To,
National Stock Exchange of India Limited
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

SYMBOL: SOFTTECH

7th September, 2021

Sub: Intimation of 25th Annual General Meeting and Annual Report of the Company for Financial Year 2020-21

Dear Sir/ Madam,

This is to intimate that the 25th Annual General Meeting of members of the Company will be held on Thursday, 30th September, 2021, at 2:30 P.M through video conferencing ('VC') / other audio visual means ('OAVM') to transact the business set out in notice convening AGM as attached herewith.

Further pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 we submit herewith the Annual Report of the Company for FY 2020-21 along with the notice convening the Annual General Meeting. Copy of the annual report along with the notice of the annual general meeting is also available on the website of the Company at www.softtech-engr.com.

This is for your information and records.

Thanking you.

Yours Sincerely,
For SoftTech Engineers Limited

Patwardhan

Aishwarya Patwardhan
Company Secretary

SoftTech Engineers Limited
CMMi / 3, ISO 9001: 2015
CIN: L30107PN1996PLC016718
Registered Office : SoftTech Towers, S NO 1/1A/7 8 15 16 17 Plot No. B,C,D, 1-Baner,
Opp. Royal Enfield Showroom, Baner Road, Pune: 411045
T : +91 20 67183711 | enquiries@softtech-engr.com | www.softtech-engr.com

NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE is hereby given that Twenty Fifth Annual General Meeting of the Members of SoftTech Engineers Limited will be held on Thursday, 30th September, 2021**,** 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 Standalone and Consolidated Audited financial statements as on 31st March, 2021 and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a director in place of Mr. Pratik Patel (DIN: 08798734), who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint M/s P G Bhagwat LLP, Chartered Accountants (Firm Registration No. 101118W/W100682) as Statutory Auditors of the Company and in this regard, pass the following resolution as a Special Resolution

   "RESOLVED THAT in accordance with the provisions of Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and rules thereto (Including any Statutory Modification or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board, M/s P G Bhagwat LLP, Chartered Accountants (Firm Registration No. 101118W/W100682), be and are hereby appointed as the Statutory Auditors of the Company to hold the office for 5 (Five) years from the conclusion of this 25th Annual General Meeting till the conclusion of 30th Annual General Meeting.

   RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to fix the remuneration and reimbursement of out-of-pocket expenses, if any incurred as mutually agreed upon and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to the resolution."

B. Special Business:

4. To consider waiver of excess managerial remuneration and in this regard, pass the following resolution as a Special Resolution:

   "**RESOLVED THAT** upon recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, pursuant to the provisions of Section 197 of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder (Including any Statutory Modification or re-enactment thereof, for the time being in force) and pursuant to the Articles of Association of the Company, approval of the Members be and is hereby accorded for the waiver of excess managerial remuneration of INR 2,194,006/- (Indian Rupees Twenty One Lakh Ninety Four Thousand Six only) paid to Mr. Vijay Gupta, Chairman and Managing Director (DIN : 01653314) of the Company for the Financial Year 2020-21 due to lower profits and thereby being in excess of maximum remuneration permissible under the Act and approved by the Shareholders.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Company Secretary and/or Chief Financial Officer be and are hereby authorised to finalise, settle and execute such document(s) / deed(s) / writing(s) / paper(s) / agreement(s) as may be required, in respect of the aforesaid payment of remuneration and to do all acts, deeds, matters and things that may be deemed necessary, proper and expedient for the purpose of giving effect to this resolution.

5. To fix the managerial remuneration for Mr. Vijay Gupta, Chairman and Managing Director(DIN : 01653314) and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder read with the limits under Schedule V; including any statutory modification or re-enactment thereof, or any other law and as recommended by Nomination and Remuneration Committee and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard, the consent of the members of the Company be and is hereby accorded for fixing the minimum remuneration payable to Mr. Vijay Gupta (DIN: 01653314) as a Managing Director of the Company for the period of 3 years with effect from 1st April, 2021, as per below mentioned details:

a. Salary: Rs. 60,00,000/-. (Indian Rupees Sixty Lakh Only) per annum 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

b. Other: The other terms and conditions of appointment of Mr. Vijay Gupta shall remain unchanged.

Notwithstanding anything herein and the statement annexed to the notice, where, in any financial year during the currency of tenure of the Managing Director the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites as per the limits specified in the Companies Act, 2013 and the rules made thereunder read with the limits under Schedule V as the minimum remuneration.

RESOLVED FURTHER THAT any director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution.”

6. Issue of Equity Shares on a Preferential Issue/Private Placement Basis and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof for the time being in force) (the “Act”), the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (“SEBI ICDR Regulations”); the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (“Listing Regulations”) and any other rules/regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (“SEBI”), Stock Exchange where the Shares of the Company are listed (“Stock Exchanges”) and/or any other statutory/regulatory authority and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitutes to exercise its powers including the powers conferred by this resolution), the consent of the Members of the Company (“Members”) be and is hereby accorded to create, offer, issue and allot on preferential issue and private placement basis and in one or more tranches, for cash, upto 6,66,666 (Six Lakh Sixty Six Thousand Six Hundred Sixty Six) equity shares of the Company of face value of INR 10 (Indian Rupees Ten only) each (“Equity Shares”), at a minimum issue price of INR 150 (Indian Rupees One Hundred and Fifty) per Equity Share, including premium, and that the aggregate amount of consideration shall not exceed INR 10,00,00,000 (Indian Rupees Ten Crore Only), to the following Investors (“Proposed Allottee”), who does not belong to the promoter and promoter group of the Company, subject to applicable laws and regulations, including the provisions of Chapter V of the SEBI ICDR Regulations and the Act:

Sr. No.	Name of Proposed Allottee	Maximum No. of Equity Shares	Maximum Consideration Amount (Rs.)
1	School of Design and Entrepreneurship LLP	3,33,333	5,00,00,000
2	Mr. Dilip Madanlal Bhootra	3,33,333	5,00,00,000

RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the issue price, as may be mutually agreed by and between the Company and the Proposed Allottee, such that it shall not be less than INR 150 (Indian Rupees One Hundred and Fifty) per Equity Share, including premium, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT in terms of the provisions of SEBI ICDR Regulations, the "Relevant Date" for the purpose of determination of minimum price for the issue and allotment of Equity Shares as mentioned above is August 31, 2021, being the date 30 (thirty) days prior to the date of this Annual General Meeting.

RESOLVED FURTHER THAT subject to the receipt of such approvals as may be required under applicable law, consent of the Members is hereby accorded to record the name and address of the Proposed Allottee and issue a private placement offer cum application letter in Form No. PAS-4, to the Proposed Allottee inviting to subscribe to the Equity Shares in accordance with the provisions of the Act.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue and allotment of the Equity Shares to the Proposed Allottee shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

(a) Equity Shares to be issued and allotted pursuant to this resolution shall be listed and traded on the National Stock Exchange of India Limited SME platform and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company;

(b) The Equity Shares allotted to the Proposed Allottee shall rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights);

(c) The Proposed Allottee shall be required to bring in the entire consideration for the Equity Shares to be allotted to the Proposed Allottee, on or before the date of allotment thereof;

(d) No partly paid-up Equity Shares shall be issued/allotted;

(e) The consideration for allotment of Equity Shares shall be paid to the Company from the bank account(s) of the Proposed Allottee;

(f) The Equity Shares shall be allotted within the timeline prescribed under Regulation 170 of SEBI ICDR Regulations;

(g) Allotment of Equity Shares shall only be made in dematerialized form; and

(h) The Equity Shares allotted on a preferential basis shall remain locked-in in accordance with the provisions of SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modification(s) or modify the terms of issue of Equity Shares, subject to the provisions of the Act and SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors, Chief Financial Officer or Company Secretary of the Company, be and are hereby, jointly / severally, authorised to do all such acts, deeds, matters and things as they may in their absolute discretion consider necessary, desirable or expedient including for the signing and issue of private placement letter offer cum application letter, allotment of shares, making of application(s) to Stock Exchange(s) for obtaining in-principle approval, allotment and listing of the Equity Shares, filing of requisite documents with the Registrar of Companies, filing of requisite documents with the Depositories, Registrar and Transfer Agent etc. and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the Equity Shares, utilization of issue proceeds, signing of all deeds and documents as may be required and effecting any modifications, changes, variations, alterations, additions and/or deletions to the foregoing conditions as may be required by any regulatory or other authorities or agencies involved in or concerned with the issue of the Equity Shares without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to delegate any or all of the powers conferred upon it by this resolution to any committee of directors of the Company ("Committees"), any other director(s) of the Company, and/or officer(s) of the Company."

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

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

Place: Pune
Date: 04.09.2021

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, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs, 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.

3. 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. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

9. 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 at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for appointment/ reappointment.

10. 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.

11. 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.

12. 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.

13. 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).

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2020-21, 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 2020-21 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.

15. 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.

16. **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.

17. 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.

18. 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 ASUNDER:-

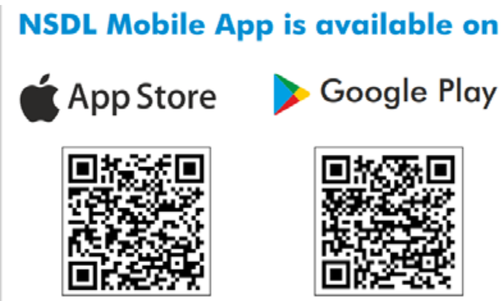
The remote e-voting period begins on Monday, 27th September, 2021(09.00 a.m. IST) and ends on Wednesday 29th September, 2021 at (05.00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 23rd September, 2021 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: Access to NSDL e-Voting system
A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode
In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page.

	Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **“Register Online for IDeAS Portal”** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) 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.

c) How to retrieve your 'initial password'?

(i) 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'.

(ii) 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:
   a) 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.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) 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 etc.
   d) 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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.
2. 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.

3. 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 1020 990 and 1800 22 44 30 or send a request to Mr. Abhijeet Gunjal 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) toinvestors@softtech-engr.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/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 THROUGHVC/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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.

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. 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.: 2

Mr. Pratik Patel (DIN: 08798734) is liable to retire by rotation and being eligible, offers himself for re-appointment. Pursuant to the recommendations of Nomination and Remuneration Committee of the Board, the Board of Directors of the Company in their meeting held on 1st September, 2021 have approved re-appointment of Mr. Pratik Patel.

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.
Mr. Pratik Patel (DIN: 08798734) was appointed as an 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. His appointed was approved by the shareholders at the 24th AGM held on 28th September, 2020 for the period of 5 years w.e.f. 1st September, 2020.

Shareholding in the Company: -
As on 31st March, 2021, Mr. Pratik Patel holds 6,50,304 equity shares in the Company.

He is a Director of following Companies:
NIL

Membership of Committees:
NIL

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, except Mr. Pratik Patel. The Board recommends above resolution for the approval of the members of the Company.

ITEM NO.: 3

M/s. Walker Chandiok & 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 up to the conclusion of the 25th Annual General Meeting of the Company to be held in current year on 30th September, 2021. One of the Shareholders of the Company has served a special notice under section 140 of the Companies Act 2013 and recommended that M/s. P. G. Bhagwat LLP, Chartered Accountants be appointed as the Statutory Auditors of the Company. The Company served the said special notice to M/s. Walker Chandiok & Co LLP, Chartered Accountants the existing Statutory Auditors of the Company. Based upon the notice received from the Shareholder under Section 140, the Board and Audit Committee have recommended appointment of M/s. P.G. Bhagwat LLP (Firm Registration No. 101118W/W100682) as Statutory Auditors for a term of 5 years to the shareholders in this Annual General Meeting.

M/s. P.G. Bhagwat LLP (Firm Registration No. 101118W/W100682), has confirmed their willingness to act as Statutory Auditors of the Company. The Company has received letter from M/s. P.G. Bhagwat LLP (Firm Registration No. 101118W/W100682), to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed.

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

ITEM NO.: 4 AND 5

The Shareholders at the Annual General Meeting held on 30th September, 2019 had re-appointed Mr. Vijay Gupta as Managing Director of the Company for a further period of 5 years w.e.f. 24th February, 2020 on fresh terms and conditions with basic salary in the range of INR. 200,000 per month along with other allowances, applicable perquisites and commission payable within an overall limit provided in Sections 197, 198, 203 and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the Articles of Association of the Company. Due to Covid Pandemic and further restrictions by the government authorities the turnover of the Company has got affected in spite of great efforts by Management. Due to inadequacy of profits, the remuneration paid to Mr. Vijay Gupta for the financial year 2020-21 has exceeded the limits specified under Section 197 of the Companies Act, 2013. The Company had paid the remuneration in the normal course as per his appointment terms anticipating normal performance and normal profits in the Company to be adequately within the limits. The details of excess remuneration paid are as under:

Particulars	**FY 2020-21 (INR)**
Amount payable as per section 197, 198	3,355,994
Amount actually paid	5,500,000
Amount paid in access	2,194,006

Accordingly, the approval of shareholders is being sought by way of Special Resolution to waive off the excess remuneration of INR 2,194,006 paid to Mr. Vijay Gupta for the Financial Year ended 31st March, 2021. Further the Company is recommending the resolution no. 5 for approval of the shareholders for payment of remuneration as minimum remuneration as per Section II A of Part II of Schedule V of the Companies Act 2013 to be read with Section 196 and 197 of the Companies Act 2013 to Mr. Vijay Gupta, Managing Director of the Company in case the profits of the Company become inadequate during the period of 3 financial years from 1st April, 2021. The information required pursuant to Schedule V of the Companies Act, 2013 is given below:

I. General Information:

1. Nature of Industry

The Company is engaged in software development and providing software support and maintenance services to the clients.

2. Date or expected date of commencement of commercial production:

Your Company is already in commercial production.

3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable as the Company is an existing Company.

4. Financial Performance based on given indicators:

(Amount in INR)

Particulars	**FY 2020-21**
Revenue from Operations (Net)	415,735,637
Other Income	9,963,085

Total Revenue	425,698,722
Depreciation and Amortization	48,964,055
Total Expenses (including Depreciation and Amortization)	370,872,484
Profit/ (Loss) Before Tax	54,826,328
Tax Expenses:	
1. Current Tax	13,000,000
2. Deferred Tax	2,543,804
Net Profit/ (Loss) After Tax	39,282,434
Profit for the year	39,282,434

5. **Foreign investments or collaboration, if any:** None

II. INFORMATION ABOUT THE CHAIRMAN AND MANAGING DIRECTOR:

1. **Background Details:**
   Mr. Vijay Gupta, aged 58 years, is the sole Promoter, Chairman and the Managing Director of our Company. He is an Indian national and first Director of our Company. He holds a Master's degree in Technology from the Indian Institute of Technology, Mumbai (IIT, Bombay). He is a first generation entrepreneur and has an experience of over 30 years in development of complex BIM/CAD/CAE/Project Management enterprise software in Architecture-Engineering-Construction domain. He has been the architect and driving force behind building path breaking innovative software products of our Company and has contributed immensely towards the overall growth and success of our Company.

2. **Past remuneration:**
   During the Financial Year ended 31st March, 2021 Rs. 55,50,000/- was paid as remuneration to Mr. Vijay Gupta.

