643,785
Balance as at 31 March 2019	13,903,570	252,642,334	266,545,904
Additions	-	54,978,107	54,978,107
Balance as at 31 March 2020	13,903,570	307,620,441	321,524,011
Accumulated amortisation			
Balance as at 1 April 2018	12,767,629	144,528,190	157,295,819
Amortisation charge	816,547	32,700,243	33,516,790
Reversal on disposal	1,643,785	-	1,643,785
Balance as at 31 March 2019	11,940,391	177,228,433	189,168,824
Amortisation charge	639,116	31,539,530	32,178,646
Reversal on disposal	-	-	-
Balance as at 31 March 2020	12,579,507	208,767,963	221,347,470
Net block			
Balance as at 31 March 2020	1,324,063	98,852,478	100,176,541
Balance as at 31 March 2019	1,963,179	75,413,901	77,377,080

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	As at 31 March 2020		As at 31 March 2019	
12 Non-current investments				
Valued at cost unless stated otherwise				
Trade, unquoted investments				
A Investments in subsidiary companies				
Investments in equity shares				
SoftTech Finland OY (1,000 equity shares of Euro 2.50 each fully paid up)	202,806		202,806	
SoftTech Engineers Inc. (800,000 equity shares of USD 0.01 each fully paid up)	608,424		608,424	
Investments in debentures				
SoftTech Engineers Finland OY { 24,000 (Previous Year - 12,000) 1% optionally convertible debentures of Euro 2.50 each fully paid up }	4,868,951		2,487,300	
SoftTech Engineers Inc. { 16,000,000 (Previous Year - 3,000,000) 1% optionally convertible debentures of USD 0.01 each fully paid up }	11,372,099		2,194,044	
B Investments in others				
The Mahesh Sahakari Bank Limited (14,192 equity shares (Previous Year: 14,192 equity shares) of ₹ 25 each fully paid up)	354,800		354,800	
The Saraswat Co-operative Bank Limited (2,500 equity shares (Previous Year: 2,500 equity shares) of ₹ 10 each fully paid up)	25,000		25,000	
	17,432,080		5,872,374	
Aggregate amount of unquoted investment	17,432,080		5,872,374	
13 Deferred tax assets				
Deferred tax assets				
Provision for employee benefits	3,985,392		2,761,934	
Provision for doubtful balances	2,300,056		2,670,513	
On depreciation and amortisation	6,834,343		6,170,720	
	13,119,791		11,603,167	
	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
14 Loans and advances				
(Unsecured, considered good (unless otherwise stated))				
Security deposits	6,264,115	-	4,164,115	5,315,960
Advance taxes (net of provision)	-	-	9,375,903	-
Balances with government authorities*	20,997,460	-	-	-
Advances to related parties	906,184	-	618,378	-
Prepaid expenses	1,008,186	1,976,699	1,614,232	1,476,598
Advance to employees and others		3,511,473	-	6,992,091
Tender deposits	1,769,718	1,250,000	3,479,023	255,008
	30,945,663	6,738,172	19,251,651	14,039,657

* During the financial year 2019-20, the Company has received communication under section 70 of the CGST Act, 2017 from the DGGI, Zonal Unit, Pune in relation to input tax credit allegedly wrongly availed by the Company. The GST officers have taken the relevant records of the Company for further investigation. The management of the Company based on discussions and frequent meetings with the GST officers, have paid the input tax credit availed of INR 1.79 crores under protest. The Company has obtained appropriate legal opinion which clearly indicates that the Company has a good case to claim refund of the amount paid under protest and accordingly, the amount paid has been disclosed under the head "Balances with government authorities" in the financial statements. The matter is still in the jurisdiction of DGGI Pune and is yet to be concluded. Further, the Company is yet to receive a show cause notice or any order in this regard.

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	As at 31 March 2020	As at 31 March 2019
15 Other non-current assets		
(Unsecured, considered good (unless otherwise stated))		
Bank deposits with maturity of more than 12 months (Refer note (a) below)	79,276,823	67,578,182
Interest accrued but not due on bank deposits and others	13,502,485	9,161,792
Trade receivables	3,959,057	4,930,960
	96,738,365	81,670,934
(a) Details of bank deposits pledged		
(i) Deposit of ₹ 21,500,000 (Previous Year: ₹ 21,500,000) are pledged as security against the long-term borrowings.		
(ii) Deposit of ₹ 39,900,000 (Previous Year: ₹ 8,475,000) are pledged as security against the short-term borrowings.		
(iii) Deposit of ₹ 17,876,823 (Previous Year: ₹ 17,603,182) are held against bank guarantees.		
16 Current investments		
Non-trade, unquoted investments in mutual funds		
19,482.193 Units (Previous Year : NIL Units) of SBI Liquid Fund - Regular plan -Growth	60,000,000	-
6,540.401 Units (Previous Year : NIL Units) of HDFC Low Duration Fund	25,220,553	-
NIL Units (Previous Year : 857.733 Units) of HDFC liquid fund- growth plan	-	3,068,215
NIL Units (Previous Year : 1,727.431 Units) of Reliance liquid fund growth plan- growth option	-	7,621,401
NIL Units (Previous Year : 30,101.156 Units) of Reliance ultra short duration fund- growth option (refer note (a) below)	-	87,500,000
NIL Units (Previous Year : 5,379.721 Units) of UTI money market fund- regular growth plan	-	10,775,525
	85,220,553	108,965,141
Aggregate amount of unquoted investments	85,220,553	108,965,141
(a) Amount of ₹ 57,500,000 was paid on 29 March 2019 and 30 March 2019, against which 19,742.16 Units of mutual fund were allotted on 2 April 2019.		
17 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	73,652,053	93,163,383
Doubtful	7,898,543	9,170,717
	81,550,596	102,334,100
Less : Allowances for bad and doubtful debts	(7,898,543)	(9,170,717)
	73,652,053	93,163,383
Other debts		
Unsecured, considered good	286,208,894	95,064,311
	359,860,947	188,227,694
18 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	5,794	5,120
Balances with banks		
- in current accounts	166,627	12,924,767
	172,421	12,929,887
Other bank balances		
Balances in escrow account (refer note 5(b))	1,043,477	14,646
	1,215,898	12,944,533

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	As at 31 March 2020	As at 31 March 2019
19 Other current assets		
(Unsecured, considered good (unless otherwise stated))		
Unbilled revenue	307,630,834	272,817,459
	307,630,834	272,817,459
20 Commitments and contingencies		
(i) Claims against the Company not acknowledged as debt		
Central Sales Tax liability for Financial Year 2012-13	4,131,770	4,131,770
Value Added Tax liability for Financial Year 2012-13	55,505	55,505
(ii) Bank guarantees	72,685,179	72,108,569
(iii) Other matters for which the Company is contingently liable		
Potential non-recoverability of certain receivables	762,041	762,041
(iv) Provident fund	Amount not determinable	-

The Hon'ble Supreme Court, has passed an order on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employee's Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

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SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
21 Revenue from operations		
Sale of services	508,540,994	574,350,762
Sale of products	70,929,202	53,204,027
	579,470,196	627,554,789
22 Other income		
Interest income		
From fixed deposits in banks	5,161,982	3,244,765
From other deposits	214,008	214,008
Dividend income		
From current investments	2,015,388	1,944,918
From non-current investments	-	42,900
Gain on foreign currency transactions and translations (net)	369,193	907,925
Miscellaneous income	1,782,217	1,659,009
	9,542,788	8,013,525
23 Employee benefits expense		
Salaries and bonus (Refer note 7(a) and 7(b))	104,639,231	91,487,150
Contribution to provident fund and other funds (Refer note below)	4,938,478	3,369,980
Employees' stock option compensation	379,762	1,094,253
Staff welfare expenses	945,352	2,377,750
	110,902,823	98,329,133
Defined Contribution Plan: The amount recognised as an expense during the period is ₹ 4,938,478 (Previous Year: ₹ 3,369,980)		
24 Finance costs		
Interest expense	16,653,271	14,406,676
Other borrowing costs	119,867	1,659,512
Interest on delayed payment of statutory dues	148,380	770,897
	16,921,518	16,837,085
25 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 10)	5,016,031	6,902,569
Amortisation of intangible assets (refer note 11)	32,178,646	33,516,790
	37,194,677	40,419,359

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
26 Other expenses		
Electricity charges	1,341,722	1,342,512
Rent (refer note 31)	6,246,936	4,999,614
Repairs and maintenance	1,308,151	2,874,938
Insurance	1,098,852	639,622
Rates and taxes	479,084	779,284
Travelling and conveyance	14,358,470	14,720,060
Sub-contracting expenses	30,501,153	24,852,775
Professional fees for technical consultants	154,587,335	223,798,699
Auditors' remuneration (refer note (a) below)	1,369,280	1,365,250
Legal and professional expenses	20,734,807	15,726,023
Bank charges	1,528,089	1,422,145
Sales promotion expenses	3,345,431	3,057,405
Printing and stationery	1,603,888	1,073,388
Office expenses	1,223,647	1,496,085
Postage and telephone	759,751	716,635
Internet charges	809,343	875,519
Brokerage and commission	61,094	269,925
Bad debts and advances written off	6,156,131	12,023,608
Provision for doubtful balances	-	597,239
Donation	12,000	-
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 34)	1,859,100	350,000
Prior period expenses	29,436	1,825,520
Loss on sale of equipment	-	39,190
Miscellaneous expenses	3,841,110	6,662,480
	253,254,810	321,507,916
a. Auditors' remuneration (excluding Goods and Services Tax)		
As auditor		
Statutory audit	1,025,000	975,000
Limited review	300,000	200,000
Certification fees	22,000	135,000
Reimbursement of expenses	22,280	55,250
	1,369,280	1,365,250

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 (i.e. Business consulting and software implementation and related support activities). 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.