3. **Recognition and awards:**
   During the 25 year's journey of SoftTech Engineers Limited, it has received number of recognitions and awards. Details of the same can be seen on the website of the Company at https://softtech-engr.com/awards/. Mr. Vijay Gupta is the driving force and source of inspiration behind all the achievements made by the Company.

4. **Job profile Suitability:**
   Mr. Vijay Gupta is the Chairman and Managing Director of the Company. He is the Vision behind progress of the Company. Taking into account Mr. Vijay Gupta's qualifications, his extensive experience and the responsibilities shouldered by him, his association with the Company is in the best interest of the Company.

5. **Remuneration:**
   The approval of the Members is being sought for remuneration of Mr. Vijay Gupta and waiver of excess managerial remuneration paid to Shri Mr. Vijay Gupta, Chairman and Managing Director as follows:-

Particulars	**FY 2020-21 (INR)**
Amount payable as per section 197, 198	3,355,994
Amount actually paid	5,500,000
Amount paid in access	2,194,006

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**
   Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Vijay Gupta, justifies the remuneration packages paid to him as compared to the similar counterparts in other similar sized companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel [or other director], if any.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Vijay Gupta and Mrs. Priti Gupta are, concerned or interested, financially or otherwise, in the Resolution set out.

III. Other information:

1. Reasons of loss or inadequate profits:

FY 2020-21 was a year with Covid 19 outbreak and the business of the Company has suffered due to the Pandemic and the restrictions posed by Government as its result. Due to the ongoing pandemic in the entire country, the government departments were busy in covid management activity and the government purchases are postponed. Majority of clients of the Company being government organizations, recovery was quite slow as compared to normal expectation. As a result the business of the Company was affected which resulted in drop in turnover.

2. Steps taken or proposed to be taken for improvement:

- In order to maintain the continuity of the business and support required, the company resorted to work from home and for that established the required network connectivity and security measures.
- Undertaken the employee vaccination drive, so that employees and their family members gets vaccinated and office work can be resumed as and when government allows us to do so.
- Gradually when the number of Covid 19 cases came down, new RFPs also started floating and company are participating in the given opportunities aggressively so that new order book can be build.

3. Expected increase in productivity and profits in measurable terms:

- Covid 19 has disrupted the normal business activity and restricted the movement but at the same time has also taught everyone the new normal of working from home. This has also given company, the opportunity to optimise the cost and allowed resources to work from their home irrespective of their geographical location.
- With the gradual reduction in number of Covid 19 cases and easing out of restriction, the company has started participating in new opportunities.
- Further the company has also started working on various opportunities in US and UK which till now was restricted due to lockdown.
- With all these measures and market opening up, we expect that we will be able to reach pre-covid period numbers this current financial year as the initial two quarters have an adverse impact on business.

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

ITEM NO.: 6

The Board of Directors at their meeting held on Saturday, September 4, 2021 considered a proposal to raise share capital of the Company by issue of equity shares on preferential issue/private placement basis to meet cost required for building marketing team for product penetration in US market, for development of CIVIT suite on SaaS platform, Investment into start-ups directly or through subsidiary and general corporate purpose.

Accordingly, it is proposed to issue upto 6,66,666 (Six Lakh Sixty Six Thousand Six Hundred Sixty Six) equity shares of the Company of face value of INR 10 (Indian Rupees Ten only) each ("Equity Shares"), at a minimum issue price of INR 150 (Indian Rupees One Hundred and Fifty) per Equity Share, including premium, and that the aggregate amount of consideration shall not exceed INR 10,00,00,000 (Indian Rupees Ten Crore Only) to the following Investors ("Proposed Allottee"), who does not belong to the promoter and promoter group of the Company, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder (the "Act"), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("SEBI ICDR Regulations"), as amended from time to time:

Sr. No.	Name of Proposed Allottee	Maximum No. of Equity Shares	Maximum Consideration Amount (Rs.)
1	School of Design and Entrepreneurship LLP	3,33,333	5,00,00,000
2	Mr. Dilip Madanlal Bhootra	3,33,333	5,00,00,000

Further, it is proposed to authorise the Board to fix the issue price, as may be mutually agreed by and between the Company and the Proposed Allottee, such that it shall not be less than INR 150 (Indian Rupees One Hundred and Fifty) per Equity Share, including premium.

The Equity Shares to be issued and allotted on preferential basis to the Proposed Allottee, shall be listed on the National Stock Exchange of India Limited SME platform and shall rank *pari passu* with the existing equity shares of the Company including with regard to dividend and voting rights.

In accordance with the provisions of the Act and the SEBI ICDR Regulations, approval of the Members is sought by way of Special Resolution to create, offer, issue and allot upto 6,66,666 (Six Lakh Sixty Six Thousand Six Hundred Sixty Six) Equity Shares, on preferential issue and private placement basis, in one or more tranches.

In terms of the provisions of the Act and the SEBI ICDR Regulations, the required details are furnished as under:

1. **Particulars of the Preferential Issue including date of passing of Board resolution:**
The Board of Directors at its meeting held on September 4, 2021 had, subject to the approval of the Members and such other approvals as may be required, approved the issuance of upto 6,66,666 (Six Lakh Sixty Six Thousand Six Hundred Sixty Six) Equity Shares at a minimum price of INR 150 per Equity Share including premium, such that the aggregate amount of consideration shall not exceed INR 10,00,00,000 (Indian Rupees Ten Crore Only) on a preferential / private placement basis.

2. **Kinds of securities offered and the price at which security is being offered:**
The proposed issue is for upto 6,66,666 Equity Shares at a minimum price of INR 150 per Equity Share, including premium, such that the aggregate amount of consideration shall not exceed INR 10,00,00,000 (Indian Rupees Ten Crore Only) on a preferential / private placement basis.
Further, it is proposed to authorise the Board to fix the issue price, as may be mutually agreed by and between the Company and the Proposed Allottee, such that it shall not be less than INR 150 (Indian Rupees One Hundred and Fifty) per Equity Share, including premium.

3. **Objects of the Preferential Issue:**
1. To meet cost required for building marketing team for product penetration in US market
2. For development of Civit suite on SaaS platform
3. Investment into start-ups directly or through subsidiary
4. General corporate purposes.

4. **Maximum number of specified Securities to be Issued:**
It is proposed to issue upto 6,66,666 (Six Lakh Sixty Six Thousand Six Hundred and Sixty Six) equity shares of the Company on Preferential issue / Private Placement basis.

5. **Relevant Date:**
The "Relevant Date" for the preferential issue, as per the SEBI ICDR Regulations, as amended from time to time, for determination of minimum price for the issue and allotment of Equity Shares on preferential issue/private placement basis is August 31, 2021, being the date 30 (thirty) days prior to the date of the Annual General Meeting.

6. Pricing of Preferential Issue:

It is proposed to authorise the Board to fix the issue price, as may be mutually agreed by and between the Company and the Proposed Allottee, such that it shall not be less than INR 150 (Indian Rupees One Hundred and Fifty) per Equity Share, including premium.

7. Basis on which the price has been arrived at:

The Equity Shares of the Company are listed on National Stock Exchange of India Limited on SME Platform and the Equity Shares of the Company are frequently traded in accordance with Regulation 164 of the SEBI ICDR Regulations.

The Equity Shares proposed to be issued pursuant to the Preferential Issue will be issued and allotted at a price not less than the higher of the following in terms of Regulation 164(1) of the ICDR Regulations:

a. The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on a recognized stock exchange during the twenty-six weeks preceding the relevant date i.e. INR 97.68 (Indian Rupees Ninety Seven and paise Sixty Eight only) per Equity Share; OR
b. The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date i.e. INR 107.39 (Indian Rupees One Hundred Seven and paise Thirty Nine only) per Equity Share.

Since, the Equity Shares of the Company are listed only on the National Stock Exchange of India Limited (NSE) SME platform, for the purpose of computation of the price per equity share, the share prices on NSE Emerge for the said period, have been considered for arriving at floor price of the shares to be allotted under this preferential issue in accordance with the SEBI ICDR Regulations.

Since the Equity Shares of the Company have been listed on the recognized stock exchanges for a period of more than 26 (twenty-six) weeks prior to the Relevant Date, the Company is not required to re-compute the price per equity share.

8. Class or classes of persons to whom the allotment is proposed to be made:

i) Body Corporate – Limited Liability Partnership
ii) Resident Individual

9. Intention of promoters / directors / key managerial personnel to subscribe to the offer, contribution being made by the promoters or directors either as part of the Preferential Allotment or separately in furtherance of the objects:

None of the existing promoters, directors or key managerial personnel of the Company shall subscribe to the proposed issue and they will not be making any contribution either as part of the Preferential Allotment or separately in furtherance of the objects of the Issue.

10. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

Sr. No.	Name of the Allottee	Category of the Allottee	Pre-Preferential Holding	Maximum No. of Equity shares to be allotted	[1]Post-Preferential Holding
1.	School of Design and Entrepreneurship LLP	Body Corporate – Limited Liability Partnership	12,33,396 (13.03%)	3,33,333	15,66,729 (15.46%)[2]
2.	Mr. Dilip Madanlal Bhootra	Resident Individual	NIL	3,33,333	3,33,333 (3.29%)

[1] The percentage of post preferential holding shall be proportionately diluted depending upon the exact no. of shares issued by the Company. However, the post-preferential holding shall not be higher than the above no. of shares.

[2] The maximum post-preferential holding of School of Design and Entrepreneurship LLP along with the Person Acting in Concert (PAC) will be 25,29,929 (24.97%).

11. The Pre issue and post issue shareholding pattern of the Company:

Sr. No.	Category of shareholder	Pre-issue of Equity Shares (As on September 3, 2021)		[1]Post-issue of Equity Shares	
		No of shares	% of total shares	No of shares	% of total shares
A)	**Promoters and Promoter Group Holding**				
1	**Indian Promoters / Promoter Group**				
a)	Individual/ HUF	3,808,724	40.23	3,808,724	37.51
b)	Bodies corporate	299,148	3.16	299,148	2.95
	Sub-total	**4,107,872**	**43.39**	**4,107,872**	**40.45**
2	Foreign promoters/ Promoter Group	-	-	-	-
	Total Shareholding of Promoter and Promoter Group	**4,107,872**	**43.39**	**4,107,872**	**40.45**
B)	**Non-promoters' holding**				
1	**Institutions**				
a)	Mutual Funds	-	-	-	-
b)	Venture Capital Funds	89,600	0.95	89,600	0.88
c)	Alternative Investments Fund	-	-	-	-
d)	Foreign Portfolio Investors	-	-	-	-
e)	Foreign Portfolio Investors-Corp	17,600	0.18	17,600	0.17
f)	Foreign Nationals	-	-	-	-
g)	Qualified Institutional Buyers	-	-	-	-
	Sub-total (B)(1)	**107,200**	**1.13**	**107,200**	**1.06**
2	**Non-institutions**				
a)	Clearing Members	-	-	-	
b)	HUF	196,800	2.08	196,800	1.94
c)	Bodies Corporate	745,600	7.88	745,600	7.34
d)	Bodies Corporate – Limited Liability Partnership	1,497,396	15.82	1,830,729	18.03
e)	NBFC	-	-	-	-

Sr. No.	Category of shareholder	Pre-issue of Equity Shares (As on September 3, 2021)		[1]Post-issue of Equity Shares	
		No of shares	**% of total shares**	**No of shares**	**% of total shares**
f)	Non-resident Indians	236,820	2.50	236,820	2.33
g)	NRI Non-Repatriation	147,442	1.56	147,442	1.45
h)	Trusts	174,400	1.84	174,400	1.72
i)	Individuals	1,602,838	16.93	1,957,587	19.28
j)	Director or Director's Relative	650,304	6.87	650,304	6.40
	Sub-total (B)(2)	**5,251,600**	**55.48**	**5,939,682**	**58.49**
	Total Non-Promoters' Shareholding	**5,358,800**	**56.61**	**6,046,882**	**59.55**
C)	**Custodians for GDRs and ADRs**	-	-	-	-
	GRAND TOTAL	**9,466,672**	**100**	**[2]10,154,754**	**100**

[1] The percentage of post-issue equity shares shall be proportionately diluted depending upon the exact no. of shares issued by the Company. However, the post-issue no. of shares shall not be higher than the above no. of shares.

[2] The Company has allotted 21,416 fully paid equity shares to the employees, against exercise of stock options earlier granted to them under SoftTech Employees Stock Option Plan 2017 on 4th September, 2021. Hence effect of the same is not considered in Pre-issue shareholding pattern. However effect of the same is considered in Post-issue shareholding pattern.

12. The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares and/or who ultimately control the proposed allottee:

The details of the Individual(s) who are ultimate beneficial owners of the Equity Shares and/or who ultimately control the proposed allottee, School of Design and Entrepreneurship LLP are as below:

Sr. No.	Name	Permanent Account Number
1	Mr. Harsh Gupta	ACDPG9369D
2	Mrs. Manisha Gupta	AAZPL5005B

13. Proposed time within which the allotment shall be completed:

The Equity Shares shall be allotted within the timeline prescribed under Regulation 170 of SEBI ICDR Regulations.

14. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

During the year, no preferential allotment has been made to any person as of the date of this Notice.

15. Change in control, if any, in the Company that would occur consequent to the preferential offer:

There would not be any change in control consequent upon preferential allotment of shares.

16. The percentage of post preferential issue capital that may be held by the allottee(s) is as under:

Please refer to Point 10 above.

17. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not applicable.

18. Lock-in-period:

The Equity Shares shall be locked-in for such period as specified under Chapter V of the SEBI ICDR Regulations.

19. **Principal terms of assets charged as securities:**
The proposed issue of securities being equity shares, no charge is being created on the assets of the Company.

20. **Material term of raising equity shares:**
No material terms other than stated above and in the proposed special resolution.

21. **Auditor's certificate:**
A certificate from M/s Walker Chandiok & Co LLP, Chartered Accountants (having firm registration no. 001076N/N500013), Statutory Auditors, of the Company, certifying that the preferential issue of the Equity Shares is being made in accordance with the requirements of the SEBI ICDR Regulations shall be electronically available for inspection by the Members at the Annual General Meeting.

22. **Report of a registered valuer:**
Report of the registered valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Issue.

23. **Undertaking:**
    1. The Proposed Allottee has confirmed that they have not sold any equity shares of the Company during the 6 (six) months preceding the Relevant Date.
    2. The Company is in compliance with the conditions for continuous listing.
    3. None of the Directors or Promoters and the Company are categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India. Consequently, the disclosures required under Regulation 163(1)(i) if the SEBI ICDR Regulations are not applicable.
    4. None of the Company's Directors are fugitive economic offenders as defined under the SEBI ICDR Regulations.
    5. The Company shall re-compute the price of the relevant securities to be allotted under the Preferential Allotment in terms of the provisions of SEBI ICDR Regulations where it is required to do so, including pursuant to Regulation 166 of the SEBI ICDR Regulations, if required.
    6. If the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the relevant securities to be allotted under the Preferential Allotment shall continue to be locked-in till the time such amount is paid by the Proposed Allottee.

Due to the continuing Covid-19 restrictions, all the relevant documents/agreements will be made available for inspection by the members through electronic mode upto the date of Annual General Meeting and at the Meeting. Any member may write to the Company at investors@softtech-engr.com requesting for relevant documents.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the Special Resolution at Item No.6 of the accompanying Notice for approval by the Members of the Company.

None of the promoters, Directors and Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding in the Company.

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

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

Place: Pune
Date: 04.09.2021

SoftTech®
Empowering Transformation

25TH ANNUAL REPORT 2020-21

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. Pratik Patel	Whole-time Director
Mr. Sridhar Pillalamarri	Independent Director
Mr. Rahul Gupta	Independent Director
Mr. Sundararajan Srinivasan	Independent Director
Ms. Wai Ki Chan	Nominee Director

CHIEF FINANCIAL OFFICER

Mr. Kamal Agrawal

COMPANY SECRETARY

Ms. Aishwarya Patwardhan

STATUTORY AUDITORS

M/s. Walker Chandiok & 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

SoftTech Towers, S NO 1/1A/7 8 15 16 17 Plot No. B,C,D, 1-Baner,
Opp. Royal Enfield Showroom, Baner Road, Pune: 411045

CIN: L30107PN1996PLC016718

Website: www.softtech-engr.com

Email Id: investors@softtech-engr.com

Contents

Mr. Vijay Gupta
Chairman & Managing Director
SoftTech Engineers Limited

Chairman's Message

Greetings from SoftTech!

With immense pride, I present you the annual report for the year 2020-21 that highlights the key achievements and key advancements of your company, SoftTech Engineers Limited. It was a year marked by growth strategy, managing pandemic, forming strategic alliances and creating robust base to enter globally for immense value unlocking. The past year has been positive in many ways. I thank you for your support, which led to the results that the company achieved during this difficult time.

COVID19 bought unpresented challenge, and impacted operations and business, due to the consequent government restrictions. It had its impact in terms of financial performance, but we have emerged stronger from this and created a roadmap for sustainable growth in the future. We have taken all possible measures including work from home, vaccination drive and safe working environment for our people, who in turn believe that SoftTech is among the best places to work and get dynamic exposure to build long term stories.

Marching Ahead to a Newer Horizon!

Recently, the Airport Authority of India has selected SoftTech as its Development Service Partner for the No Objection Certificate Application System (NOCAS). This association charts a new roadmap in the field of permit issuance leveraging GIS and cloud technology for the aviation sector and opens door for opportunities in National Government to size-up the business operations.

We launched AmpliNxt, a first-of-its-kind program for engagement of technology in Architectural, Engineering & Construction (AEC) Sector in India. AmpliNxt is envisioned with an idea to bring young technology minds to nurture their latest technology ideas for use in AEC vertical. Special focus is on AI/ML , AR/VR , IoT and block chain driven technology start-ups.

Your company which is headquartered in Pune, India shifted its registered office to new office premises at SoftTech Tower in Baner. This modern state of the art, seven-storey building, opens new prospects for further success and growth of the company. Moreover, this office has a dedicated floor to be used for our technology start-up corporate venture program AmpliNxt. The new office space doubles the office footprint and supports the company's exponential growth strategy and development centre plan, in the next 2-3 years.

One of the feathers in the cap is, SoftTech's launch of BIMDCR product at Municipal Corporation of Greater Mumbai. With this SoftTech is poised to bring strength of Building Information Modelling (BIM) in delivering construction permits. This is a great achievement for your company. Singapore is the only other country in the world which has developed BIM based construction permit system. Our growth strategy in next 3 years will be around BIM.

While we are passionate about growth, but we also believe that no organization is an island. We are a part of the greater social fabric. That is why we are committed to staying engaged with society beyond business. To give more power to this vision, the Company has incorporated a Subsidiary named as SoftTech Care Foundation while conforming to charitable objectives under section 8 of the Companies Act, 2013.

SoftTech 2.0!

Your company is already a leading software provider in AEC domain. True to its nature, your company always sets its vision ahead of the market and creates a long term sustainable business proposition through its unique and innovative Software products. Having created strong success stories, SoftTech is now moving towards a cloud platform named CIVIT (https://thecivit.com) to connect Government, Contractors , Builders , Architects and Consultants through the platform to perform specific roles they play in the building and infrastructure ecosystem. Our existing user base created through the fabulous success stories of AutoDCR and PWIMS including Architects and Contracting Companies will be connected through the platform. Our offerings will be SaaS based empowered through cloud infrastructure. A global offering, CIVIT is all set to integrate the Construction industry players like never before. The deeper use of CAD, BIM and GIS technologies will be unique proposition offered by us for construction and infrastructure industry.

SoftTech 2.0 will focus on global collaborations and looks at leveraging its technical strength, domain knowledge and market penetration to work together with Global technology companies and make faster inroads and add new path breaking products in near future. In this direction the company has made significant inroads by making partnership with world leaders in BIM (AutoDesk USA, Dassault Systemes France), GIS (ESRI USA), Construction project management systems (RIB Germany).

The vision of SoftTech 2.0 is on-cloud, agile, scalable, inorganic, collaborative and global. We are setting the right foundation stones to deliver what we aim for.

Performance Overview!

Despite the severe challenges triggered by the pandemic, the company has registered a reasonable revenue performance. However, the last quarter historically has witnessed phenomenal growth in terms of revenue was adversely impacted by the Covid19 situation. The company was able to pull through the challenging state of affairs and was able to achieve revenue of Rs 415.74 Million in FY 2020-21, this is a decline of about 28.25% as compared to the revenue in FY 19-20. This was caused due to the unprecedented Covid19 situation in last year. However, the Profit before tax is INR 54.83 Million which indicates a brighter scope for further growth & development.

The Future Outlook!

The future outlook for 2021-22 and further, is more positive with sustained efforts by your company & its partners to unlock the values created through technology penetration. Having established a strong foothold in the domestic market, your company is robustly equipped to expand its foothold in the international market with a strong focus on USA and UK.

The order book and opportunities in hand remain robust and the team is as energetic as ever to deliver same.

We stay committed to boosting returns on the capital employed, optimized resource utilization, and improving cash flows for our business with strong ethical and corporate governance practices.

Once again, I thank you for your support in our endeavours, and I am looking forward to meeting you at the Annual General Meeting

Stay Safe!

BOARD'S REPORT AND ITS ANNEXURES

BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting the 25th 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, 2021.

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

Recently, your Company has celebrated its silver Jubilee on June 17th, 2021. It was a moment of pride for all the employees, customers and stakeholders to be a part of this successful journey. Your Company is primarily involved in software development and providing software support and maintenance services to the clients. In last 25 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 425,698,722./- Your Company has earned a net profit of INR 39,282,434/-. Due to the COVID19 impact and the consequent government restrictions, the Company couldn't do financially better, but we had remarkable achievements that will bring sustainable growth in the future. Key aspects of Financial Performance of your Company for the current financial year 2020-21 along with the previous financial year 2019-20 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 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operations (Net)	415,735,637	579,470,196	415,735,637	579,470,196
Other Income	9,963,085	9,542,788	9,976,097	9,669,247
Total Revenue	425,698,722	589,012,984	425,711,734	589,139,443
Depreciation and Amortization	48,964,055	37,194,677	48,964,055	37,194,677
Total Expenses (including Depreciation and Amortization)	370,872,484	480,464,187	382,950,557	492,726,082
Profit/ (Loss) Before Tax	54,826,328	108,548,797	42,761,177	96,413,361
Tax Expenses:				
1. Current Tax	13,000,000	33,000,000	13,000,000	33,000,000
2. Deferred Tax	2,543,804	(1,516,624)	2,543,804	(1,516,624)
Net Profit/ (Loss) After Tax	39,282,434	77,065,421	27,217,373	64,929,985
Add/Less: Minority Interest Profit/(Loss)	-	-	(35,224)	21,485
Profit for the year	39,282,434	77,065,421	27,252,597	64,908,500
Earning per share Basic Diluted	 4.15 4.14	 8.18 8.12		

3. KEY DEVELOPMENTS OF THE COMPANY:

- The Company has shifted its registered office to the new premises situated at at SoftTech Towers, S NO 1/1A/7 8 15 16 17 Plot No. B,C,D, 1-Baner, Opp. Royal Enfield Showroom, Baner Road, Pune: 411045 with effect from 15th January, 2021. This seven-storey building pens a new chapter for success and growth in the journey of SoftTech Engineers Limited. This office has a dedicated floor to be used for technology start-up incubators.
- In April, 2021 the Company has incorprorated its subsidiary with name SoftTech Care Foundation with charitable objects under section 8 of the Companies Act, 2013.
- The Airport Authority of India (AAI) is a statutory body that uses the No Objection Certificate Application System (NOCAS) application for processing the no objection height clearance applications for various construction activities

in the vicinity of airports. The AAI has selected the Company as its Application Maintenance & Development Service Partner (AMDSP) for the Maintenance & Development of No Objection Certificate Application System (NOCAS) in May, 2021.

- On its 25th Anniversary i.e. on 17th June, 2021, the Company has launced a new hybrid corporate venture program titled "AmpliNXT'. The first-of-its-kind program for the AEC sector in India, AmpliNXT offers tailored support from industry's experts, entrepreneurs, and domain experts.

4. DIVIDEND:

Considering the Pandemic situation and in order to conserve the resources, the Board of Directors do not recommend dividend for the Financial Year 2020-21.

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. ANNUAL RETURN:

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at www.softtech-engr.com.

9. PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered with related parties during the F.Y. 2020-21 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 B'** 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 1,579,176/-
Outgo	INR 8,182,624/-

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

I. Changes in Composition of the Board of Directors:

a. 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 and the same was approved by the shareholders at the 24th AGM held on 28th September, 2020.

b. Mr. Pratik Patel (DIN: 08798734) was appointed as an 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 . His appointment was approved by the shareholders at the 24th AGM held on 28th September, 2020.

c. Mr. Dominik Keller (DIN: 08585680), Nominee Director ceased to be the Director of the Company w.e.f. 21st July, 2020.

d. Mr. Murray Freeman was appointed as Nominee Director of RIB ITWO Software Private Limited w.e.f. 13th October, 2020. Further, he ceased to be the Director w.e.f. 11th February 2021.

e. Ms. Wai Ki Chan (DIN: 03223546) is appointed as the Nominee Director to represent RIB ITWO Software Private Limited w.e.f. 22nd March, 2021.

f. As per the provisions of Section 152(6) of the Companies Act, 2013 and other applicable provisions thereunder, Mr. Pratik Patel (DIN: 08798734), Whole-time Director of the Company, whose office is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment to the shareholders in the ensuing Annual General Meeting.

II. Appointment / Resignation of Key Managerial Personnel:

a) Mr. Piranvez Irani resigned from his post as CFO(KMP) with effect from 1st January, 2021

b) Mr. Kamal Agrawal is appointed as CFO (KMP) of the Company with effect from 28th June, 2021.

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 possesss 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, 2021 consists of following:

Sr. No.	Name	Designation
1.	Mr. Vijay Gupta	Managing Director
2.	Mrs. Priti Gupta	Whole-time Director
3.	Mr. Pratik Patel	Whole-time Director
4.	Mr. Rahul Gupta	Independent Director
5.	Mr. Sridhar Pillalamarri	Independent Director
6.	Mr. Sundararajan Srinivasan	Independent Director
7.	Ms. Wai Ki Chan	Nominee Director
8.	Ms. Aishwarya Patwardhan	Company Secretary

12. AUDITORS:

a) Statutory Auditors:

M/s. Walker Chandiok & 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 up to the conclusion of the 25thAnnual General Meeting of the Company to be held in current year on 30th September, 2021. One of the Shareholders of the Company has served a special notice under section 140 of the Companies Act 2013 and recommended that M/s. P G Bhagwat LLP, Chartered Accountants (Firm Registration No. 101118W/W100682) be appointed as the Statutory Auditors of the Company. The Company served the said special notice to M/s. Walker Chandiok & Co LLP, Chartered Accountants, the existing Statutory Auditors of the Company. Based upon the notice received from the Shareholder under Section 140, the Board and Audit Committee have recommended appointment of M/s. P G Bhagwat LLP (Firm Registration No. 101118W/W100682) as Statutory Auditors for a term of 5 years to the shareholders in this Annual General Meeting.

M/s. P G Bhagwat LLP, Chartered Accountants (Firm Registration No. 101118W/W100682), has confirmed their willingness to act as Statutory Auditors of the Company. The Company has received letter from M/s. P G Bhagwat LLP (Firm Registration No. 101118W/W100682), to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed.

The Board recommends their appointment at the ensuing Annual General Meeting of the Company.

a) 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 Board has appointed Mr. Devesh Tudekar, Practicing Company Secretary, as a Secretarial Auditor of the Company to carry out the audit of the Secretarial Records of the Company for the Financial Year 2020- 21, a Report of the Secretarial Audit is annexed herewith as **Annexure C**.

b) Internal Auditor:

For FY 2020-21 the Company appointed M/s. P G Bhagwat LLP, Chartered Accountants, as an internal auditors to conduct internal audit of the functions and activities of the Company.

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, 2021.

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, 2021, 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 applicable 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 Five (5) times on:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	5th May, 2020	2.	10th July, 2020
3.	1st September, 2020	4.	27th November, 2020
5.	22nd March, 2021		

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	5	5
2.	Mrs. Priti Gupta	5	5
3.	Mr. Rahul Gupta	5	5
4.	Mr. Sridhar Pillalamarri	5	4
5.	Mr. Sundararajan Srinivasan	5	4
6.	Mr. Pratik Patel	3	3
7.	Mr. Dominik Keller[1]	2	2
8.	Mr. Murray William Freeman[2]	1	1
9.	Ms. Wai Ki Chan	0	0

[1]Mr. Dominik Keller ceased to be Nominee Director of the Company with effect from 21st July 2021.

[2]Mr. Murray William Freeman was appointed as Nominee Director with effect from 13th October 2021 and ceased to be Nominee Director of the Company with effect from 11th February 2021.

B. AUDIT COMMITTEE MEETING:

During the financial year under review, the Audit Committee of the Company has duly met on Three (3) times on 10th July, 2020, 1st September, 2020 and 27th November, 2020

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	3	3
2.	Mr. Rahul Gupta	3	3
3.	Mr. Sridhar Pillalamarri	3	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 10th July, 2020, 1st September, 2020 and 22nd March, 2021.

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	2
2.	Mr. Rahul Gupta	3	3
3.	Mr. Sundararajan Srinivasan	3	3

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 1st September, 2020.

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. <u>COMMITTEES OF THE BOARD:</u>
As on 31st March, 2021 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, 2021. The table sets out the composition of the Committee:

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

- **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, 2021. The table sets out the composition of the Committee:

Name of the Director	Category
Mr. Sridhar Pillalamarri	Chairman and Independent Director
Mr. Rahul Gupta	Member and Independent Director
Mr. Sundararajan Srinivasan	Member and Independent Director

- **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, 2021. 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 and Independent Director

* **Composition of Stakeholders Relationship Committee:**

The Company's Stakeholders Relationship Committee comprised of the three directors for the Financial Year ended 31st March, 2021. The table sets out the composition of the Committee:

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

Further the Company has incorporated its subsidiary with name SoftTech Care Foundation to carry charitable obejcts on 14th April, 2021.