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

28 Related party disclosures

a) Names of related parties and description of relationship:

Name of the related party	Nature of relationship
CoVisible Solutions (India) Private Limited	Enterprise over which key managerial personnel and their relatives exercise significant influence
Vijay Gupta	Managing director
Priti Gupta	Director
Sridhar Pillalamari	Director (w.e.f. 3 March 2018)
Rahul Gupta	Director
Ravi Mathur	Director (up to 04 March 2019)
Dominik Keller	Director (w.e.f. 27 December 2019)
Sundararajan Srinivasan	Director (w.e.f. 27 August 2019)
Chirag Gupta	Son of Vijay Gupta
Pawan Gupta	Relative of Director
Anand Chandraprakashji Dad	Chief Financial Officer (up to 6 October 2018)
Amit Katariya	Chief Financial Officer (from 6 October 2018 to 1 April 2019)
Piranvez Irani	Chief Financial Officer (w.e.f. 20 April 2019)
Aishwarya Patwardhan	Company Secretary
SoftTech Finland OY	Subsidiary
SoftTech Engineers Inc.	Subsidiary
SoftTech Government Solutions Inc.	Subsidiary
RIB ITWO Software Private Limited	Enterprise over which key managerial personnel and their relatives exercise significant influence
Rajasthan Trustee Company Private Limited	Enterprise having significant influence over the Company (up to 9 May 2018)

b) Transactions with related parties:

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Loan taken		
Vijay Gupta	-	3,000,000
Priti Gupta	2,500,000	-
RIB ITWO Software Private Limited	119,000,000	-
Loan repaid		
Vijay Gupta	3,500,000	3,600,000
Priti Gupta	2,500,000	-
Rent paid		
Priti Gupta	747,639	712,032
Interest expense		
Vijay Gupta	2,102,952	2,466,753
Priti Gupta	203,096	-
RIB ITWO Software Private Limited	1,872,787	-
Remuneration paid		
Vijay Gupta	5,200,000	4,200,000
Priti Gupta	1,316,280	1,081,080
Aishwarya Patwardhan	364,303	281,264
Anand Dad	-	361,936
Amit Katariya	-	999,195
Piranvez Irani	2,379,435	-
Receiving services		
Pawan Gupta	300,000	275,000
Sitting fees paid		
Sridhar Pillalamari	75,000	100,000
Rahul Gupta	100,000	100,000
Sundararajan Srinivasan	75,000	-
Dividend paid		
Vijay Gupta	1,840,617	1,840,617
Priti Gupta	16,545	16,545
Chirag Gupta	18,400	-
CoVisible Solutions (India) Private Limited	149,574	149,574
Rajasthan Trustee Company Private Limited	-	703,898

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

Related party disclosures (Continued)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Services towards intangible assets SoftTech Government Solutions Inc.	-	2,118,633
Reimbursement of expenses paid SoftTech Government Solutions Inc.	2,106,618	-
Reimbursement of expenses received SoftTech Finland OY	287,806	-
Investment made in equity shares and debentures SoftTech Finland OY SoftTech Engineers Inc.	2,381,651 9,178,055	2,690,106 2,802,468

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

Nature of balances	As at 31 March 2020	As at 31 March 2019
<u>Amount receivable</u>		
Advance towards expenses CoVisible Solutions (India) Private Limited SoftTech Engineers Finland OY	618,378 287,806	618,378 -
Security deposit Vijay Gupta Priti Gupta	553,395 202,000	553,395 202,000
<u>Amount payable</u>		
Unsecured loan Vijay Gupta Priti Gupta RIB ITWO Software Private Limited	13,439,662 636,975 119,000,000	16,939,662 636,975 -
Remuneration payable Vijay Gupta Priti Gupta	1,097,569 245,843	286,490 94,380
Interest Payable Vijay Gupta Priti Gupta RIB ITWO Software Private Limited	2,230,907 182,786 1,685,508	1,098,243 - -
Rent payable Priti Gupta	78,518	54,044
Consultancy fees payable Pawan Gupta	174,928	169,928
Payable towards capital purchases SoftTech Government Solutions Inc.	12,015	2,118,633
<u>Investment in equity shares</u> SoftTech Engineers Finland OY SoftTech Engineers Inc.	202,806 608,424	202,806 608,424
<u>Investment in debentures</u> SoftTech Engineers Finland OY SoftTech Engineers Inc.	4,868,951 11,372,099	2,487,300 2,194,044

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

29(a) Value of imports on CIF basis:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Expenditure incurred towards intangible assets under development	5,637,221	2,118,633

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Travelling and conveyance	1,237,934	1,397,574
Exhibition Expenditure	238,876	-
Professional fees for technical consultants	1,316,333	4,223,420

30 Earnings in foreign currency:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services	17,506,869	249,655

- 31** The Company has entered into operating lease agreements for office facilities and such leases are basically cancellable in nature with remaining lease period ranging from 1 to 4 years.
Lease rental expense recognised in the Standalone Statement of Profit and Loss for the period 1 April 2019 to 31 March 2020 in respect of operating lease is ₹ 6,246,936 (Previous year: ₹ 4,999,614).

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

32 Earning per share (EPS)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Computation of net profit for the year		
Profit after tax attributable to equity shareholders (₹)	77,065,421	77,934,792
b) Computation of number of shares for Basic EPS		
Weighted average number of shares	9,422,476	9,169,115
c) Computation of number of shares for Diluted EPS		
Weighted average number of shares	9,486,723	9,231,674
Basic earnings per share(₹)	8.18	8.50
Diluted earnings per share(₹)	8.12	8.44
Nominal value per equity share (₹)	10.00	10.00

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

Particulars		As at 31 March 2020		As at 31 March 2019	
		(₹)	FX	(₹)	FX
Trade receivables	USD	5,718,021	75,850	10,059,478	145,621
Trade receivables	MYR	12,114,690	700,000	-	-
Investments in debentures	Euro	4,868,951	60,000	2,487,300	30,000
Investments in debentures	USD	11,372,099	160,000	2,194,044	30,000
Payable towards capital goods	USD	12,015	163	2,118,633	30,000

34 Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows :

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Average net profit of the Company for last three financial years	92,955,384	73,062,084
Prescribed CSR expenditure (2% of the average net profits as computed above)	1,859,108	1,461,242
Total amount to be spent for the year	1,859,108	1,461,242
Amount spent	1,859,100	350,000
Amount unspent	8	1,111,242

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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

35 Estimation uncertainty relating to the global health pandemic - COVID-19

In assessing the recoverability of receivables including unbilled receivables, the Company has considered internal and external information up to the date of these financial statements including economic forecasts. The majority of the customers of the Company are municipal corporations and based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from the estimate as at the date of these financial statements and the Company will closely monitor any material changes to future economic conditions and respond accordingly.

36 Prior year comparatives

Previous year figures have been regrouped/ reclassified, wherever required, to conform to current year classification.

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Bharat Shetty

Partner

Membership No.: 106815

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Sd/-

Vijay Gupta

Managing Director

DIN: 1653314

Sd/-

Aishwarya Patwardhan

Company Secretary

Membership No. A54477

Place : Pune

Date : 10 July 2020

Sd/-

Priti Gupta

Director

DIN: 1735673

Sd/-

Piranvez Irani

Chief Financial Officer

Independent Auditor's Report

To the Members of SoftTech Engineers Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of SoftTech Engineers Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the consolidated state of affairs of the Group as at 31 March 2020, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition – fixed price contracts:</p> <p>(Refer note 2(e) to the accompanying consolidated financial statements for accounting policy and Note 21 for the revenue recorded during the year).</p> <p>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.</p> <p>The fixed price revenue contracts of the Holding Company are by their nature complex given the</p>	<p>Our audit of recognition of revenue in respect of fixed price contracts included, but were not limited to the following:</p> <ul style="list-style-type: none">• Obtained and updated understanding of the revenue stream relating to fixed price contracts.• Evaluated the appropriateness of the Company's revenue recognition policies;• Evaluated the design and implementation of key controls over the recognition of contract revenue and tested the operating effectiveness of these controls;