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-Whiste-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 2020-21, 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:

1. Mr. Kamal Agrawal is appointed as Chief Financial Officer(CFO) of the Company w.e.f. 28th June, 2021
2. SoftTech Care Foundation, a company under section 8 of the Companies Act, 2013 was incorporated as Subsidiary of the Company to carry charitable obejcts.
3. As on 4th September, 2021, the Company has allotted 21,416 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
4. Your Company has entered into Share Subscription and Shareholders agreement for acquisition of 15% stake in Qi Square Private Limited. Qi Square Private Limited is a Singapore based Company which is engaged in the business of developing a digital platform for the built environment industry. The basic object behind taking a stake in the target entity is the potential synergy between their offering and our product.

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 2021-22 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 are self-explanatory, and need no further explanation.

Observation by Secretarial Auditor	Explanation by the Board
The remuneration paid to the Executive Directors is exceeding the maximum limits prescribed under Section 197 of the Companies Act 2013.	The Company is proposing special resolution in the ensuing Annual General meeting for waiver of the excess remuneration.
The Company has unspent CSR amount for the Financial year 2020-21.	The unspent balance will be transferred to specified funds by 30th September, 2021 in Compliance with the Companies Act, 2013.
The Financial Results for the half year ended 30th September, 2020, were approved and submitted to the Stock Exchange beyond the period prescribed under Regulation 33 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015however the Company has given prior intimation to the Stock Exchange as per SEBI Circular CIR/CFD/CMD-1114212018 dated November 19, 2018 and paid the penalty levied by the Stock Exchange.	Due to work from home scenario and remote working of employees of Company and Auditors, approval and submission of Financial Results for half year ended 30th Septeber, 2020 got delayed. However in compliance with SEBI Circular CIR/CFD/CMD-1114212018 dated November 19, 2018 the Company has filed reason of delay and paid applicable penalty.

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. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016):

The Company has neither filed any application nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

37. 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, 2021 given below:

Sr. No.	Name of person	Designation	Loan Taken during the year	Loan repaid during the year	Balance as on 31.03.2021
1	Vijay Gupta	Managing Director	17,100,000	15,200,000	15,339,662
2	Priti Gupta	Whole-Time Director	11,500,000	7,300,000	4,836,975

38. CHANGES IN SHARE CAPITAL:

During the year under review, there is no change in authorized share, 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. However, pursuant 'SoftTech Employees Stock Option Plan 2017 (SoftTech ESOP 2017)', the Company has allotted 44,196 equity shares (including bonus shares) to employees on 5th May, 2020.

39. 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 Benefi ts) 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 .

40. 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.	3.20%
4	The number of permanent employees on the rolls of Company.	247 as on 31 March 2021
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	There is no increase in salaries of managerial personnel. Percentage increase in salaries of employee is other than managerial personnel was 28%. Since there was no increase in salaries of Directors, and the increase in salaries of employees were in line with industry standard. so there is no exception to give justification.
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
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.	Names of the top ten employees in terms of remuneration drawn : Vijay Gupta, Neetesh Singhal, Kuldeep Rathi, Sheetal Kurhade, Chandrashekhar Bagesar, Srinivas Rao Perla, Milind Joshi, Deepak Trimbak Warad, Sarika Y. Jaglaganeshwala, Laxmikant V. Gavali Remuneration of none of the employees exceeds prescribed limits.

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	13.02 times of median
2.	Mrs. Priti Gupta	3.26 times of median
3.	Mr. Pratik Patel	3.14 times of median
4.	Mr. Rahul Gupta	No remuneration. only sitting fees are paid
5.	Mr. Sridhar Pillalamarri	No remuneration. only sitting fees are paid
6.	Mr. Sundararajan Srinivasan	No remuneration. only sitting fees are paid
7.	Ms. Wai ki Chan	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	No increase
2	Mrs. Priti Gupta	Whole-time Director	No increase
3	Mr. Pratik Patel	Whole-time Director	New Appointment
4	Mr. Rahul Gupta	Independent Director	No change
5	Mr. Sridhar Pillalamarri	Independent Director	No change
6	Mr. Sundararajan Srinivasan	Independent Director	No Change
7	Ms. Wai ki Chan	Nominee Director	No Change
8	Ms. Aishwarya Patwardhan	Company Secretary	No Change

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	16th July, 2018	21st 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 31.03.2021-86.099	Reporting Currency-USD Exchange rate as on 31.03.2021-73.5047
6.	Share capital	202,806	608,424
7.	Reserves & surplus	(4,897,296)	(297,858)
8.	Total assets	462,267	23,851,761
9.	Total Liabilities	5,156,757	24,184,488
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: 04.09.2021
PLACE: PUNE

Encl:
a) Annexure A- Management Discussion and Analysis Report.
b) Annexure B- Particulars of Contract/Arrangement with Related Parties in Form AOC-2
c) Annexure C- Report of the Secretarial Audit
d) Annexure D- 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 8.8-9% with GVA (gross value added) growth of 7.8% in 2022.

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 Outlook[1]:

The global economy started the year 2020 with Covid-19 at its peak leading to lockdowns that severely restricted human activities. This has led to sharp declines in business-related activities across industries and geographies. Nonetheless, in early 2021, activities in several sectors picked up and adapted to pandemic restrictions. With the vaccination rollouts gaining momentum and governments fiscal stimulus measures, the global economy is expected to rebound at 6.0% in 2021, then moderate to 4.4% in 2022, from a contraction of (–)3.3% in 2020, as per the International Monetary Fund's (IMF) World Economic Outlook of April 2021. However, the emerging variants of the virus, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions all contributes a high level of uncertainty. The pandemic is widening gaps in economic performance between countries and sectors, increasing social inequalities, particularly among vulnerable groups, and endangering damage to job prospects and living standards for many people in the long term. The covid-19 would have long-lasting economic and health implications, necessitating continued government support

The Global growth is expected to moderate to 3.3% over the medium term.

Indian Economy Overview[1]

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. In FY2021, despite tremendous fiscal and monetary stimulus support from the government, India's economic growth tumbled to (-)8.0% as lockdowns, and other containment measures

[11]Source: IMF

slashed domestic demand without stopping the spread of Covid-19. The economy is projected to rebound at 12.5% in FY2022 making it the fastest growing large economy in the world. It will moderate to 6.9% in FY2023, as per IMF's World Economic Outlook release of April 2021. The recovery to be led by continued normalization in economic activities as the rollout of vaccines gains traction. However, experts believe that the given projection is overly ambitious due to the recent increase in Covid-19 cases resulting in partial lockdowns in some states.

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.

Indian Construction Industry[2]

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 2020-21, 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.

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

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 Mission[3]**:**

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 27.34 billion. The scheme is projected to positively impact 99 million of urban population. 98 Special Purpose Vehicles (SPVs) have been formed.

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

[2]IBEF- Infrastructure Industry analysis report
[3] Make in India- Construction

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 1.52 billion. This is followed by: Tamil Nadu (USD 1.49 billion), Maharashtra (USD1.03 billion), Madhya Pradesh (USD 0.83 billion), West Bengal (USD 0.54 billion), Manipur (USD 24 million), Sikkim (USD 5.34 million).

Pradhan Mantri Awas Yojana (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.

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

RERA[6]:

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

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

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

Ease of Doing Business[7]:

The Ease of Doing Business (EODB) index is a ranking system established by the World Bank Group. India is ranked 63rd in 2020 and 77th in 2019 improving by 14 positions among 190 countries.

Dealing with construction permits is one of the 10 areas of business regulation for which information in collected for research. India ranked 27th in dealing with construction permits among 190 economies in 2020 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 63rd in 2020 Ease of doing Business rankings by World Bank.

It ranked 27th in dealing with construction permits among 190 economies in 2020.

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.

[4]Amrut.gov.in
[5]PMAY site
[6]RERA site
[7]Make in India- Ease of doing business; World bank group- doing business 16th Edition

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 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.

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***

Global Digital Transformation Market:

According to Gartner's recent release, worldwide IT spending is forecasted to total USD 4.1 trillion in 2021, reflecting a growth of 8.4% from 2020. With the new normal work model, IT is no longer limited to support corporate activities as it was traditionally but is now actively involved in delivering business value. Acceleration in digitalization has not only shifted IT from a back-office role to the front of the business, but it has also changed the source of funding from an overhead cost that is maintained, monitored, and sometimes cut to something that generates revenue. All IT spending segments are expected to expand in 2022 and beyond. Even though cost optimization efforts will continue in 2021, organizations are now prioritizing their IT spending in emerging technologies such as Cloud, Automation, Data analytics, Digital ER&D, Artificial Intelligence (AI), Machine Learning (ML) which would add their agility and flexibility and enable them to keep the operations running in unforeseen situations like a pandemic in future. With the increased vaccine rollouts and easing of lockdown restrictions, the strong recovery of IT spending is expected across countries, industries, and markets.

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 2019[9].

[8] Global Tech Market growth slows from 5%-3.8% from 2018-2020, Forrester
[9] Forecast end-user spending on IoT solutions worldwide from 2017 to 2025, Statista

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. [10]Spending on Artificial Intelligence will grow from US$39.9 billion in 2019 to US$667 billion by 2027 at a CAGR of 42.2%. [11]

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.[12]

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.[13]

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.[14]

"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.

[10]Machine Learning Market worth 8.81 billion USD by 2022, Markets and Markets
[11]Grand View Research
[12]Bloomberg - Big Data and Business Analytics Market Size
[13]Product Engineering services market worth 1003.12 billion USD by 2021, Markets and Markets
[14] Digital media revenue worldwide from 2016 to 2022, by category (in million US dollars)
[21]http://www.fig.net/resources/proceedings/fig_proceedings/fig2014/ppt/ss36/ss36_kavanagh_7434.pdf

III. OPPORTUNITIES AND THREATS

Our Business

In last 25+ 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***
- ***Rule Buddy***
- ***CIVIT Platform***

AutoDCR® BIMDCR™ PWIMS™

Opticon rb RuleBuddy

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.

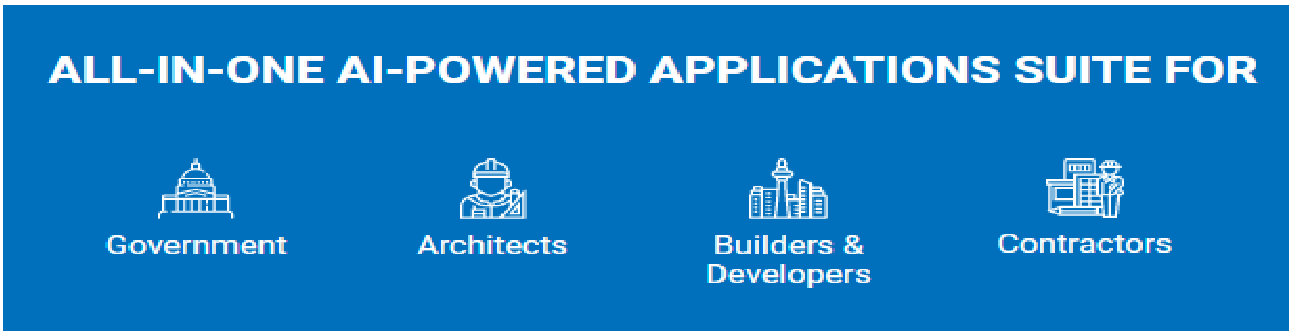
RULEBUDDY

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 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 Plan Comply 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 lime 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	- Develop new products - Integrate new technologies in companies products - Develop new applications for existing products - Platform development – Continue the work on CIVIT Suite Platform	- 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	- 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	- 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	- Strategic Collaboration - Marketing and Sales partnership for Government Business - Technology partnerships - Delivery Partnership - Incubate new technologies	- 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 no 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 IBPS[15] 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

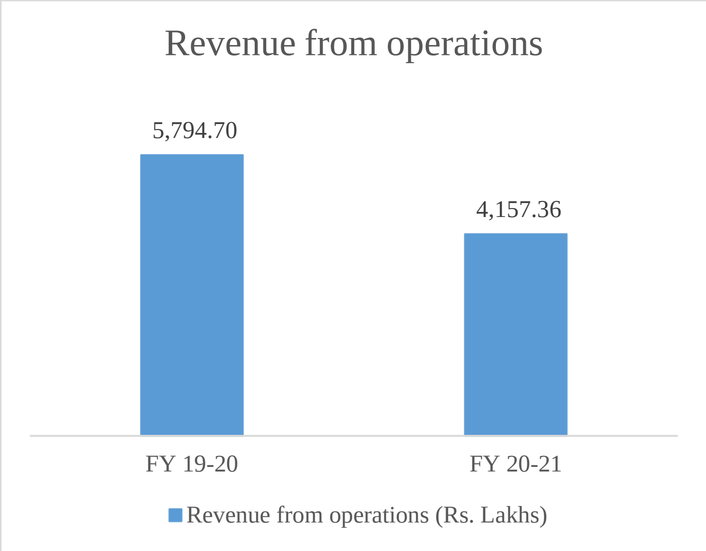
(iii) Continuous R&D to maintain technological edge

(iv) Building on earlier successes and brand

[15] Under research and design phase

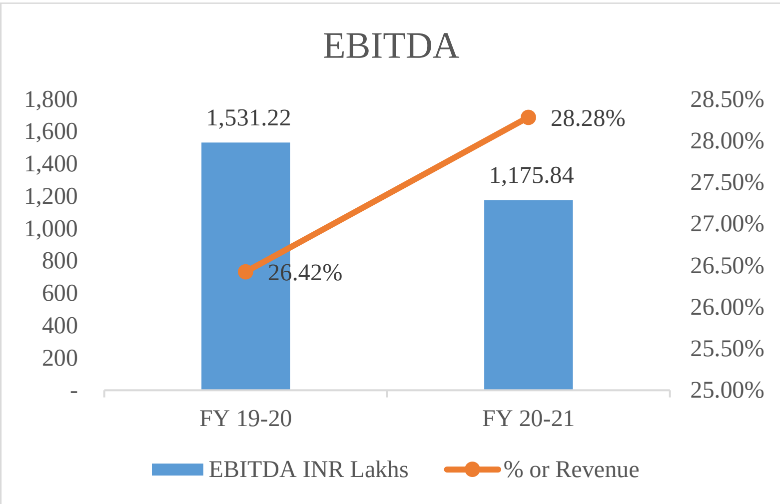
IV. COMPANY PERFORMANCE (StandAlone)

- **Revenue from operations INR Lakhs**



Decrease in Revenue was Largely due to reduction in services and implementation revenue. This was because of delayed order confirmations, milestone approvals and other procedural issues due to lockdown. Also the situation meant that many Govt. departments were focused on pandemic management. But the order book remains robust

- **Earnings before interest, depreciation and amortization and tax (EBITDA INR Lakhs)[16]**



Though there is drop in EBITDA, the EBITDA margin has increased largely due to – Increase in O & M, AMC & Transaction Based Revenue. This lead to reduction in Outsourcing and

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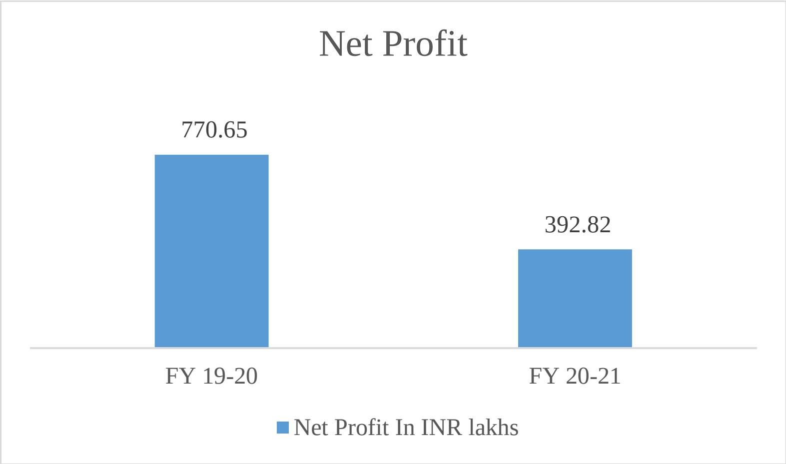
[16]Excluding other income