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Key audit matter	How our audit addressed the key audit matter
<p>significant judgements involved in estimation of efforts required to complete any particular project.</p> <p>This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations, and the ability to deliver the contracts within planned timelines. These contract estimates are reviewed by the management on periodic basis.</p> <p>Changes in the estimates as contract progresses can result in material adjustments to revenue recorded by the Holding Company.</p> <p>As a result of the complexities and judgment involved, and significance of the matter with respect to the consolidated financial statements, this matter has been considered as a key audit matter in the audit of the accompanying consolidated financial statements for the current year.</p>	<ul style="list-style-type: none"> • For a sample of contracts, evaluated key management judgements inherent in the estimated hours to complete the underlying ongoing projects, that drive the accounting under proportionate completion method, by performing the following procedures: <ul style="list-style-type: none"> • evaluated the contract terms and conditions; • obtained an understanding of the assumptions applied in determining the estimated hours to complete, and tested the same for appropriateness basis our understanding of the business and inspecting underlying estimate calculations including assessment of impact of COVID-19 on such estimates; • performed a retrospective review of hours expended with estimated hours in prior periods to identify significant variations, if any. • obtained reasons for any change in estimates of continuing contracts from prior period impacting revenue recognition in previous periods. • assessed the ability to deliver contracts within budgeted timescales. • Tested a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which requires change in estimated efforts to complete the remaining performance obligations. • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements with respect to fixed price contract revenue in accordance with the requirements of applicable accounting standards.
<p>Recoverability of trade receivables</p> <p>(Refer Note 2(f) to the accompanying consolidated financial statements for accounting policy and Note 17 for related disclosure).</p> <p>As at 31 March 2020, the total receivable balance net of provisions, included in Note 17 is INR 359,860,947 (as at 31 March 2019: INR 188,227,694).</p> <p>Owing to the nature of operations of the Holding Company and the related customer profiles, the Holding Company has significant receivable balances that are past the credit period for the products and services offered by the Holding Company. Allowance for doubtful accounts are established through evaluation of the accounts receivable ageing and prior collection experience, current market conditions, customers'</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for computation of trade receivables provisioning, and related accounting policies adopted by the management. • Tested the design, implementation and operating effectiveness of the controls that the Holding Company has established in relation to revenue recognition and allowance for trade receivables; • Tested the ageing profile of trade receivable balances;

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Key audit matter	How our audit addressed the key audit matter
<p>financial conditions and the amount of receivable in dispute to ascertain ultimate collectability of these receivables.</p> <p>The recoverability of trade receivables and the level of provisions for bad and doubtful debts are considered to be key audit risk due to significance of these balances to the consolidated financial statements and the judgements required in making appropriate provisions, and accordingly, this matter has been determined to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Assessed the recoverability on a sample basis by testing the amounts received subsequent to year-end, confirmations received from customers, information collected from sales team, external available information regarding parties with significant balance outstanding as at year end, etc.; • Evaluated the consistency of judgements applied by the management regarding provision for trade receivables to identify any evidence of management bias in this accounting estimate; • Evaluated the management's response to the recoverability of the long outstanding receivable balances which have not been assessed as doubtful, by corroborating the same with underlying documentation and correspondence with the customer. • Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements with respect to the trade receivables and provisioning thereof in accordance with the requirements of applicable accounting standards.
<p>Development costs towards intangible assets under development</p> <p>(Refer Note 2(m) to the accompanying consolidated financial statements for accounting policy, Note 11 of Consolidated Balance Sheet for related disclosure).</p> <p>The Holding Company's research and development personnel are involved in the development of new software offerings, enhancements to existing software and maintenance.</p> <p>Such development costs are being capitalized by the Holding Company in accordance with AS 26, Intangible assets.</p> <p>Significant judgements relevant for capitalization of development expenses include determining whether the recognition criteria under AS 26 have been met which includes assessment of technical and economic feasibility of completing the intangible asset, the entity's intention and ability to sell/use the intangible asset in order to generate future economic benefits, and the entity's ability to measure reliably the expenditure attributable to the intangible asset during its development.</p> <p>Our audit focused on this area due to the value of the research and development costs incurred by the Holding Company, the bifurcation required between research expenses to be expensed off and the development costs</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the assessment of cost to be capitalized through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process of identifying and measuring costs incurred towards research and development of intangible assets, allocation of such costs between research phase and development phase, and determining the appropriate accounting treatment of such items; • Tested the design and operating effectiveness of the controls that the Holding Company has established in relation to intangible assets under development including controls around approvals, costs estimation, allocation of costs and capitalization; • Evaluated the accounting policy for appropriateness in accordance with AS 26, Intangible Assets. • Discussed with management, including development personnel, the nature and amount of work completed for each product group, and their assessment of the areas of judgement for each, in particular the stage of technical development and economic feasibility, and their assessment of recognition criteria of intangible assets under AS 26;

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Key audit matter	How our audit addressed the key audit matter
<p>to be capitalized, the allocation of costs incurred towards the development activities of the respective ongoing projects, and the judgement involved in assessing recognition criteria for capitalization of development costs as per specific accounting standard requirements. Accordingly, this matter has been determined as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Tested the underlying costs by inspection of supporting documents such as payroll records, vendor contracts, invoices and delivery evidence, • For intangible assets under development that are capitalized upon successful completion of their development, tested the accuracy of cost calculations and evaluated management's assessment of amortization period and amortization method used. • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements with respect to intangible assets under development in accordance with the requirements of applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance) and consolidated cash flows of the Group 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). The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information of subsidiaries considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement,

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

whether due to fraud or error. These financial information have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial information of three subsidiaries, whose financial information (before eliminating inter-company balances) reflects total assets of ₹ 13,575,092 and negative net assets of ₹ 14,302,152 as at 31 March 2020, total revenues (before eliminating inter-company transactions ₹ Nil) of ₹ Nil and net cash inflows amounting to ₹ 355,406 for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

16. As required by Section 197(16) of the Act, based on our audit and on the consideration of the financial information of the subsidiaries as certified by the management, referred to in paragraph 15, we report that the Holding Company, covered under the Act paid remuneration to the directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to the subsidiary companies, since none of such companies is covered under the Act.
17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of financial information of the subsidiaries as certified by the management, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

SoftTech Engineers Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statements

- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of financial information of the subsidiaries as certified by the management:
- i. the Company, as detailed in note 20 to the consolidated financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2020;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Bharat Shetty
Partner
Membership No.: 106815

UDIN No:20106815AAAACA4087

Place: Mumbai
Date: 10 July 2020

SoftTech Engineers Limited

Independent Auditors Report on the Audit of the Consolidated Financial Statements

Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited on the consolidated financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to financial statements 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 consolidated financial statements of SoftTech Engineers Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on 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 (the '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 the 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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 consolidated 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 internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

Annexure A (Contd.)

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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 Holding Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established by the Holding Company, as aforesaid, 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 ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Bharat Shetty
Partner
Membership No.: 106815

UDIN No:20106815AAAACA4087

Place: Mumbai
Date: 10 July 2020

SoftTech Engineers Limited
Consolidated Balance Sheet as at 31 March 2020

	Notes	As at 31 March 2020 In ₹	As at 31 March 2019 In ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	94,224,760	94,224,760
Reserves and surplus	4	573,242,727	513,634,333
		<u>667,467,487</u>	<u>607,859,093</u>
Share application money pending allotment	3	220,980	-
Minority interest		74,166	34,137
Non-current liabilities			
Long-term borrowings	5	167,233,425	56,734,747
Other long-term liabilities	6	50,000	50,000
Long-term provisions	7	8,870,092	6,463,991
		<u>176,153,517</u>	<u>63,248,738</u>
Current liabilities			
Short-term borrowings	5	108,630,172	70,692,697
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	8	1,096,604	224,112
Total outstanding dues of other than micro enterprises and small enterprises	8	19,983,923	17,368,021
Other current liabilities	9	90,072,595	87,733,859
Short-term provisions	7	9,391,121	3,020,672
		<u>229,174,415</u>	<u>179,039,361</u>
Total		<u>1,073,090,565</u>	<u>850,181,329</u>
Assets			
Non-current assets			
Property, plant and equipment	10	9,137,325	10,865,912
Intangible assets	11	100,176,541	77,377,080
Intangible assets under development		60,577,178	51,078,849
Non-current investments	12	379,800	379,800
Deferred tax assets	13	13,119,791	11,603,167
Long-term loans and advances	14	30,896,539	19,251,651
Other non-current assets	15	96,738,365	81,670,934
		<u>311,025,539</u>	<u>252,227,393</u>
Current assets			
Current investments	16	85,220,553	108,965,141
Trade receivables	17	359,860,947	188,227,694
Cash and bank balances	18	2,510,865	13,884,093
Short-term loans and advances	14	6,841,827	14,059,549
Other current assets	19	307,630,834	272,817,459
		<u>762,065,026</u>	<u>597,953,936</u>
Total		<u>1,073,090,565</u>	<u>850,181,329</u>
Significant accounting policies and other explanatory information		1 to 35	