- **Net profit INR lakhs**



PAT reduced in line with the drop in sales, and also due to increased Depreciation and Amortization expense during the year which increased by 31% compared to previous year

- **Performance of the Company**

INR Lakhs

Particulars	**Year Ended March 31**			
	2021	**%**	**2020**	**%**
Revenue from operations	**4,157.36**	**100.00%**	**5,794.70**	**100.00%**
Purchases of stock-in-trade	475.38	11.43%	621.90	10.73%
Employee benefits expense	1,002.37	24.11%	1,109.03	19.14%
Depreciation and amortization expense	489.64	11.78%	371.95	6.42%
Other expenses	1,503.76	36.17%	2,532.55	43.70%
Total expenses	**3,471.16**	**83.49%**	**4,635.43**	**79.99%**
Operating profit	**686.20**	**16.51%**	**1,159.28**	**20.01%**
Other income	99.63	2.40%	95.43	1.65%
Finance costs	237.57	5.71%	169.22	2.92%
Profit before tax	**548.26**	**13.19%**	**1,085.49**	**18.73%**
Net tax expenses	155.44	3.74%	314.83	5.43%
Net profit	**392.82**	**9.45%**	**770.65**	**13.30%**

Revenue from operations has dropped from INR 5794.70 lakhs in FY20 to INR 4157.36 lakhs in FY21 a decline of 28.3%. Purchases of stock in trade has decreased from INR 621.90 lakhs to INR 475.38 lakhs during the same period. Employee benefit expenses decreased from INR 1109.03 lakhs to INR 1002.37 lakhs. As a % of revenue it has increased from 19.14% to 24.11%. Depreciation and amortization expenses have increased by 31.6% compared to last year. Other expenses have decreased from INR 2532.55 lakhs to INR 1503.76 lakhs. Operating profit has decreased as % of revenue from 20.01% to 16.51%. Finance cost increased as % of operating revenue from 2.92% to 5.71%. Profit before tax declined from INR 1085.49 lakhs to INR 548.26 lakhs. Net tax expenses decreased from INR 314.83 lakhs to INR 155.44 lakhs. Net profit of the company declined from INR 770.65 lakhs in FY 19-20 to INR 392.82 lakhs in FY 20.21.

Factors impacting Current Year's Financial Performance

1. **Order Book:**
   - Due to Lockdown only essential services were taken hence opportunities could not be converted in orders thereby having an impact on enhancing order book. We foresee that 2nd (July – Sept) and 3rd Quarters of FY 21-22 (Oct-Dec) will compensate this fall in order positions

2. **Receivables Pressure**
   - With slow approval process, it meant delays in work approvals, and payment approvals
   - This lead to a considerable increase of funds blocked in the Receivables from the various Government departments.
   - The collections have now improved. Company had enough working capital to ensure smooth operations. After normalization we expect fast recovery.

3. **Revenue Deferment & Loss due to COVID – 19 & Lockdown**
   - For One Time Licensing business, order book execution got delayed due lockdown and minimum only essential functioning of Government Offices
   - We believe this impact is temporary and will be executed faster in subsequent years after normal situation
   - For Transaction Based revenue model, lockdown meant loss of revenue as no building construction permit applications were submitted

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.

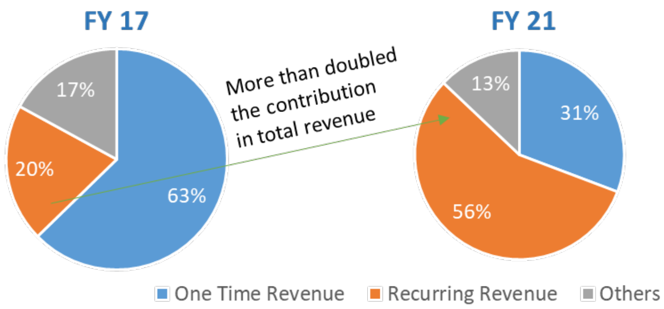
- **Product Wise Revenue Mix (INR Lakhs):**

Particulars	**FY 20-21**	**FY 19-20**
AutoDCR	2,987.67	3,698.79
PWIMS	580.68	862.28
Opticon	30.29	524.33
Others	558.69	709.29

- **Nature of Revenue Mix (INR lakhs)**

  Company has over the past 4 years made considerable progress to achieve a more recurring revenue based business model, and the below table shows the comparative with FY 17 vis-a vis FY 21

Particulars	**FY 16-17**	**% of Revenue**	**FY 20-21**	**% of Revenue**
One-Time	2929.55	63%	1,274.79	31%
Recurring	**946.19**	**20%**	**2,373.49**	**57%**
Other	796.08	17%	509.08	12%
Total Revenue	**4671.83**	**100%**	**4,157.36**	**100%**



- Company ensured more sustainable revenue model within the on premise business, by entering into O&M and AMC contracts with all the implementation projects. O&M and AMC contract are for the tenure for 3-5 years or even more
- Company has successfully reversed the revenue mix from One Time Revenue (63% to 31%) to Recurring Revenue as majority (20% to 57%)
- Also in the past 3 years' company has been focused on own products revenue and reduced Services business; own products revenue has increased to 80% in FY21

- **Performance of the company (INR Lakhs)**

Particulars	**Year ended March 31**	
	2021	**2020**
Net worth	7,229.63	6,832.98
Gross debt (Long term + short term debt + Unsecured Loan)	3,208.35	2,812.65
Gross debt/net worth	0.44	0.41
Total fixed assets (including intangibles under development)	2,305.92	1,698.91
Current ratio	3.06	3.32

- Gross debt comprises of long term debt of INR 2150.95 lakhs in FY 20-21 (FY 19-20 INR 1726.35 lakhs) and short term debt of INR 1057.40 lakhs (FY 19-20 INR 1086.30 lakhs). The increase in the overall Long term borrowings is due to loan taken towards renovation and interiors of company's new office at Baner. Fixed assets include intangibles under development of INR 308.10 lakhs (FY 19-20 INR 605.77 lakhs). Gross debt to net worth has slightly increased from 0.41 x to 0.44 x (due to new term loan for renovation and interiors of new office of the company). Current ratio is 3.06 x FY 20-21.

- **Key Financial Ratios**

Particulars	**2020-21**	**2019-20**
Operating Profit Margin %	16.51%	20.01%
Net Profit Margin %	9.45%	13.30%
Debtors Turnover ratio	1.24	1.61
Interest Coverage Ratio	2.89	6.85
Current Ratio	3.06	3.32
Return on Net Worth	5%	11%
Debt Equity Ratio	0.44	0.41

- Due to the current market scenario due to corona virus; sales and recoveries could not perform in line with targets, during the financial year hence pile up in Unbilled revenue and debtors has resulted in blockages of funds
- Operating Profit Margin: Decrease in operating profit margin largely due to decrease in the revenue by 28.3% as compared to Fy 19-20. Though the revenue has decreased EBITDA margin has increased due to following reasons:

- Though the revenue has decreased, the EBITDA margin has increased largely due to – Increase in O & M, AMC & Transaction Based Revenue, leading to a decrease in cost of Professional Consultants for implementation.
- Decrease in other expenses by 40.6% has improved operating profit margin and Net Profit margin especially the expenses on Professional consultants and outsourcing costs.
- Decrease in Operational Profit Margin largely due to increase in Amortization & Depreciation charges by 31.6%

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, 2021**	**As on March 31, 2020**
Management	11	10
Implementation	255	340
Development	97	98
QA	24	33
Sales	16	22
Finance and accounts	6	8
Purchase and administration	9	10
Human resource	4	5
Total	**422**	**526**

Male and female team members count

Particulars	**Male**	**Female**	**Male : Female**
March 31, 2021	**306**	**116**	2.64:1
March 31, 2020	373	153	2.44:1

VI. RISKS AND CONCERNS

Risks, concerns and mitigations–

Risks	Impact on Company	Mitigation Plan
Volatile global economic scenario in light of the COVID 19 Pandemic	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	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
Rapidly changing business models due to technology	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.	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.
Breach of data privacy and protection	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.	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.
Inadequate laws in case of Intellectual Property (IP) management	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.	Measures to protect IPR through necessary certifications (Copyrights, Trademarks, patents).
Skilled Human Resource Availability and Retention	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.	Early planning and acquisition of talent in line with the expansion plans and estimated growth.
Client concentration risk	Majority client is government authorities etc.	Increase the business with private sector through new products as well as augmenting existing products.
Expenditure on research and development	Company is making expenditure on research and development of new products which may not be recouped.	- 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	- 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 Govt. 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- 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
SOFTTECH ENGINEERS LIMITED

SD/-
VIJAY GUPTA
CHAIRMAN & MANAGING DIRECTOR
DIN: 01653314
DATE: 04.09.2021
PLACE: PUNE

Annexure C
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st of March 2021
[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
SoftTech Towers,S NO 1/1A/7 8 15 16 17
Plot No.BCD 1-Baner, Opp. Royal Enfield Showroom,
Baner Road Pune 411045

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 2021, 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 2021 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, External Commercial Borrowing, 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) The other laws specifically applicable to the industry to which the company belongs, as identified and compliance whereof as confirmed by the management are:-

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) *The remuneration paid to the Executive Directors is exceeding the maximum limits prescribed under Section 197 of the Companies Act 2013.*
b) *The Company has unspent CSR amount for the Financial year 2020-21.*
c) *The Financial Results for the half year ended 30th September, 2020, were approved and submitted to the Stock Exchange beyond the period prescribed under Regulation 33 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015however the Company has given prior intimation to the Stock Exchange as per SEBI Circular CIR/CFD/CMD-1114212018 dated November 19, 2018 and paid the penalty levied by the Stock Exchange.*

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 the Company has approved investment in a Company to be formed under Section 8 of the Companies Act 2013 to carry out its CSR functions and projects.

Sd/-

Place: Pune (Devesh Tudekar)
Date: 01.09.2021 Company Secretary
UDIN: F005712C000873141 FCS No. 5712
C.P. No. : 2506

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.

Sd/-

Place: Pune
Date: 01.09.2021

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

ANNEXURE D

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

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

Your Directors have pleasure in presenting the Annual Report on CSR Activities for the financial year ended as on 31st March 2021. As per the provisions of section 135 of the Companies Act, 2013 the compliance of the conditions of corporate social responsibility is the responsibility of the management. Your company intends to allocate up to 2% of its average net profits (i.e. PBT) of last three financial years on CSR activities.

1. **A brief outline of the Company's CSR policy:**

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. Further the Company has formed "SoftTech Care Foundation', subsidiary with charitable objectives incorporated under section 8 of the Companies Act, 2013.

2. **Composition of CSR committee:**

As on 31st March 2021, the composition and status of CSR Committee of SoftTech Engineers Limited is as detailed below:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vijay Gupta	Member	1	1
2	Mrs. Priti Gupta	Member	1	1
3	Mr. Rahul Gupta	Member and Independent Director	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.-**
https://softtech-engr.com/csr-activities-in-softtech-engineers/

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).-**
Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**
Not Applicable

6. **<u>Average net profit of company</u>**:

The details profit for last three years is as follows:

All figures in Rs.

	Amount in Rs.		
Particulars	**FY 2017-18 (April-March)**	**FY 2018-19 (April-March)**	**FY 2019-20 (April-March)**
Total Revenue	519,924,708	635,568,314	589,012,984
Total Expenditure	423,616,770	526,322,689	480,464187
Extra-ordinary Items	-	-	-
Net Profit before Tax	96,307,938	109,245,625	108,548,797
Net Profit before Tax as per section 198	96,307,938	109,245,625	108,548,797
Total			314,102,360
Average 3 years profit			104,700,787
CSR Activity Gross Amount @ 2%			2,094,016/-

7. (a) Two percent of average net profit of the company as per section 135(5)- INR 2,094,016/-
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- NIL
   (c) Amount required to be set off for the financial year, if any- NA
   (d) Total CSR obligation for the financial year (7a+7b-7c): INR 2,094,016/-

8. (a) **CSR amount spent or unspent for the financial year:**

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year. (in Rs.)</th><th colspan="5">Amount Unspent (in Rs.)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</th></tr>
<tr><th>Amount.</th><th>Date of transfer.</th><th>Name of the Fund</th><th>Amount (in Rs.)</th><th>Date of transfer</th></tr>
<tr><td>1,112,800/-</td><td>-</td><td>-</td><td colspan="3">Unspent amount is Rs. 981,216/-
The Company proposes to transfer unspent amount to specified fund by 30th September, 2021</td></tr>
</table>

(b) **Details of CSR amount spent against ongoing projects for the financial year:** NOT APPLICABLE

<table>
<tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th colspan="2">(5)</th><th>(6)</th><th>(7)</th><th>(8)</th><th>(9)</th><th>(10)</th><th colspan="2">(11)</th></tr>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Name of the Project.</th><th rowspan="2">Item from the list of activities in Schedule VII to the Act.</th><th rowspan="2">Local area (Yes/No).</th><th colspan="2">Location of the project.</th><th rowspan="2">Project duration.</th><th rowspan="2">Amount allocated for the project (in Rs.).</th><th rowspan="2">Amount spent in the current financial Year (in Rs.).</th><th rowspan="2">Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).</th><th rowspan="2">Mode of Implementation - Direct (Yes/No).</th><th colspan="2">Mode of Implementation - Through Implementing Agency</th></tr>
<tr><th>State.</th><th>District.</th><th>Name</th><th>CSR Registration number.</th></tr>
</table>

1.												
2.												
3.												
	TOTAL											

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Rs.).**	**Mode of implementation Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
1.	Donation for promoting education, empowerment of women.	(ii)	Local area	Pune, Maharashtra	1,40,000/-	1,40,000/-	No	Shramik Mahila Mandal	-
2.	CSR donation for CSR Funding For Promoting Education.	(ii)	Local area	Mumbai, Maharashtra	9,72,800/-	9,72,800/-	Yes	Indian Institute of Technology, Bombay	-
	TOTAL				**1,112,800/-**	**1,112,800/-**			

(d) **Amount spent in Administrative Overheads:** Not applicable
(e) **Amount spent on Impact Assessment, if applicable:** Not applicable
(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs. 1,112,800/-

(g) **Excess amount for set off, if any- NIL**

Sl. No.	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) **Details of Unspent CSR amount for the preceding three financial years**: NA

Sl. No.	**Preceding Financial Year.**	**Amount transferred to Unspent CSR Account under section 135 (6)(in Rs.)**	**Amount spent in the reporting Financial Year(in Rs.).**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.**			**Amount remaining to be spent in succeeding financial years. (in Rs.)**
				Name of the Fund	**Amount (in Rs).**	**Date of transfer.**	
1.							

2.							
3.							
	TOTAL						

(b**) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NOT APPLICABLE

(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spentat the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
	TOTAL							

10. In **case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details**).: NOT APPLICABLE
    (a) Date of creation or acquisition of the capital asset(s).
    (b)Amount of CSR spent for creation or acquisition of capital asset.
    (c)Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    (d)Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5**).:

Due to on-going pandemic and the consequent government restrictions the government purchases are postponed. As a result the business of the Company was affected which resulted in drop in turnover. Moreover, due to lockdown like situation in the entire country the government departments were busy in covid management activity. Majority of clients of the Company being government organizations, recovery was quite slow as compared to normal expectation. The Company however in order to maintain the operations, resorted to Cost Optimization, creating network security for making WFH possible etc. So in order to maintain the business continuity the Company was able to fulfill CSR liability partially only during the year. The balance will be transferred to the specified funds in the current year within the due date in compliance with the Companies Act, 2013.

12. **Responsibility Statement of CSR Committee:**

The committee members states that the company has implemented & monitored the CSR policy, in compliance with CSR objective and policy of the company.

13. **Acknowledgment**

Your Directors express their special thanks to the CSR Committee, Members, and Employees for their continued support. Your directors also gratefully acknowledge the co-operation and assistance received from Central and State Government authorities for their continued support and valuable assistance.

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

SD/-

VIJAY GUPTA
CHAIRMAN &MANAGING DIRECTOR
DIN: 01653314
DATE: 04.09.2021
PLACE: PUNE

SD/-

PRITI GUPTA
DIRECTOR
DIN: 01735673
DATE: 04.09.2021
PLACE: PUNE

STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

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 2021, 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 2021, 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.

Emphasis of Matter

4. We draw attention to Note 35 to the accompanying Statement, which describes the effects of uncertainties relating to 'COVID-19' pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying Statement as at 31 March 2021, the extent of which is significantly dependent on future developments as they evolve. Our conclusion is not modified in respect of this matter.

Key Audit Matters

5. 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.

6. 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
Revenue recognition - fixed price contracts: (Refer note 2(h) to the accompanying standalone financial statements for accounting policy and Note 21 for the revenues recorded during the year). 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. 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. 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	Our audit of recognition of revenue in respect of fixed price contracts included, but were not limited to the following: • 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 the accounting under proportionate completion method, by performing the following procedures: - evaluated the contract terms and conditions; - obtained an understanding of the assumptions applied in determining the estimated hours to complete, and

contracts within planned timelines. The estimates involved are reviewed by the management on periodic basis. Changes in the estimates as contract progresses can result in material adjustments to revenue recorded by the Company. 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.	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 standalone financial statements with respect to fixed price contract revenue in accordance with the requirements of applicable accounting standards.
Recoverability of trade receivables (Refer Note 2(i) to the accompanying standalone financial statements for accounting policy and Note 16 for related disclosure) As at 31 March 2021, the total receivable balance net of provisions, included in Note 17 is INR 333,676,604 (as at 31 March 2020: INR 359,860,947). 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. 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 required in making appropriate provisions, and accordingly, this matter has been determined to be a key audit matter for the current year audit.	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: • 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 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 standalone financial statements with respect to the trade receivables and provisioning thereof in accordance with the requirements of applicable accounting standards.
Development costs towards intangible assets under development	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:

(Refer Note 2(e) to the accompanying standalone financial statements for accounting policy and Note 11 of Standalone Balance Sheet for related disclosure) The Company's software development personnel are involved in development of new software offerings, as well as enhancements to existing software. The eligible development costs are capitalized by the Company in accordance with AS 26, Intangible assets (AS 26). Significant judgements relevant for capitalization of development costs 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. Our audit focused on this area due to the value of the development costs incurred by the Company, and assessing eligible 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. Accordingly, this matter has been determined as a key audit matter for the current year audit.	• Obtained an understanding of the management process of identifying and measuring costs incurred towards development of intangible assets, assessing eligibility of such costs for capitalization 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. • 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

7. 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

8. 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.

9. 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

10. 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

11. 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.

12. 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.

13. 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.

14. 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.

15. 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

16. 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.

17. 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.

18. 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;

    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 2021 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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 June 2021 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 2021;

        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 2021;

        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 2021;

        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/-

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN No.: 21101797AAAABI9246

Place: Pune
Date: 25 June 2021

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 2021

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 duty, value added tax, cess, goods and service 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 become 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:
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
Central Sales Tax Act, 1956	Sales tax	4,131,770	250,000	FY 2012-2013	Joint Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Sales tax	55,505	25,000	FY 2012-2013	Joint Commissioner of Sales Tax
Income Tax Act, 1961	Income tax	20,101,370	10,455,300	FY 2013-2014	Income Tax Appellate Tribunal

(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) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments), during the year. In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) 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/-

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN No.: 21101797AAAABI9246

Place: Pune
Date: 25 June 2021

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 2021

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 2021, we have audited the internal financial controls with reference to financial statements 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 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 2021, 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/-

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN No.: 21101797AAAABI9246

Place: Pune
Date: 25 June 2021

SoftTech Engineers Limited
Standalone Balance Sheet as at 31 March 2021

	Notes	As at 31 March 2021 In ₹	As at 31 March 2020 In ₹
Equity and Liabilities			
Shareholders' Fund			
Share Capital	3	94,666,720	94,224,760
Reserves and Surplus	4	628,296,641	589,073,567
		722,963,361	683,298,327
Share Application Money Pending Allotment	3	-	220,980
Non-Current Liabilities			
Long-term Borrowings	5	196,472,232	167,233,425
Other Long-term Liabilities	6	1,310,590	50,000
Long-term Provisions	7	11,057,858	8,870,092
		208,840,680	176,153,517
Current Liabilities			
Short-term Borrowings	5	105,740,175	108,630,172
Trade Payables - outstanding dues to Micro Enterprises and Small Enterprises	8	687,697	1,096,604
Trade Payables - outstanding dues to other than Micro Enterprises and Small Enterprises	8	91,970,359	58,840,565
Other Current Liabilities	9	49,858,480	51,162,061
Short-term Provisions	7	5,666,839	9,391,121
		253,923,550	229,120,523
Total		**1,185,727,591**	**1,088,793,347**
Assets			
Non-Current Assets			
Property, Plant and Equipment	10	41,274,839	9,137,325
Intangible Assets	11	158,507,601	100,176,541
Intangible Assets under Development		30,810,039	60,577,178
Non-Current Investments	12	30,193,335	17,432,080
Deferred Tax Assets	13	10,575,987	13,119,791
Long-term Loans and Advances	14	47,196,926	30,945,663
Other Non-Current Assets	15	90,093,300	96,738,365
		408,652,027	328,126,943
Current Assets			
Trade Receivables	16	333,676,604	359,860,947
Current Investments	17	49,866,746	85,220,553
Cash and Bank balances	18	1,078,092	1,215,898
Short-term Loans and Advances	14	10,371,124	6,738,172
Unbilled Revenue	19	382,082,998	307,630,834
		777,075,564	760,666,404
Total		**1,185,727,591**	**1,088,793,347**
Significant Accounting Policies and other Explanatory Information	**1 to 39**		

As per our report of even date attached

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

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Sd/-
Priti Gupta
Director
DIN: 1735673

Place : Pune
Date : 25 June 2021

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021

SoftTech Engineers Limited
Standalone Statement of Profit and Loss for the Year Ended 31 March 2021

	Notes	Year ended 31 March 2021 In ₹	Year ended 31 March 2020 In ₹
Revenue			
Revenue from operations	21	415,735,637	579,470,196
Other Income	22	9,963,085	9,542,788
Total Revenue		**425,698,722**	**589,012,984**
Expenses			
Purchases of software products		47,537,876	62,190,359
Employee benefits expense	23	100,237,480	110,902,823
Finance costs	24	23,756,700	16,921,518
Depreciation and amortisation expense	25	48,964,055	37,194,677
Other expenses	26	150,376,373	253,254,810
Total expenses		**370,872,484**	**480,464,187**
Profit before Tax		**54,826,238**	**108,548,797**
Tax Expense			
Current Tax		13,000,000	33,000,000
Deferred Tax Charge / (Credit)		2,543,804	(1,516,624)
		15,543,804	**31,483,376**
Profit for the Year		**39,282,434**	**77,065,421**
Earnings per Equity Share	32		
Basic		4.15	8.18
Diluted		4.14	8.12
Significant Accounting Policies and Other Explanatory Information	**1 to 39**		

As per our report of even date attached

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

Sd/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Place : Pune
Date : 25 June 2021

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Place : Pune
Date : 25 June 2021

Sd/-
Priti Gupta
Director
DIN: 1735673

Place : Pune
Date : 25 June 2021

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021

SoftTech Engineers Limited
Standalone Cash Flow Statement for the year ended 31 March 2021

		Year ended 31 March 2021 In ₹	Year ended 31 March 2020 In ₹
Cash flow from operating activities			
Profit before tax		**54,826,238**	**108,548,797**
Adjustments for:			
Depreciation and Amortisation Expense		48,964,055	37,194,677
Unrealised gain on foreign currency transactions and translations (net)		(113,895)	(325,838)
Employees' stock option compensation		161,620	379,762
Finance costs		23,501,433	16,773,138
Bad debts and advances written off		3,689,400	6,156,131
(Reversal of)/Provision for doubtful debts		(1,931,702)	(1,197,174)
Loss on Sale of Equipment		435,495	-
Dividend income		(2,146,193)	(2,015,388)
Interest income on deposits		(5,096,248)	(5,375,990)
Operating profit before working capital changes		**122,290,203**	**160,138,115**
Changes in working capital:			
Increase in trade payables, liabilities and provisions		15,376,350	31,232,456
Decrease/(Increase) in trade receivables		24,540,540	(176,266,372)
Increase in loans and advances and other assets		(77,953,355)	(47,609,902)
Cash generated generated from / (used in) operations		**84,253,738**	**(32,505,703)**
Direct taxes paid (net)		(31,953,394)	(19,048,985)
Net cash generated from / (used in) operating activities	**(A)**	**52,300,344**	**(51,554,688)**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and intangible assets under development)		(104,420,379)	(67,763,880)
Investments in subsidiary companies		(12,761,255)	(11,559,706)
Purchase of mutual fund units		-	(110,000,000)
Proceeds from sale of mutual fund		35,353,807	133,744,588
Fixed deposits including balances in escrow account realised/(placed)		3,358,523	(12,727,472)
Interest received		7,414,537	1,035,297
Dividend received		2,146,193	2,015,388
Net cash used in investing activities	**(B)**	**(68,908,574)**	**(65,255,785)**
Cash flow from financing activities			
Share application money pending allotment		-	220,980
Repayment of long-term borrowings		(10,801,322)	(36,004,543)
Proceeds from long-term borrowings		53,261,428	121,500,000
Dividend paid (including dividend distribution tax paid)		-	(5,659,068)
Proceeds from short-term borrowings (net)		(2,889,997)	37,937,474
Interest paid		(22,063,193)	(13,941,836)
Net cash generated from financing activities	**(C)**	**17,506,916**	**104,053,007**
Net (decrease)/ increase in cash and cash equivalents	**(A+B+C)**	**898,686**	**(12,757,466)**
Cash and cash equivalents at the beginning of the year		172,421	12,929,887
Cash and cash equivalents at the end of the year		**1,071,107**	**172,421**

SoftTech Engineers Limited
Standalone Cash Flow Statement for the year ended 31 March 2021

	Year ended 31 March 2021 In ₹	Year ended 31 March 2020 In ₹
Cash and cash equivalents comprise of :		
Cash on hand	30,794	5,794
Balances with banks (in current accounts)	1,040,313	166,627
	1,071,107	**172,421**

Notes:

(a) 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.

(b) 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

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Place : Pune
Date : 25 June 2021

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Place : Pune
Date : 25 June 2021

Sd/-
Priti Gupta
Director
DIN: 1735673

Place : Pune
Date : 25 June 2021

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021

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 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, municipal corporations, 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.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of estimates

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

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any).

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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'.

(d) Depreciation on property, plants and equipment

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 are in line with Schedule II of the Companies Act, 2013 considering the estimated useful life of the assets and obsolescence:

Class of assets	**Useful life as followed by the Company (in Years)**
Furniture, fixtures and fittings	10
Vehicles	8
Office equipment	5
Computers	3
Servers	6
Service cell system	5
Leasehold improvements	Over the lease period

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(e) 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.

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 their estimated useful life of 4 years, and computer software are amortised on a straight line basis over their estimated useful life of five years.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with *AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(f) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(g) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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.

(h) Revenue recognition

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.

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.

Revenue from annual technical service contracts is recognised on a pro-rata basis over the period in which such services are rendered.
Revenue from sale of traded software licenses is recognised on delivery to the customer.

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.

Dividend income is recognised when the right to receive the dividend is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(i) Trade Receivables

Trade receivables are recorded net of allowance for doubtful accounts.

(j) Foreign currency transactions

i. Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

ii. **Conversion**
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences
Exchange differences on settlement/conversion are included in the Statement of Profit and Loss in the period in which they arise.

(k) Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(l) Employee benefits

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.

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Post-employment benefits:

i. 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.

ii. Defined benefit plans:
The company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

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 treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

(m) Employee stock compensation cost

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized 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. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(n) Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Current income tax and deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(o) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

(p) Provisions and contingent liabilities

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

(r) 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.

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

	As at 31 March 2021		As at 31 March 2020	
	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	9,466,672	94,666,720	9,422,476	94,224,760
	9,466,672	**94,666,720**	**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	9,422,476	94,224,760
Add: Shares issued during the year (refer note (g) below)	44,196	441,960	-	-
Balance at the end of the year	**9,466,672**	**94,666,720**	**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.

During the earlier years, 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 2021		As at 31 March 2020	
	Number of shares held	**% holding**	**Number of shares held**	**% holding**
Equity shares				
Vijay Gupta	3,681,234	38.89%	3,681,234	39.07%
School of Design and Entrepreneurship LLP	1,233,396	13.03%	-	-
East India Udyog Limited	700,800	7.40%	-	-
Pratik Babubhai Patel	650,304	6.87%		
Rajasthan Trustee Company Private Limited	-	-	1,233,396	13.09%
Babubhai K. Patel	-	-	650,304	6.90%
	6,265,734	**66.19%**	**5,564,934**	**59.06%**

(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) Share Application Money Pending Allotment:

During the previous year, 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 the reporting date. 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). The respective shares has been allotted to employees on 5 May 2020.