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Bharat Shetty

Partner
Membership No.: 106815

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 10 July 2020

Sd/-
Priti Gupta
Director
DIN: 1735673

Sd/-
Piranvez Irani
Chief Financial Officer

SoftTech Engineers Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020

	Notes	Year ended 31 March 2020 In ₹	Year ended 31 March 2019 In ₹
Revenue			
Revenue from operations	21	579,470,196	627,554,789
Other income	22	9,669,247	7,877,011
Total revenue		589,139,443	635,431,800
Expenses			
Purchases of stock-in-trade		62,190,359	49,229,196
Employee benefits expense	23	111,647,256	99,998,820
Finance costs	24	16,921,518	16,837,085
Depreciation and amortisation expense	25	37,194,677	40,419,359
Other expenses	26	264,772,272	323,389,616
Total expenses		492,726,082	529,874,076
Profit before tax		96,413,361	105,557,724
Tax expense			
Current tax		33,000,000	35,280,000
Deferred tax credit		(1,516,624)	(3,969,167)
Profit after tax before share of minority interest		64,929,985	74,246,891
Add/Less: Minority interest [profit/(loss)]		21,485	(13,982)
Profit for the year		64,908,500	74,260,873
Earnings per equity share	30		
Basic		6.89	8.10
Diluted		6.84	8.04
Significant accounting policies and other explanatory information	1 to 35		

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Bharat Shetty
Partner
Membership No.: 106815

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Sd/-
Priti Gupta
Director
DIN: 1735673

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Sd/-
Piranvez Irani
Chief Financial Officer

Place : Pune
Date : 10 July 2020

SoftTech Engineers Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020 In ₹	Year ended 31 March 2019 In ₹
Cash flow from operating activities		
Profit before tax	96,413,361	105,557,724
Adjustments for:		
Depreciation and amortisation expense	37,194,677	40,419,359
Loss on sale of equipment	-	39,190
Unrealised gain on foreign currency transactions and translations (net)	(448,259)	(438,972)
Employees' stock option compensation	379,762	1,094,253
Finance costs	16,773,138	16,066,188
Bad debts and advances written off	6,156,131	12,023,608
(Reversal of) / provision for doubtful debts	(1,197,174)	597,239
Dividend income	(2,015,388)	(1,987,818)
Interest income on deposits	(5,375,990)	(3,458,773)
Operating profit before working capital changes	147,880,258	169,911,998
Changes in working capital:		
Increase/(decrease) in trade payables, liabilities and provisions	32,589,915	(75,751,892)
(Increase)/decrease in trade receivables	(176,266,372)	17,754,065
Increase in loans and advances and other assets	(47,928,025)	(31,396,901)
Cash (used in) / generated from operations	(43,724,224)	80,517,270
Direct taxes paid (net)	(19,048,984)	(44,192,579)
Net cash (used in) / generated from operating activities	(62,773,208)	36,324,691
	(A)	
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and intangible assets under development)	(67,763,880)	(54,941,230)
Purchase of mutual fund units	(110,000,000)	(108,965,141)
Proceeds from sale of mutual fund units	133,744,588	-
Fixed deposits (including balances in escrow account) placed	(12,727,472)	(26,047,376)
Interest received	1,035,297	2,444,457
Dividend received	2,015,388	1,987,818
Net cash used in investing activities	(53,696,079)	(185,521,472)
	(B)	
Cash flow from financing activities		
Proceeds from shares issued (net of Share issue expenses)	-	164,213,143
Proceeds from shares issued to minority	14,222	48,119
Share application money pending allotment	220,980	-
Repayment of long-term borrowings	(36,004,543)	(55,537,733)
Proceeds from long-term borrowings	121,500,000	36,918,000
Dividend paid (including dividend distribution tax paid)	(5,659,069)	(5,689,556)
Proceeds from short-term borrowings (net)	37,937,474	25,617,022
Interest paid	(13,941,836)	(15,184,171)
Net cash generated from financing activities	104,067,228	150,384,824
	(C)	

SoftTech Engineers Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020

		Year ended 31 March 2020 In ₹	Year ended 31 March 2019 In ₹
Net (decrease) / increase in cash and cash equivalents	(A+B+C)	(12,402,059)	1,188,043
Cash and cash equivalents at the beginning of the year		13,869,447	12,681,404
Cash and cash equivalents at the end of the year		1,467,388	13,869,447
Cash and cash equivalents comprise of :			
Cash on hand		5,794	12,037
Balances with banks (in current accounts)		1,461,594	13,857,410
		1,467,388	13,869,447

Notes:

1. The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Accounting Standard - 3 on "Cash Flow Statements" notified under Section 133 to the Companies Act, 2013.

2. Figures in brackets indicate cash outgo.

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Bharat Shetty

Partner

Membership No.: 106815

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Sd/-

Vijay Gupta

Managing Director

DIN: 1653314

Sd/-

Aishwarya Patwardhan

Company Secretary

Membership No. A54477

Place : Pune

Date : 10 July 2020

Sd/-

Priti Gupta

Director

DIN: 1735673

Sd/-

Piranvez Irani

Chief Financial Officer

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

1. General information and background

The Consolidated Financial Statements present the Consolidated Accounts of SoftTech Engineers Limited with its following Subsidiaries:

Name	Country of incorporation	Proportion of ownership of interest	
		As at 31 March 2020	As at 31 March 2019
Foreign subsidiaries:			
SoftTech Engineers Inc.	United States of America	92.00%	92.00%
SoftTech Finland OY	Finland	100.00%	100.00%
SoftTech Government Solutions Inc.	United States of America	93.00%*	93.00%*

*Held by SoftTech Engineers Inc.

SoftTech Engineers Limited (the 'Holding Company') and its subsidiaries, together referred to as the 'Group', is a part of information technology and software services industry, 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

These consolidated 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 consolidated 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 (as amended) 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 group and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Principles of consolidation

The Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits.

The financial statements of the Holding Company and its subsidiaries have been consolidated using uniform accounting policies.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated balance sheet respectively.

c) Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires that the Group 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 at the date of the consolidated financial statements. Examples of such estimates include the useful lives of property, plant and equipment and intangible assets, provision for doubtful debts/ advances, future obligations in

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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.

d) Depreciation

Depreciation on property, plant and equipment is provided using the straight-line method based on the useful lives of assets as estimated by the management. Depreciation is charged on pro-rata basis for assets purchased/sold during the year.

The following assets are depreciated at a rate which is different than the depreciation rates prescribed in Schedule II of the Companies Act, 2013 considering the estimated useful life of the assets and obsolescence:

Class of assets	Useful life as specified in Schedule II of the Companies Act, 2013 (in Years)	Useful life as followed by the group (in Years)
Office equipment	5	5
Office equipment – AC equipments	5	5
Furniture, fixtures and fittings	10	10
Computers	3	3
Servers	6	6
Vehicles	8	8
Service cell system	5	5

The Group believes that the useful lives as given above best represent the useful lives of these assets, based on internal assessment and supported by technical advice where necessary, which are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

e) Revenue recognition

- i) Revenue from services is recognised when the provision of services is complete and there is either no unfulfilled obligations on the group or unfulfilled obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services.
- 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 future estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.
- iii) Revenue from annual technical service contracts is recognised on a pro-rata basis over the period in which such services are rendered.
- iv) Revenue from sale of traded software licenses is recognised on delivery to the customer.
- v) 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.
- vi) Dividend income is recognised when the right to receive the dividend is established.
- vii) Interest income is recognised on time proportion basis.

f) Trade receivables

Trade receivables are recorded net of allowance for doubtful accounts. Allowance for doubtful accounts are established through evaluation of the trade receivables ageing and prior collection experience, current market conditions and the amount of receivable in dispute to ascertain ultimate collectability of these

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

receivables. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is remote.

g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of property, plant and equipment 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 recognised as tangible asset. The cost of computer and computer software for providing such services are grouped as 'Service Cell System'.

h) Foreign currency transactions

The consolidated financial statements are presented in Indian Rupee, which is Group's functional and presentation currency.

- i) Foreign currency transactions are recorded on initial recognition in the functional 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 Consolidated Statement of Profit and Loss in the period in which they arise.
- iv) For the purpose of consolidation, the amounts appearing in foreign currencies in the financial information of the foreign subsidiaries are translated at the following rates of exchange: (a) Average rates for the incomes and expenditure. (b) The year-end rates for the assets and liabilities.

i) 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 Consolidated 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.

j) 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 recognised in the period in which the employee renders the related service.

II. Post-employment benefits:

a) Defined contribution plans:

The Defined Contribution Plans such as Provident Fund etc., are charged to the Consolidated Statement of Profit and Loss as incurred. The contribution paid/payable under various schemes is recognised during the period in which the employees render the related service.

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b) Defined benefit plans:

The Group 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.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Consolidated 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 Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

III. Share based payments

Stock options granted by the Group are accounted using intrinsic value method. Intrinsic value of the option represents excess of the market value of the underlying share over its exercise price. Share based employee compensation is charged to the Consolidated Statement of Profit and Loss together with a corresponding increase in share options outstanding account, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Holding Company's best estimate of the number of equity instruments that will ultimately vest.

k) 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 Consolidated Statement of Profit and Loss in the period in which they are incurred.

l) Taxes on income

The provision for current taxation is computed in accordance with the relevant tax regulations applicable in respective jurisdiction. Deferred tax is recognised on the 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 deferred tax assets can be realised in the 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.

m) Intangible assets

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the group 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

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- 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.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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 4 years. Amortisation is recognised in the Consolidated Statement of Profit and Loss.

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

n) 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.

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.

o) 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 Group 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.

p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

q) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	11,000,000	110,000,000	11,000,000	110,000,000
	11,000,000	110,000,000	11,000,000	110,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	9,422,476	94,224,760	9,422,476	94,224,760
	9,422,476	94,224,760	9,422,476	94,224,760

a) Reconciliation of share capital

Equity shares

Balance at the beginning of the year	9,422,476	94,224,760	7,051,276	70,512,760
Add: Shares issued during the year	-	-	2,371,200	23,712,000
Balance at the end of the year	9,422,476	94,224,760	9,422,476	94,224,760

b) Rights, preferences and restrictions attached to equity shares

The Holding Company has equity shares, having par value of ₹ 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.

Pursuant to the investor agreement entered into with the shareholders of the Holding Company, 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 Rajasthan Trustee Company Private Limited (the "Investor") in preference to all other shareholders of the Holding Company (including the Promoters) from the assets, cash and/or property of the Holding 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 Holding Company to the shareholders of the Holding 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 Holding 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 of the Holding Company (excluding the Investor), in proportion to their shareholding.

In accordance with the investor agreement indicated in the preceding paragraph, subsequent to the listing of the equity shares of the Holding Company on NSE on 11 May 2018, the shares held by the investor rank pari passu with the remaining shares of the Holding Company without any preferential rights.

c) Shareholders holding more than 5% of the shares

	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Vijay Gupta	3,681,234	39.07%	3,681,234	39.07%
Rajasthan Trustee Company Private Limited	1,233,396	13.09%	1,407,796	14.94%
Babubhai K. Patel	650,304	6.90%	650,304	6.90%
	5,564,934	59.06%	5,739,334	60.91%

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d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Consolidated Balance Sheet date -

1. During the financial year ended 31 March 2018, 3,525,638 equity shares of ₹ 10 each had been allotted as fully paid up bonus shares by way of capitalisation of general reserves.
 2. Pursuant to the resolution passed by the Board of Directors of the Holding Company on 21 August 2017 and shareholders on 22 September 2017, the Holding Company has instituted "SoftTech Employees Stock Option Plan 2017" (ESOP 2017) for issue of stock options to the eligible employees. During the financial year ended 31 March 2018, the Holding Company had granted 35,116 shares under ESOP 2017 Plan wherein part consideration will be received in the form of employees' services. As per ESOP 2017, the options get adjusted for any bonus issue subsequent to the date of grant in the similar proportion of the bonus issue on equity shares.
- e) The Holding Company had made an initial public offering (IPO) of 2,371,200 equity shares of face value ₹ 10 each fully paid up for cash at a price of ₹ 80 per equity share (including share premium of ₹ 70 per equity share) aggregating to ₹ 189,696,000. The aforementioned equity shares were allotted on 9 May 2018. The equity shares of the Holding Company got listed on NSE on 11 May 2018.

- f) The proceeds from IPO were ₹ 189,696,000 and IPO related expenses were ₹ 25,482,857. The utilisation of the net proceeds are as follows:

	Planned as per Prospectus	Balance as at 31 March 2019	Utilisation during the financial year 2019-20	(₹ in lakhs) Balance as at 31 March 2020
Product development and enhancement costs	662.40	262.67	262.67	-
Funding of the domestic and international product penetration and marketing costs	598.12	441.96	441.96	-
Repayment/Pre-payment of certain unsecured borrowings availed by the Company	203.47	1.21	1.21	-
General corporate purposes (excluding transaction costs of IPO)	178.15	178.15	178.15	-
	1,642.14	883.99	883.99	-

g) Share Application money pending allotment:

Pursuant to the scheme of "SoftTech Employees Stock Option Plan 2017" (ESOP 2017) for issue of stock options to the eligible employees, the Company has received application money of ₹ 220,980 till 31 March 2020. The Company has authorised capital of 11,000,000 equity shares of face value of ₹ 10 each which is sufficient for allotment of 44,196 equity shares (including bonus shares). These shares have been allotted to employees on 05 May 2020.

4 Reserves and surplus

	As at 31 March 2020	As at 31 March 2019
Securities premium account		
Balance at the beginning of the year	240,130,092	99,628,949
Add: Additions made during the year	-	165,984,000
Less: Unamortised share issue expenses*	-	25,482,857
Balance as at the end of the year	240,130,092	240,130,092

*Unamortised share issue expenses incurred in connection with the Initial Public Offering (IPO) of the Holding Company, include fees paid to bankers, stock exchanges, lawyers, auditors etc. These expenses are adjusted against securities premium, arising on public issue of equity shares of the Company on 11 May 2018, in accordance with Section 52 of the Companies Act, 2013.

Share options outstanding account

Balance at the beginning of the year	1,802,148	707,895
Add: Employees' stock option compensation expense	379,762	1,094,253
Balance as at the end of the year	2,181,910	1,802,148

Surplus in the Consolidated Statement of Profit and Loss

Balance at the beginning of the year	271,702,093	203,130,776
Add : Transferred from Consolidated Statement of Profit and Loss	64,908,500	74,260,873
Less: Dividend on equity shares	4,711,238	4,711,238
Less: Tax on dividend (on equity shares)	968,630	978,318
Balance as at the end of the year	330,930,725	271,702,093
	573,242,727	513,634,333

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	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
5 Borrowings				
Secured				
Term loans (from others):				
Small Industries Development Bank of India (SIDBI)	15,350,000	-	44,849,000	-
Technology Development Board (TDB)	22,000,000	-	22,000,000	-
Axis Bank vehicle loan	2,208,110	-	2,713,653	-
Loans repayable on demand:				
Working capital loan from banks	-	108,630,172	-	70,692,697
	39,558,110	108,630,172	69,562,653	70,692,697
Unsecured				
Term loans				
From others	119,000,000	-	-	-
Loans from related parties	14,076,637	-	17,576,637	-
	133,076,637	-	17,576,637	-
Less : Current maturities of long-term borrowings (refer note 9)	5,401,322	-	30,404,543	-
	167,233,425	108,630,172	56,734,747	70,692,697

a) Details of guarantee for each type of borrowings

Guaranteed by directors (exclusive of interest, which is also guaranteed)

Term loans				
From others	39,558,110	-	69,562,653	-
Loans repayable on demand				
Working capital loan from banks	-	108,630,172	-	70,692,697

b) Nature of security and terms of repayment

Unsecured loan from RIB ITWO Software Private Limited

The total sanctioned loan amount is ₹ 140,000,000 which comprises of committed loan facility of ₹ 119,000,000 and uncommitted loan facility of INR 21,000,000 which is to be disbursed only at the sole discretion of the lender. The committed portion of loan facility was fully disbursed in the month of December 2019. Committed loan facility is carrying the interest rate of 6% p.a.. Loan facility amount shall be converted into equity shares of the Company thereby ensuring Lender's shareholding of 10% (ten percent) of the equity shares of the Company, for the full facility amount, subject to the applicable laws in relation thereto. If the uncommitted portion of the facility amount is not disbursed and conversion is effected by the lender, then the committed portion as disbursed, shall be proportionately converted to 8.5% of the Company's shareholding. The Conversion can be effected by lender within a period of 18 months from the date of disbursement. The repayment of this loan shall commence after the expiry of 3 years in 6 equal quarterly instalments.

Loans from related parties

This constitutes loan availed from managing director, Mr. Vijay Gupta of ₹ 13,439,662 (previous year - ₹ 16,939,662) and director, Mrs. Priti Gupta ₹ 636,975 (previous year - ₹ 636,975). These loans do not have a repayment schedule and carry an interest rate of 14% p.a..

Vehicle loan

Vehicle loan was obtained by the Holding Company in November 2018 at an interest rate of 8.70% p.a., secured against first charge on the underlying vehicle so purchased, repayable in 60 monthly instalments along with interest.