4	Reserves and Surplus	As at 31 March 2021	As at 31 March 2020
	Securities Premium Account		
	Balance at the beginning of the year	240,130,092	240,130,092
	Add: Additions made during the year	1,325,880	-
	Balance as at the end of the year	**241,455,972**	**240,130,092**
	Share Options Outstanding Account		
	Balance at the beginning of the year	2,181,910	1,802,148
	Add: Employees' stock option compensation expense	161,620	379,762
	Less: Transferred to Share Premium & Share Capital Account	1,546,860	-
	Balance at the end of the year	**796,670**	**2,181,910**
	Surplus in the Standalone Statement of Profit and Loss		
	Balance at the beginning of the year	346,761,565	275,376,012
	Add : Transferred from Standalone Statement of Profit and Loss	39,282,434	77,065,421
	Less: Dividend on equity shares	-	4,711,238
	Less: Tax on dividend (on equity shares)	-	968,630
	Balance as at the end of the year	**386,043,999**	**346,761,565**
		628,296,641	**589,073,567**

	As at 31 March 2021		As at 31 March 2020	
	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	-
Technology Development Board (TDB)	21,000,000	-	22,000,000	-
Term loans (from Banks):				
Axis Bank vehicle loan	1,656,788	-	2,208,110	-
Axis Bank ECGL	19,500,000	-	-	-
ICICI Bank	33,761,428	-	-	-
Loans Repayable on demand:				
Working Capital Loan from Banks	-	105,740,175	-	108,630,172
	75,918,216	**105,740,175**	**39,558,110**	**108,630,172**
Unsecured				
Term loans				
From others	119,000,000	-	119,000,000	-
Loans from related parties	20,176,637	-	14,076,637	-
	139,176,637	**-**	**133,076,637**	**-**
Less : Current maturities of long-term borrowings (refer note 9)	18,622,621	-	5,401,322	-
	196,472,232	**105,740,175**	**167,233,425**	**108,630,172**

(a) Details of guarantee for each type of borrowings

Guaranteed by directors (exclusive of interest, which is also guaranteed)				
Term loans				
From others	75,918,216	-	39,558,110	-
Loans repayable on demand				
Working capital loan from banks	-	105,740,175	-	108,630,172

(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

These includes loan availed from managing director Mr. Vijay Gupta of ₹ 15,339,662 (previous year - ₹ 13,439,662) and director Mrs. Priti Gupta ₹ 4,836,975 (previous year - ₹ 636,975). These loans do not have a repayment schedule and carrying an interest rate of 10% 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

(b) Nature of security and terms of repayment

	Nature of security Term loans from others	Terms of repayment
(i)	SIDBI Loan of Nil (Previous Year: ₹ 1,250,000) 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.	The loan has been completely repaid in the current year.
(ii)	SIDBI Loan of Nil (previous year: ₹ 14,100,000) 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.	During the month of March 2021, this loan has been taken over by ICICI Bank. The details of the ICICI Bank loans have been mentioned in point (d) below.
(iii)	TDB Loan of ₹ 21,000,000 (previous year: ₹ 22,000,000) 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	Loan of ₹ 24,500,000 was disbursed in 3 instalments, with two instalments of ₹ 7,500,000 and ₹ 14,500,000 disbursed on 28 March 2017 and 16 February 2019 and third instalment of Rs 2,500,000 on 4 November 2020. The principal amount shall be repaid in 7 half-yearly installments, with the last installment payable in month of March 2024.
(iv)	ICICI Bank This loan is towards take-over of SIDBI loan. The sanction amount of this loan is ₹ 13,500,000. The Company has availed a loan of ₹12,049,215 (Previous Year : Nil) only. This loan is secured against: i) exclusive charge on movable fixed assets / tangible and intangible assets financed by SIDBI; ii) personal guarantee by Mr Vijay S.Gupta and Ms. Priti V.Gupta.	Rate of interest is 9.25% p.a. The principal amount shall be repaid in 45 equal installments or remaining tenure of SIDBI loan, whichever is lower.
(v)	ICICI Bank This Loan is towards renovation and interiors of company's new office at Baner. The sanction amount of this loan is ₹ 35,000,000. The Company has availed a loan of ₹ 21,712,113 (Previous Year : Nil) only. Loan is secured against: i) the exclusive charge on assets to be financed for interiors and setup of new office (furntiture, fixtures, networking systems etc); ii) personal guarantee by Mr Vijay S. Gupta and Priti V.Gupta.	Rate of interest is 9.25%. Principal amount shall be repaid in 60 equal installments starting from September 2021.

b) Nature of security and terms of repayment (continued)

	Nature of security Term loans from others	Terms of repayment
(vi)	Axis Bank - ECLGS This ECLGS loan has been sanctioned to meet the working capital requirements arising out of COVID-19. Loan of ₹ 19,500,000 (Previous Year : Nil) is secured against: i) Hypothecation on entire current assets of the borrower; ii) personal guarantee by Mr Vijay S.Gupta , Mrs Priti V. Gupta and Mr Chirag Gupta (limited to the value of property)	Rate of interest is 5.25% over the Repo rate, which will reset at interval of 3 months. The current rate of interest is 9.25% p.a. (i.e. Repo rate of 4% + 5.25%). The loan of ₹ 1,95,00,000 disbursed is to be repaid in 36 installments after 12 months from the month of July 2021.

	Nature of security Loan repayable on demand	Terms of repayment
(vii)	**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 and Priti Gupta.	Interest rate is 3 month MCLR rate plus 1.95% p.a. currently 8.80% p.a.

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	As at 31 March 2021	As at 31 March 2020
6 Other long-term liabilities		
Tender deposits	1,310,590	50,000
	1,310,590	**50,000**

	As at 31 March 2021		As at 31 March 2020	
	Long-term	Short-term	Long-term	Short-term
7 Provisions				
Provision for Gratuity (refer note (a) below)	8,808,080	4,420,641	7,747,643	4,180,624
Provision for Compensated Absences (refer note (b) below)	2,249,778	1,246,198	1,122,449	635,383
Provision for Income Tax (Net of Advance Tax)	-	-	-	4,575,114
	11,057,858	**5,666,839**	**8,870,092**	**9,391,121**

(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 2021**	**Year ended 31 March 2020**
Change in benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	11,928,267	8,904,915
Current service cost	2,378,070	1,625,721
Interest cost	679,198	619,610
Actuarial (gain)/loss	(1,320,909)	884,706
Benefits paid	(435,905)	(106,685)
PBO at the end of the year	**13,228,721**	**11,928,267**
Net gratuity cost comprises the following components:		
Current service cost	2,378,070	1,625,721
Interest cost	679,198	619,610
Recognised net actuarial (gain)/loss	(1,320,909)	884,706
Net gratuity cost	**1,736,359**	**3,130,037**
The actuarial assumptions used in accounting for the gratuity plan were as follows:		
Discount rate	5.60%	5.80%
Rate of increase in compensation levels	10.00%	10.00%
Withdrawal Rate	25.00%	25.00%
Rate of return on plan assets	NA	NA
Mortality rate	IALM Mortality-Tables (2012-14) Ultimate	IALM Mortality-Tables (2012-14) Ultimate

(a) Gratuity (Continued)

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

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Present value of obligation	13,228,721	11,928,267	8,904,915	6,773,773	5,276,793
Fair value of plan assets	-		-	-	-
Deficit	13,228,721	11,928,267	8,904,915	6,773,773	5,276,793
Experience adjustments:					
On plan liabilities: (gain)/loss	(1,410,798)	430,269	25,453	(67,154)	62,406

(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 ₹ 2,034,194 (previous year - ₹ 1,178,084).

(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 2021**		**As at 31 March 2020**	
	No. of options	**WAEP***	**No. of options**	**WAEP***
Outstanding at the beginning of the year	**66,878**	**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	44,196	5.00	-	-
Outstanding at the end of the year	**22,682**	**5.00**	**66,878**	**5.00**
Exercisable at the end of the year	**22,682**	**5.00**	**44,585**	**5.00**

* WAEP denotes weighted average exercise price

The Company incurred ₹ 161,620 (previous year - ₹ 379,762) towards employee stock compensation during the year.
The weighted average fair value of the options granted during the earlier year was ₹ 58.67 per share option issued. Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	**Year ended 31 March 2021**
Dividend yield (%)	0.00%
Expected volatility	15%
Risk free interest rate	6.26%
Exercise price	10.00
Expected life of options (in years)	
- Year I	2.00
- Year II	2.01
- Year III	3.01

(c) Employee stock compensation (Continued)

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may differ from the actuals.

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 2021	Year ended 31 March 2020
Profit after tax attributable to equity shareholders	39,282,434	77,065,421
Add: ESOP cost using intrinsic value method	161,620	379,762
Less: ESOP cost using fair value method	104,486	287,675
Proforma profit after tax	39,339,568	77,157,508
Basic earnings per share		
- as reported	4.15	8.18
- proforma	4.16	8.19
Diluted earnings per share		
- as reported	4.14	8.12
- proforma	4.15	8.13

		As at 31 March 2021	As at 31 March 2020
8	**Trade payables**		
	Dues to micro enterprises and small enterprises (refer note (a) below)	687,697	1,096,604
	Dues to other than micro enterprises and small enterprises	91,970,359	58,840,565
		92,658,056	**59,937,169**

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 2021	As at 31 March 2020
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	687,697	1,096,604
Interest due to suppliers registered under MSMED Act on the principal amount due as at year end and remaining unpaid as at year end	17,639	3,797
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	12,486,786	2,594,621
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	31,800	3,738
Further interest remaining due and payable for earlier years	42,053	34,518
Interest accrued and remaining unpaid as at the year end	91,492	42,053

		As at 31 March 2021	As at 31 March 2020
9	**Other current liabilities**		
	Current maturities of long-term borrowings	18,622,621	5,401,322
	Interest accrued but not due on borrowings	5,678,898	4,240,658
	Statutory dues	10,411,734	26,319,172
	Advance from customers	708,399	548,004
	Outstanding expenses	14,416,028	14,632,105
	Unpaid Dividend	20,800	20,800
		49,858,480	**51,162,061**

10 Property, plant and equipment

	Furniture and fixtures	Vehicles	Office equipment	Computers	Service cell system	Leasehold Improvements	Total
Gross block							
Balance as at 1 April 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**
Additions	16,471,025	-	17,234,397	480,924	-	2,832,590	37,018,936
Disposals	8,142,485	-	833,355	6,659,761	576,532	-	16,212,133
Balance as at 31 March 2021	**17,312,369**	**3,389,082**	**19,142,336**	**11,520,978**	**26,982,031**	**2,832,590**	**81,179,386**
Accumulated depreciation							
Balance as at 1 April 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**
Depreciation charge	682,824	423,812	1,160,942	2,088,213	22,619	67,517	4,445,927
Reversal on disposal of assets	7,706,990	-	833,355	6,659,761	576,532	-	15,776,638
Balance as at 31 March 2021	**796,041**	**1,036,632**	**1,982,097**	**9,080,642**	**26,941,618**	**67,517**	**39,904,547**
Net block							
Balance as at 31 March 2021	**16,516,328**	**2,352,450**	**17,160,239**	**2,440,336**	**40,413**	**2,765,073**	**41,274,839**
Balance as at 31 March 2020	**1,163,622**	**2,776,262**	**1,086,784**	**4,047,625**	**63,032**	**-**	**9,137,325**

11 Intangible assets

	Computer software	Internally generated software	Total
Gross Block			
Balance as at 1 April 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**
Additions	1,246,399	101,602,789	102,849,188
Disposals	7,858,273	-	7,858,273
Balance as at 31 March 2021	**7,291,696**	**409,223,230**	**416,514,926**
Accumulated Amortisation			
Balance as at 1 April 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**
Amortisation charge	597,914	43,920,214	44,518,128
Reversal on disposal	7,858,273	-	7,858,273
Balance as at 31 March 2021	**5,319,148**	**252,688,177**	**258,007,325**
Net block			
Balance as at 31 March 2021	**1,972,548**	**156,535,053**	**158,507,601**
Balance as at 31 March 2020	**1,324,063**	**98,852,478**	**100,176,541**

		As at 31 March 2021	As at 31 March 2020
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	202,806	202,806
	(1,000 equity shares of Euro 2.50 each fully paid up)		
	SoftTech Engineers Inc.	608,424	608,424
	(800,000 equity shares of USD 0.01 each fully paid up)		
	Investments in debentures		
	SoftTech Finland OY	4,868,951	4,868,951
	{24,000 (Previous Year - 24,000) 1% optionally convertible debentures of Euro 2.50 each fully paid up}		
	SoftTech Engineers Inc.	24,133,354	11,372,099
	{33,000,000 (Previous Year - 16,000,000) 1% optionally convertible debentures of USD 0.01 each fully paid up}		
(b)	**Investments in others**		
	The Mahesh Sahakari Bank Limited	354,800	354,800
	(14,192 equity shares (Previous Year: 14,192 equity shares) of ₹ 25 each fully paid up)		
	The Saraswat Co-operative Bank Limited	25,000	25,000
	(2,500 equity shares (Previous Year: 2,500 equity shares) of ₹ 10 each fully paid up)		
		30,193,335	**17,432,080**
	Aggregate amount of unquoted investment	**30,193,335**	**17,432,080**
13	**Deferred tax assets**		
	Deferred tax assets		
	Provision for employee benefits	4,209,272	3,985,392
	Provision for doubtful balances	1,648,650	2,300,056
	On depreciation and amortisation	4,718,065	6,834,343
	Deferred tax liability	-	-
		10,575,987	**13,119,791**

		As at 31 March 2021		As at 31 March 2020	
		Long-term	Short-term	Long-term	Short-term
14	**Loans and advances**				
	(Unsecured, considered good (unless otherwise stated))				
	Security deposits	9,434,115	-	6,264,115	-
	Advance taxes (net of provision)	14,378,279	-	-	-
	Balances with government authorities*	20,997,460	-	20,997,460	-
	Advances to related parties	776,184	-	906,184	-
	Prepaid expenses	483,270	3,282,506	1,008,186	1,976,699
	Advance to employees and others	387,500	7,088,618	-	3,511,473
	Tender deposits (considered good)	740,118	-	1,769,718	1,250,000
		47,196,926	**10,371,124**	**30,945,663**	**6,738,172**

* 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.

		As at 31 March 2021	As at 31 March 2020
15	**Other non-current assets**		
	(Unsecured, considered good (unless otherwise stated))		
	Bank deposits with maturity of more than 12 months (Refer note (a) below)	76,954,792	79,276,823
	Interest accrued but not due on bank deposits and others	11,184,196	13,502,485
	Retention money	1,954,312	3,959,057
		90,093,300	**96,738,365**

(a) Details of bank deposits pledged
(i) Deposit of ₹ 15,900,000 (Previous Year: ₹ 21,500,000) are pledged as security against the long-term borrowings.
(ii) Deposit of ₹ 39,900,000 (Previous Year: ₹ 39,900,000) are pledged as security against the short-term borrowings.
(iii) Deposit of ₹ 19,076,823 (Previous Year: ₹ 17,876,823) are held against bank guarantees.

		As at 31 March 2021	As at 31 March 2020
16	**Trade receivables**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	177,658,629	73,652,053
	Doubtful	6,550,579	7,898,543
		184,209,208	81,550,596
	Less : Allowances for bad and doubtful debts	(6,550,579)	(7,898,543)
		177,658,629	73,652,053
	Other debts		
	Unsecured, considered good	156,017,975	286,208,894
		333,676,604	**359,860,947**
17	**Current investments**		
	Non-trade, quoted investments in mutual funds		
	18,210.89 Units (Previous Year : Nil Units) of SBI Magnum Low Duration Fund	48,951,952	-
	237.44 Units (Previous Year : 6,540.40 Units) of HDFC Low Duration Fund	914,794	25,220,553
	Nil Units (Previous Year : 19,482.19 Units) of SBI Liquid Fund - Regular plan -Growth	-	60,000,000
		49,866,746	**85,220,553**
	Aggregate amount of quoted investment	**49,866,746**	**85,220,553**
18	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash in hand	30,794	5,794
	Balances with banks		
	- in current accounts	1,040,313	166,627
		1,071,107	**172,421**
	Other bank balances		
	Balances in escrow account	6,985	1,043,477
		1,078,092	**1,215,898**

		As at 31 March 2021	As at 31 March 2020
19	**Unbilled revenue**		
	(Unsecured, considered good (unless otherwise stated))		
	Unbilled revenue	382,082,998	307,630,834
		382,082,998	**307,630,834**
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
	Income Tax demand for Assessement Year 2014-15 (refer note (v) below)	20,101,370	-
(ii)	Bank guarantees	65,852,021	72,685,179
(iii)	Other matters for which the Company is contingently liable		
	Potential non-recoverability of certain receivables	762,041	762,041

(iv) Provident Fund

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.