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b) Nature of security and terms of repayment

Nature of security
Term loans from others

Terms of repayment

- (a) SIDBI
Loan of 1,250,000 (Previous Year: ₹ 18,750,000) is secured against:
i) first charge by way of hypothecation on all moveable assets acquired from loan
ii) first charge by way of hypothecation on all the book-debts arising out of the project of implementing integrated online building permission management system in urban local bodies in the state of Andhra Pradesh
iii) extension of first charge by way of hypothecation on all IPRs owned by the Company and Vijay Gupta, both existing and future
iv) pledge of fixed deposits to the tune of 40% of the loan amount
v) pledge of fixed deposits of ₹ 1,500,000 towards Debt Service Reserve Account (DSRA)
vi) lien on contracted future receivables under the project to be deposited in designated escrow account.
vi) Personal guarantee from Vijay Gupta and Priti Gupta.
- (b) SIDBI
Loan of 14,100,000 (previous year: ₹ 16,500,000) is secured against:
i) first charge by way of hypothecation on all movable assets acquired from loan.
ii) extension of first charge by way of hypothecation of all the movable assets, book debts and actionable claims of the Company, acquired/to be acquired/arising out of earlier assistance of ₹ 500 lakhs.
iii) extension of lien on deposits created for earlier borrowings.
iv) extension of first charge by way of hypothecation on all IPRs owned by the Company, both existing and future.
v) extension of lien on contracted future receivables under the project to be deposited in designated escrow account.
vi) Personal guarantee from Vijay Gupta and Priti Gupta.
- (c) TDB
Loan is secured against:
i) Hypothecation of movable assets of the Company including assets created under the project ranking first pari pasu charge with other holders.
ii) Personal guarantee from Vijay Gupta and Priti Gupta pledging 3 Lakh shares of ₹ 10 each having face value of ₹ 3,000,000.
iii) Own corporate guarantee of SoftTech Engineers Limited
- Repayable in 1 instalment of ₹ 1,250,000 per month from the end of the reporting period along with interest at SIDBI PLR - 100 basis points, currently at 10.50% p.a.
- Repayable in 47 monthly instalments of ₹ 300,000 per month from the end of the reporting period along with fixed interest at 10% p.a.
- Loan of ₹ 24,500,000 will be disbursed in 3 instalments, with two instalments of ₹ 7,500,000 and ₹ 14,500,000 disbursed on 28 March 2017 and 16 February 2019.
- As per old repayment schedule, the first instalment was due in March 2020. However, as per negotiation during current year, the first repayment will be done in April 2021. TDB is in the process of issuing a revised repayment schedule to the Company. The interest rate is 5% p.a..

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b) Nature of security and terms of repayment

Nature of security
Loan repayable on demand

Terms of repayment

Working capital loan from banks

Loan is secured against:

- i) First charge by way of hypothecation over entire current assets of the Company, both present and future along with residual / sub-servient charge with SIDBI
- ii) First pari pasu charge by way of hypothecation over entire movable fixed assets (excluding assets financed by SIDBI) of the Company, both present and future, with TDB and Residual / sub-servient charge with SIDBI
- iii) First charge over all the immovable assets of the Company with residual / sub-servient charge with SIDBI
- iv) Equitable mortgage on flat at Bibewadi, Pune, owned jointly in the name of Vijay Gupta and Priti Gupta
- v) Equitable mortgage on flat at Wagholi, Pune, owned jointly by Vijay Gupta and Priti Gupta
- vi) Lien on fixed deposits of ₹ 36 lakhs and ₹ 243 lakhs to be created.
- vii) Lien on recurring deposit of ₹ 42 lakhs (₹ 1.75 lakhs p.m. for 24 months starting from March 2018) and ₹ 120 lakhs (12 monthly instalments of ₹ 10 lakhs p.m. started from March 2019)
- viii) Assignment of LIC policies of ₹ 64 lakhs in the name of Vijay Gupta having surrender value of ₹ 24 lakhs (as on October 2016).
- ix) Negative lien on the office premises (Unit 5C, 5th Floor, Pentagon) located at Swargate, Pune, owned jointly by Vijay Gupta and Priti Gupta.
- x) Personal guarantee from Vijay Gupta, Neetesh Singhal and Priti Gupta.

Interest rate is 3 month MCLR rate plus 1.95% p.a. currently 9.95% p.a.

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

	As at 31 March 2020	As at 31 March 2019
6 Other long-term liabilities		
Dealer deposits	50,000	50,000
	50,000	50,000

	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
7 Provisions				
Provision for gratuity (refer note (a) below)	7,747,643	4,180,624	6,081,121	2,823,794
Provision for compensated absences (refer note (b) below)	1,122,449	635,383	382,870	196,878
Provision for income tax (net of advance tax)	-	4,575,114	-	-
	8,870,092	9,391,121	6,463,991	3,020,672

a Gratuity

Defined Benefit Plan: - The Holding Company provides for gratuity benefit 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 Holding 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 Holding Company intends to discharge this liability through its internal resources.

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Change in benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	8,904,915	6,773,773
Current service cost	1,625,721	1,468,880
Interest cost	619,610	483,394
Actuarial loss	884,706	298,809
Benefits paid	(106,685)	(119,941)
PBO at the end of the year	11,928,267	8,904,915
Net gratuity cost comprises the following components:		
Current service cost	1,625,721	1,468,880
Interest cost	619,610	483,394
Recognised net actuarial loss	884,706	298,809
Net gratuity cost	3,130,037	2,251,083

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

Discount rate	5.80%	7.00%
Rate of increase in compensation levels	10.00%	10.00%
Rate of return on plan assets	NA	NA
Mortality rate	IALM Mortality- Tables (2012-14) Ultimate	IALM Mortality- Tables (2012-14) Ultimate

Details of present value of obligation, plan assets and experience adjustments:

	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
Present value of obligation	11,928,267	8,904,915	6,773,773	5,276,793	4,197,826
Fair value of plan assets	-	-	-	-	-
Deficit	11,928,267	8,904,915	6,773,773	5,276,793	4,197,826
Experience adjustments:					
On plan liabilities: (gain)/loss	430,269	25,453	(67,154)	62,406	(88,795)

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b Compensated absences

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Consolidated Statement of Profit and Loss for the period is ₹ 1,178,084 (Previous Year - ₹ 365,833).

c Employee stock compensation (ESOP 2017 Scheme)

The Holding Company had instituted Employees' Stock Option Plan "ESOP 2017" under which the stock options have been granted to the employees. The scheme was approved by the shareholders of the Holding Company at the annual general meeting held on 22 September 2017.

The details of activities under the ESOP 2017 scheme are summarised as follows:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	70,232	5.00	70,232	5.00
Granted during the year	-	-	-	-
Adjusted for bonus#	-	-	-	-
Lapsed during the year	3,354	5.00	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	66,878	5.00	70,232	5.00
Exercisable at the end of the year	44,585	5.00	-	-

* WAEP denotes weighted average exercise price

The Holding Company incurred ₹ 379,762 (Previous Year - ₹ 1,094,253) towards employee stock compensation during the year.

The Holding Company measures the cost of ESOP using intrinsic value method. Had the Holding Company used fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit after tax attributable to equity shareholders	64,908,500	74,260,873
Add: ESOP cost using intrinsic value method	379,762	1,094,253
Less: ESOP cost using fair value method	287,675	839,613
Proforma profit after tax	65,000,587	74,515,513
Basic earnings per share		
- as reported	6.89	8.10
- proforma	6.90	8.13
Diluted earnings per share		
- as reported	6.84	8.04
- proforma	6.85	8.07

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	As at 31 March 2020	As at 31 March 2019
8 Trade payables		
Dues to micro and small enterprises (refer note (a) below)	1,096,604	224,112
Dues to other than micro and small enterprises	19,983,923	17,368,021
	21,080,527	17,592,133

Details of dues to micro and small enterprises as defined under MSMED Act, 2006

a. Based on information and records available with the Holding Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows;

	As at 31 March 2020	As at 31 March 2019
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	1,096,604	224,112
Interest due to suppliers registered under MSMED Act on the principal amount due as at year end and remaining unpaid as at year end	3,797	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,594,621	2,434,507
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made	3,738	34,518
Further interest remaining due and payable for earlier years	34,518	-
Interest accrued and remaining unpaid as at the year end	42,053	34,518

	As at 31 March 2020	As at 31 March 2019
9 Other current liabilities		
Current maturities of long-term borrowings	5,401,322	30,404,543
Interest accrued but not due on borrowings	4,240,658	1,409,357
Statutory dues	26,319,172	16,699,205
Advance from customers	548,004	1,751,746
Payable towards capital purchases	8,641,533	-
Outstanding expenses	44,901,106	37,469,008
Unpaid Dividend	20,800	-
	90,072,595	87,733,859

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

10 Property, plant and equipment

	Furniture and fixtures	Vehicles	Office equipment	Computers	Service cell system	Total
Gross block						
Balance as at 1 April 2018	8,281,463	1,221,812	1,424,055	19,456,001	35,058,137	65,441,468
Additions	681,366	3,389,082	1,314,463	2,447,017	-	7,831,928
Disposals	-	1,221,812	169,390	7,297,481	7,499,574	16,188,257
Balance as at 31 March 2019	8,962,829	3,389,082	2,569,128	14,605,537	27,558,563	57,085,139
Additions	21,000	-	172,166	3,094,278	-	3,287,444
Disposals	-	-	-	-	-	-
Balance as at 31 March 2020	8,983,829	3,389,082	2,741,294	17,699,815	27,558,563	60,372,583
Accumulated depreciation						
Balance as at 1 April 2018	6,767,850	1,221,812	956,098	17,470,248	29,049,717	55,465,725
Depreciation charge	515,322	189,185	287,455	1,643,232	4,267,375	6,902,569
Reversal on disposal of assets	-	1,221,812	130,200	7,297,481	7,499,574	16,149,067
Balance as at 31 March 2019	7,283,172	189,185	1,113,353	11,815,999	25,817,518	46,219,227
Depreciation charge	537,035	423,635	541,157	1,836,191	1,678,013	5,016,031
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31 March 2020	7,820,207	612,820	1,654,510	13,652,190	27,495,531	51,235,258
Net block						
Balance as at 31 March 2020	1,163,622	2,776,262	1,086,784	4,047,625	63,032	9,137,325
Balance as at 31 March 2019	1,679,657	3,199,897	1,455,775	2,789,538	1,741,045	10,865,912

11 Intangible assets

	Computer software	Internally generated software	Total
Gross block			
Balance as at 1 April 2018	13,542,843	220,584,746	234,127,589
Additions	2,004,512	32,057,588	34,062,100
Disposals	1,643,785	-	1,643,785
Balance as at 31 March 2019	13,903,570	252,642,334	266,545,904
Additions	-	54,978,107	54,978,107
Disposals	-	-	-
Balance as at 31 March 2020	13,903,570	307,620,441	321,524,011
Accumulated amortisation			
Balance as at 1 April 2018	12,767,629	144,528,190	157,295,819
Amortisation charge	816,547	32,700,243	33,516,790
Reversal on disposal	1,643,785	-	1,643,785
Balance as at 31 March 2019	11,940,391	177,228,433	189,168,824
Amortisation charge	639,116	31,539,530	32,178,646
Reversal on disposal	-	-	-
Balance as at 31 March 2020	12,579,507	208,767,963	221,347,470
Net block			
Balance as at 31 March 2020	1,324,063	98,852,478	100,176,541
Balance as at 31 March 2019	1,963,179	75,413,901	77,377,080

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
12 Non-current investments				
Valued at cost unless stated otherwise				
Trade, unquoted investments				
Investments in others				
The Mahesh Sahakari Bank Limited (14,192 equity shares (Previous Year: 14,192 equity shares) of ₹ 25 each fully paid up)	354,800		354,800	
The Saraswat Co-operative Bank Limited (2,500 equity shares (Previous Year: 2,500 equity shares) of ₹ 10 each fully paid up)	25,000		25,000	
	379,800		379,800	
Aggregate amount of unquoted investment	379,800		379,800	
13 Deferred tax assets				
Deferred tax assets				
Provision for employee benefits	3,985,392		2,761,934	
Provision for doubtful balances	2,300,056		2,670,513	
On depreciation and amortisation	6,834,343		6,170,720	
	13,119,791		11,603,167	
	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
14 Loans and advances				
(Unsecured, considered good (unless otherwise stated))				
Security deposits	6,396,040	-	4,164,115	5,315,960
Advance taxes (net of provision)	-	-	9,375,903	-
Balances with government authorities*	21,104,217	-	-	-
Advances to related parties	618,378	-	618,378	-
Prepaid expenses	1,008,186	1,976,699	1,614,232	1,496,490
Advance to employees and others	-	3,615,128	-	6,992,091
Tender deposits	1,769,718	1,250,000	3,479,023	255,008
	30,896,539	6,841,827	19,251,651	14,059,549

* During the financial year 2019-20, the Holding Company has received communication under section 70 of the CGST Act, 2017 from the DGGI, Zonal Unit, Pune in relation to input tax credit allegedly wrongly availed by the Company. The GST officers have taken the relevant records of the Company for further investigation. The management of the Company based on discussions and frequent meetings with the GST officers, have paid the input tax credit availed of INR 1.79 crores under protest. The Holding Company has obtained appropriate legal opinion which clearly indicates that the Holding Company has a good case to claim refund of the amount paid under protest and accordingly, the amount paid has been disclosed under the head "Balances with government authorities" in the financial statements. The matter is still in the jurisdiction of DGGI Pune and is yet to be concluded. Further, the Holding Company is yet to receive a show cause notice or any order in this regard.

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	As at 31 March 2020	As at 31 March 2019
15 Other non-current assets		
(Unsecured, considered good (unless otherwise stated))		
Bank deposits with maturity of more than 12 months (Refer note (a) below)	79,276,823	67,578,182
Interest accrued but not due on bank deposits and others	13,502,485	9,161,792
Trade receivables	3,959,057	4,930,960
	96,738,365	81,670,934
(a) Details of bank deposits pledged		
(i) Deposit of ₹ 21,500,000 (Previous Year: ₹ 21,500,000) are pledged as security against the long-term borrowings.		
(ii) Deposit of ₹ 39,900,000 (Previous Year: ₹ 8,475,000) are pledged as security against the short-term borrowings.		
(iii) Deposit of ₹ 17,876,823 (Previous Year: ₹ 17,603,182) are held against bank guarantees.		
16 Current investments		
Non-trade, unquoted investments in mutual funds		
19,482.193 Units (Previous Year: NIL Units) of SBI Liquid Fund - Regular plan -Growth	60,000,000	-
6,540.401 Units (Previous Year: NIL Units) of HDFC Low Duration Fund	25,220,553	-
NIL Units (Previous Year: 857.733 Units) of HDFC liquid fund- growth plan	-	3,068,215
NIL Units (Previous Year: 1,727.431 Units) of Reliance liquid fund growth plan- growth option	-	7,621,401
NIL Units (Previous Year: 30,101.156 Units) of Reliance ultra short duration fund- growth option (refer note (a) below)	-	87,500,000
NIL Units (Previous Year: 5,379.721 Units) of UTI money market fund- regular growth plan	-	10,775,525
	85,220,553	108,965,141
Aggregate amount of unquoted investments	85,220,553	108,965,141
(a) Amount of ₹ 57,500,000 was paid on 29 March 2019 and 30 March 2019, against which 19,742.16 Units of mutual fund were allotted on 2 April 2019.		
17 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	73,652,053	93,163,383
Doubtful	7,898,543	9,170,717
	81,550,596	102,334,100
Less : Allowances for bad and doubtful debts	(7,898,543)	(9,170,717)
	73,652,053	93,163,383
Other debts		
Unsecured, considered good	286,208,894	95,064,311
	359,860,947	188,227,694
18 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	5,794	12,037
Balances with banks		
- in current accounts	1,461,594	13,857,410
	1,467,388	13,869,447
Other bank balances		
Balances in escrow account (refer note 5(b))	1,043,477	14,646
	2,510,865	13,884,093

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	As at 31 March 2020	As at 31 March 2019
19 Other current assets (Unsecured, considered good (unless otherwise stated))		
Unbilled revenue	307,630,834	272,817,459
	307,630,834	272,817,459
20 Commitments and contingencies		
(i) Claims against the Company not acknowledged as debt		
Central Sales Tax liability for Financial Year 2012-13	4,131,770	4,131,770
Value Added Tax liability for Financial Year 2012-13	55,505	55,505
(ii) Bank guarantees	72,685,179	72,108,569
(iii) Other matters for which the Company is contingently liable		
Potential non-recoverability of certain receivables	762,041	762,041
(iv) Provident fund	Amount not determinable	

The Hon'ble Supreme Court, has passed an order on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employee's Provident Funds & Miscellaneous Provisions Act, 1952. The Holding Company, based on legal advice is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Holding Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

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SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
21 Revenue from operations		
Sale of services	508,540,994	574,350,762
Sale of products	70,929,202	53,204,027
	579,470,196	627,554,789
22 Other income		
Interest income		
From fixed deposits in banks	5,161,982	3,244,765
From other deposits	214,008	214,008
Dividend income		
From current investments	2,015,388	1,944,918
From non-current investments	-	42,900
Gain on foreign currency transactions and translations (net)	491,614	771,411
Miscellaneous income	1,786,255	1,659,009
	9,669,247	7,877,011
23 Employee benefits expense		
Salaries and bonus (Refer note 7(a) and 7(b))	105,383,664	93,156,837
Contribution to provident fund and other funds (Refer note below)	4,938,478	3,369,980
Employees' stock option compensation	379,762	1,094,253
Staff welfare expenses	945,352	2,377,750
	111,647,256	99,998,820
Defined Contribution Plan: The amount recognised as an expense during the period is ₹ 4,938,478 (Previous Year: ₹ 3,369,980)		
24 Finance costs		
Interest expense	16,653,271	14,406,676
Other borrowing costs	119,867	1,659,512
Interest on delayed payment of statutory dues	148,380	770,897
	16,921,518	16,837,085
25 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 10)	5,016,031	6,902,569
Amortisation of intangible assets (refer note 11)	32,178,646	33,516,790
	37,194,677	40,419,359

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

26 Other expenses	Year ended 31 March 2020	Year ended 31 March 2019
Electricity charges	1,341,722	1,342,512
Rent (refer note 29)	7,707,176	5,056,888
Repairs and maintenance	1,308,151	2,874,938
Insurance	1,098,852	639,622
Rates and taxes	544,150	850,306
Travelling and conveyance	16,889,560	14,750,990
Sub-contracting expenses	30,501,153	24,852,775
Professional fees for technical consultants	160,058,314	223,798,699
Auditors' remuneration (refer note (a) below)	1,369,280	1,365,250
Legal and professional expenses	21,502,352	17,439,974
Bank charges	1,562,900	1,427,753
Sales promotion expenses	3,451,749	3,057,405
Printing and stationery	1,603,888	1,073,388
Office expenses	1,434,812	1,496,782
Postage and telephone	763,135	718,853
Internet charges	809,343	875,519
Brokerage and commission	61,094	269,925
Bad debts and advances written off	6,156,131	12,023,608
Provision for doubtful balances	-	597,239
Donation	12,000	-
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 33)	1,859,100	350,000
Prior period expenses	29,435	1,825,520
Loss on sale of equipment	-	39,190
Miscellaneous expenses	4,707,975	6,662,480
	264,772,272	323,389,616

a. Auditors' remuneration (excluding Goods and Services Tax)

As auditor		
Statutory audit	1,025,000	975,000
Limited review	300,000	200,000
Certification fees	22,000	135,000
Reimbursement of expenses	22,280	55,250
	1,369,280	1,365,250

27 Segment reporting

The Group is primarily an information technology and software services organisation. For the purpose of disclosure of segment information, the Group considers this business as a single business segment (i.e. Business consulting and software implementation and related support activities). Further, the Group 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 Group.

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

28 Related party disclosures

a) Names of related parties and description of relationship:

Name of the related party	Nature of relationship
CoVisible Solutions (India) Private Limited	Enterprise over which key managerial personnel and their relatives exercise significant influence
Vijay Gupta	Managing director
Priti Gupta	Director
Sridhar Pillalamari	Director (w.e.f. 3 March 2018)
Rahul Gupta	Director
Ravi Mathur	Director (upto 4 March 2019)
Dominik Keller	Director (w.e.f. 27 December 2019)
Sundararajan Srinivasan	Director (w.e.f. 27 August 2019)
Chirag Gupta	Son of Vijay Gupta
Pawan Gupta	Relative of Director
Anand Chandraprakashji Dad	Chief Financial Officer (upto 6 October 2018)
Amit Katariya	Chief Financial Officer (From 6 October 2018 to 1 April 2019)
Piranvez Irani	Chief Financial Officer (w.e.f. 20 April 2019)
Aishwarya Patwardhan	Company Secretary
SoftTech Engineers Finland OY	Subsidiary
SoftTech Engineers Inc.	Subsidiary
SoftTech Government Solutions Inc.	Fellow Subsidiary
RIB ITWO Software Private Limited	Enterprise over which key managerial personnel and their relatives exercise significant influence
Rajasthan Trustee Company Private Limited	Enterprise having significant influence over the Company (upto 9 May 2018)

b) Transactions with related parties:

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Loan taken		
Vijay Gupta	-	3,000,000
Priti Gupta	2,500,000	-
RIB ITWO Software Private Limited	119,000,000	-
Loan repaid		
Vijay Gupta	3,500,000	3,600,000
Priti Gupta	2,500,000	-
Rent paid		
Priti Gupta	747,639	712,032
Interest expense		
Vijay Gupta	2,102,952	2,466,753
Priti Gupta	203,096	-
RIB ITWO Software Private Limited	1,872,787	-
Remuneration paid		
Vijay Gupta	5,200,000	4,242,462
Priti Gupta	1,316,280	1,081,080
Aishwarya Patwardhan	364,303	281,264
Anand Dad	-	361,936
Amit Katariya	-	999,195
Piranvez Irani	2,379,435	-
Receiving services		
Pawan Gupta	300,000	275,000

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

Related party disclosures (Continued)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
Sitting fees paid		
Sridhar Pillalamari	75,000	100,000
Rahul Gupta	100,000	100,000
Sundararajan Srinivasan	75,000	-
Dividend paid		
Vijay Gupta	1,840,617	1,840,617
Priti Gupta	16,545	16,545
Chirag Gupta	18,400	-
CoVisible Solutions (India) Private Limited	149,574	149,574
Rajasthan Trustee Company Private Limited	-	703,898

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

Nature of balances	As at 31 March 2020	As at 31 March 2019
Amount receivable		
Advance towards expenses		
CoVisible Solutions (India) Private Limited	618,378	618,378
Security deposit		
Vijay Gupta	553,395	553,395
Priti Gupta	202,000	202,000
Amount payable		
Unsecured loan		
Vijay Gupta	13,439,662	16,939,662
Priti Gupta	636,975	636,975
RIB ITWO Software Private Limited	119,000,000	-
Remuneration payable		
Vijay Gupta	1,097,569	286,490
Priti Gupta	245,843	94,380
Interest Payable		
Vijay Gupta	2,230,907	1,098,243
Priti Gupta	182,786	-
RIB ITWO Software Private Limited	1,685,508	-
Rent payable		
Priti Gupta	78,518	54,044
Consultancy fees payable		
Pawan Gupta	174,928	169,928

- 29** The Group has entered into operating lease agreements for office facilities and such leases are basically cancellable in nature with remaining lease period ranging from 1 to 4 years.
Lease rental expense recognised in the Consolidated Statement of Profit and Loss for the period 1 April 2019 to 31 March 2020 in respect of operating lease is ₹ 7,707,176 (Previous Year - ₹ 5,056,888).

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(Amount in ₹ except for share data, and if otherwise stated)

30 Earning per share (EPS)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Computation of net profit for the year		
Profit after tax attributable to equity shareholders (₹)	64,908,500	74,260,873
b) Computation of number of shares for Basic EPS		
Weighted average number of shares	9,422,476	9,169,115
c) Computation of number of shares for Diluted EPS		
Weighted average number of shares	9,486,723	9,231,674
Basic earnings per share(₹)	6.89	8.10
Diluted earnings per share(₹)	6.84	8.04
Nominal value per equity share (₹)	10.00	10.00

31 For disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information, refer below:

Amount in ₹

Name of the entities	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount
2019-20				
Parent:				
SoftTech Engineers Limited	102.36%	683,519,307	118.69%	77,065,422
Subsidiary:				
- Foreign				
SoftTech Engineers Inc.	0.14%	932,416	0.69%	446,329
SoftTech Finland OY	-0.71%	(4,743,652)	-2.21%	(1,433,336)
SoftTech Government Solutions Inc.	-1.57%	(10,490,916)	-17.17%	(11,148,431)
Sub-total	100.22%	669,217,155	100.00%	64,929,984
Inter-company eliminations and consolidation adjustments	-0.22%	(1,454,523)	0.00%	-
Total	100.00%	667,762,632	100.00%	64,929,984
Minority interests in subsidiaries	0.01%	74,166	0.03%	21,485

Name of the entities	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount
2018-19				
Parent:				
SoftTech Engineers Limited	100.60%	611,533,012	104.97%	77,934,792
Subsidiary:				
- Foreign				
SoftTech Engineers Inc.	0.08%	481,764	-0.24%	(174,779)
SoftTech Finland OY	-0.54%	(3,310,316)	-4.73%	(3,513,122)
SoftTech Government Solutions Inc.	0.11%	643,293	0.00%	(0)
Sub-total	100.25%	609,347,753	100.00%	74,246,891
Inter-company eliminations and consolidation adjustments	-0.25%	(1,454,523)	0.00%	-
Total	100.00%	607,893,230	100.00%	74,246,891
Minority interests in subsidiaries	0.01%	34,137	-0.02%	(13,982)

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

Particulars		As at 31 March 2020		As at 31 March 2019	
		(₹)	FX	(₹)	FX
Trade receivables	USD	5,718,021	75,850	10,059,478	145,621
Trade receivables	MYR	12,114,690	700,000	-	-

SoftTech Engineers Limited**Significant accounting policies and other explanatory information****(Amount in ₹ except for share data, and if otherwise stated)****33 Corporate Social Responsibility (CSR)**

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Holding Company. The financial details as sought by the Companies Act, 2013 are as follows :

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
Average net profit of the Holding Company for last three financial years	92,955,384	73,062,084
Prescribed CSR expenditure (2% of the average net profits as computed above)	1,859,108	1,461,242
Total amount to be spent for the year	1,859,108	1,461,242
Amount spent	1,859,100	350,000
Amount unspent	8	1,111,242

34 Estimation uncertainty relating to the global health pandemic - COVID-19

In assessing the recoverability of receivables including unbilled receivables, the Group has considered internal and external information up to the date of these consolidated financial statements including economic forecasts. The majority of the customers of the Group are municipal corporatins and based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from the estimate as at the date of these financial statements and the Group will closely monitor any material changes to future economic conditions and respond accordingly.

35 Prior year comparitives

Previous year figures have been regrouped/ reclassified, wherever required, to confirm to current year classification

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Bharat Shetty

Partner

Membership No.: 106815

For and on behalf of the Board of Directors

Sd/-

Vijay Gupta

Managing Director

DIN: 1653314

Sd/-

Aishwarya Patwardhan

Company Secretary

Membership No. A54477

Sd/-

Priti Gupta

Director

DIN: 1735673

Sd/-

Piranvez Irani

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Place : Pune

Date : 10 July 2020