(v) The Assessing officer has filed an appeal with Income Tax Appellate Tribunal ('ITAT') against the order passed by Commissioner of Income Tax (Appeals) under section 143 (3) of the Income tax Act, 1961 for the Assessment Year (A.Y.) 2014 - 2015, resulting in net tax liability of ₹ 20,101,370. Amount of ₹ 3,000,000 has been paid under protest and an amount of ₹ 7,455,300 has been adjusted against the refund issued for Assessment Year 2019 - 2020. The entire amount of ₹ 20,101,370 has been disclosed as a contingent liability.

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		Year ended 31 March 2021	Year ended 31 March 2020
21	**Revenue from operations**		
	Sale of services	361,044,628	508,540,994
	Sale of products	54,691,009	70,929,202
		415,735,637	**579,470,196**
22	**Other income**		
	Interest income		
	From fixed deposits in banks	5,096,248	5,161,982
	From other deposits	-	214,008
	Dividend income		
	From current investments	2,146,193	2,015,388
	Gain on foreign currency transactions and translations (net)	113,895	369,193
	Excess provision written back	1,931,702	1,272,174
	Miscellaneous income	675,047	510,043
		9,963,085	**9,542,788**
23	**Employee benefits expense**		
	Salaries and bonus (Refer note 7(a) and 7(b))	95,583,889	104,639,231
	Contribution to provident fund and other funds (Refer note below)	4,385,954	4,938,478
	Employees' stock option compensation	161,620	379,762
	Staff welfare expenses	106,017	945,352
		100,237,480	**110,902,823**

Defined Contribution Plan: The amount recognised as an expense during the period is ₹ 4,385,954 (Previous Year: ₹ 4,938,478)

		Year ended 31 March 2021	Year ended 31 March 2020
24	**Finance costs**		
	Interest expense	22,356,618	16,653,271
	Other borrowing costs	1,144,815	119,867
	Interest on delayed payment of statutory dues	255,267	148,380
		23,756,700	**16,921,518**
25	**Depreciation and Amortisation Expense**		
	Depreciation of property, plant and equipment (refer note 10)	4,445,927	5,016,031
	Amortisation of intangible assets (refer note 11)	44,518,128	32,178,646
		48,964,055	**37,194,677**

	Year ended 31 March 2021	Year ended 31 March 2020
26 Other expenses		
Electricity charges	1,296,243	1,341,722
Rent (refer note 31)	8,611,653	7,477,641
Repairs and maintenance	384,730	1,308,151
Insurance	1,731,093	1,098,852
Rates and taxes	287,642	479,084
Travelling and conveyance	4,715,173	14,358,470
Sub-contracting expenses	5,866,194	30,501,153
Professional fees for technical consultants	93,260,335	160,475,335
Auditors' remuneration (refer note (a) below)	1,524,000	1,369,280
Legal and professional expenses	8,758,183	14,846,807
Bank charges	1,993,005	1,528,089
Sales promotion expenses	4,028,659	3,345,431
Printing and stationery	1,228,807	1,603,888
Office expenses	1,441,071	1,223,647
Postage and telephone	827,408	759,751
Internet charges	4,348,220	809,343
Bad debts and advances written off	3,689,400	6,156,131
Subscription charges	3,713,875	1,459,049
Donations	-	12,000
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 34)	1,112,800	1,859,100
Prior period expenses	-	29,436
Loss on sale of property, plant and equipment	435,495	-
Miscellaneous expenses	1,122,387	1,212,450
	150,376,373	**253,254,810**

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

As auditor		
Statutory audit	1,085,000	1,025,000
Limited review	315,000	300,000
Certification fees	99,000	22,000
Reimbursement of expenses	25,000	22,280
	1,524,000	**1,369,280**

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, the financials statements are reflective of information required under in Accounting Standard 17, "Segment Reporting" are not applicable to the Company.

28 Related party disclosures

(a) Names of related parties and description of relationship:

Name of the related party	Nature of relationship
Vijay Gupta	Managing director
Priti Gupta	Director
Sridhar Pillalamari	Director
Rahul Gupta	Director
Sundararajan Srinivasan	Director (w.e.f. 27 August 2019)
Pratik Patel	Director (w.e.f 18 July, 2020)
Wai Ki Chan	Nominee Director (w.e.f. 22 March 2021)
Amit Katariya	Chief Financial Officer (upto 1 April 2019)
#REF!	Chief Financial Officer (w.e.f. 20 April 2019 to 31 December 2020)
Murray Freeman	Nominee Director (w.e.f. 13 October 2020 to 11 February 2021)
Dominik Keller	Director (w.e.f. 27 December 2019 to 21 July 2020)
Aishwarya Patwardhan	Company Secretary
Chirag Gupta	Son of Vijay Gupta
Pawan Gupta	Relative of a Director
SoftTech Finland OY	Subsidiary
#REF!	Subsidiary
SoftTech Government Solutions Inc.	Subsidiary
RIB ITWO Software Private Limited	Enterprises over which key managerial personnel and their relatives exercise
CoVisible Solutions (India) Private Limited	significant influence

(b) Transactions with related parties:

Nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Loan obtained		
Vijay Gupta	17,100,000	-
Priti Gupta	11,500,000	2,500,000
RIB ITWO Software Private Limited	-	119,000,000
Loan repaid		
Vijay Gupta	15,200,000	3,500,000
Priti Gupta	7,300,000	2,500,000
Rent paid		
Priti Gupta	441,378	747,639
Interest expense		
Vijay Gupta	1,955,172	2,102,952
Priti Gupta	562,848	203,096
RIB ITWO Software Private Limited	7,140,000	1,872,787
Remuneration paid		
Vijay Gupta	5,550,000	5,200,000
Priti Gupta	1,368,750	1,316,280
Pratik Patel	875,000	-
Aishwarya Patwardhan	368,916	364,303
Piranvez Irani	1,381,429	2,379,435
Receiving services		
Pawan Gupta	175,000	300,000
Sitting fees paid		
Sridhar Pillalamari	125,000	75,000
Rahul Gupta	150,000	100,000
Sundararajan Srinivasan	100,000	75,000
Dividend paid		
Vijay Gupta	-	1,840,617
Priti Gupta	-	16,545
Chirag Gupta	-	18,400
CoVisible Solutions (India) Private Limited	-	149,574

Related party disclosures (Continued)

Nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Reimbursement of Expenses		
SoftTech Government Solutions Inc.	-	2,106,618
SoftTech Finland OY	-	287,806
Investment made in equity shares and debentures		
SoftTech Finland OY	-	2,381,651
#REF!	12,761,255	9,178,055

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

Nature of balances	As at 31 March 2021	As at 31 March 2020
Amount Receivable		
Advance towards Expenses		
CoVisible Solutions (India) Private Limited	488,378	618,378
SoftTech Finland OY	-	287,806
Security Deposit		
Vijay Gupta	553,395	553,395
Priti Gupta	202,000	202,000
Amount Payable		
Unsecured loan		
Vijay Gupta	15,339,662	13,439,662
Priti Gupta	4,836,975	636,975
RIB ITWO Software Private Limited	119,000,000	119,000,000
Remuneration payable		
Vijay Gupta	2,045,234	1,097,569
Priti Gupta	366,288	245,843
Pratik Patel	115,800	-
Interest Payable		
Vijay Gupta	3,157,296	2,230,907
Priti Gupta	560,911	182,786
RIB ITWO Software Private Limited	1,732,457	1,685,508
Rent payable		
Priti Gupta	233,299	78,518
Consultancy fees payable		
Pawan Gupta	39,928	174,928
Payable towards capital purchases		
SoftTech Government Solutions Inc.	12,015	12,015
Investment in Equity Shares		
SoftTech Finland OY	202,806	202,806
#REF!	608,424	608,424
Investment in Debentures		
SoftTech Finland OY	4,868,951	4,868,951
#REF!	24,133,354	11,372,099

29 Value of imports on CIF basis:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expenditure incurred towards intangible under development	4,459,874	5,637,221

30 Expenditure in foreign currency (accrual basis):

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Travelling and conveyance	567,912	1,237,934
Exhibition Expenditure	-	238,876
Professional fees for technical consultants	3,154,838	1,316,333

31 Earnings in foreign currency:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services	1,579,176	17,506,869

32 The Company has entered into operating lease agreements for office facilities and such leases are basically cancellable in nature. Lease rental expense recognised in the Standalone Statement of Profit and Loss for the period 1 April 2020 to 31 March 2021 in respect of operating lease is ₹ 8,611,653 (Previous year: ₹ 7,477,641).

A non-cancellable operating lease extends upto a maximum of five years from its date of inception. This lease agreement has a price escalation clause. Maximum obligation on long term non-cancellable operating lease in accordance with the rent stated in the agreement is as under:

	As at 31 March 2021	As at 31 March 2020
Disclosures in respect of non-cancellable operating lease		
Not later than 1 year	9,816,000	-
Later than 1 year but not later than 5 years	43,769,280	-
Later than 5 years	-	-

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32 Earning per share (EPS)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) Computation of net profit for the year		
Profit after tax attributable to equity shareholders (₹)	39,282,434	77,065,421
b) Computation of number of shares for Basic EPS		
Weighted average number of shares	9,462,555	9,422,476
c) Computation of number of shares for Diluted EPS		
Weighted average number of shares	9,485,776	9,486,723
Basic earnings per share (₹)	4.15	8.18
Diluted earnings per share (₹)	4.14	8.12
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	Foreign Currency	As at 31 March 2021		As at 31 March 2020	
		(₹)	Amount in Foreign Currency	(₹)	Amount in Foreign Currency
Trade receivables	USD	7,163,780	97,450	5,718,021	75,850
Trade receivables	MYR	12,362,000	700,000	12,114,690	700,000
Investments in debentures	Euro	4,868,951	60,000	4,868,951	60,000
Investments in debentures	USD	24,133,354	330,000	11,372,099	160,000
Payable towards capital goods	USD	12,015	163	12,015	163

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 2021	Year ended 31 March 2020
Average net profit of the Company for last three financial years	104,700,787	92,955,384
Prescribed CSR expenditure (2% of the average net profits as computed above)	2,094,016	1,859,108
Total amount to be spent for the year	2,094,016	1,859,108
Amount spent	1,112,800	1,859,100
Amount unspent	981,216	8

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

In March 2020, the World Health Organisations declared Covid-19 a global pandemic. Consequent to this, Government of India declared a nations wide lockdown, which has impacted normal business operations of the Company. In preparation of these financial results, the Company has taken into consideration internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity, assessment of recoverable and carrying value of certain assets such as property, plant and equipment, intangible assets, impact on revenues and receivables including unbilled revenue. Majority of customer base of the company are governmental authorities and due to delay in sanctioning new proposals, revenue from operations represents the declining trend post imposition of lockdown. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from impact considered as the date of approval of these financial results. Based on current indicators, the company has sufficient liquidity and it expects to recover the carrying value of its assets as stated in Statement of assets and liabilities. The Company has resumed its business activities from June 2020, in line with the guidelines issued by the Government authorities and has taken steps to strengthen its liquidity position and initiated cost restructuring exercise. The Company will continue to monitor any material changes to future economic conditions.

36 The code on Social security, 2020 relating to employee benefits has been approved by the Parliament and has also been published in Official Gazette of India. However, the date on which it comes into effect has not been notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules are published.

37 Ministry of Corporate Affairs (MCA), vide its notification dated 24 March, 2021, amended Schedule III of the Companies Act, 2013 with effect from 1 April, 2021. Management is of the view that since the changes are applicable from 1 April, 2021, those are applicable for the financial year commencing from 1 April, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after 1 April, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on 31 March, 2021, although issued after 1 April 2021.

38 The Company has adopted a reduced corporate tax rate effective 1 April 2019 in pursuance to Section 115BAA of Income Tax Act, 1961.

39 **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/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Place : Pune
Date : 25 June 2021

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Place : Pune
Date : 25 June 2021

Sd/-
Priti Gupta
Director
DIN: 1735673

Place : Pune
Date : 25 June 2021

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021

CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

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 2021, 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 2021, 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.

Emphasis of Matter

4. We draw attention to Note 36 to the accompanying Statement, which describes the effects of uncertainties relating to 'COVID-19' pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying Statement as at 31 March 2021, the extent of which is significantly dependent on future developments as they evolve. Our conclusion is not modified in respect of this matter.

Key Audit Matters

5. 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.

6. 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
Revenue recognition - fixed price contracts: (Refer note 2(i) to the accompanying consolidated financial statements for accounting policy and Note 21 for the revenues recorded during the year). 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. The fixed price revenue contracts of the Holding Company are by their nature complex given the significant judgements involved in estimation of efforts required to complete any particular project. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts input till date	Our audit of recognition of revenue in respect of fixed price contracts included, but were not limited to the following: • 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 the accounting under proportionate completion method, by performing the following procedures: • evaluated the contract terms and conditions;

and efforts required to complete the remaining contract performance obligations, and the ability to deliver the contracts within planned timelines. The estimates involved are reviewed by the management on periodic basis. Changes in the estimates as contract progresses can result in material adjustments to revenue recorded by the Holding Company. 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 determined as a key audit matter in the audit of the accompanying consolidated financial statements for the current year.	• 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.
Recoverability of trade receivables (Refer Note 2(j) to the accompanying consolidated financial statements for accounting policy and Note 16 for related disclosure) As at 31 March 2021, the total receivable balance net of provisions, included in Note 17 is INR 333,676,604 (as at 31 March 2020: INR 359,860,947). 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. 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. 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.	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: • 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; • 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.

Key audit matter	How our audit addressed the key audit matter
Development costs towards intangible assets under development (Refer Note 2(f) to the accompanying consolidated financial statements for accounting policy and Note 11 of Consolidated Balance Sheet for related disclosure) The Holding Company's software development personnel are involved in development of new software offerings, as well as enhancements to existing software. The eligible development costs are capitalized by the Holding Company in accordance with AS 26, Intangible assets (AS 26). Significant judgements relevant for capitalization of development costs 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. Our audit focused on this area due to the value of the development costs incurred by the Holding Company, and assessing eligible 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. Accordingly, this matter has been determined as a key audit matter for the current year audit.	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: • Obtained an understanding of the management process of identifying and measuring costs incurred towards development of intangible assets, assessing eligibility of such costs for capitalization 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; • 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

7. 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

8. 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, 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.

9. 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.

10. 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

11. 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.

12. 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.

13. 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.

14. 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.

15. 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

16. We did not audit the financial information of three subsidiaries, whose financial information (before eliminating inter-company balances) reflects total assets of ₹ 26,913,169, total revenues of ₹ Nil, total net loss after tax of ₹ 11,911,180 and net cash inflows amounting to ₹ 1,418,384 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

17. 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.

18. 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 2021 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';

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 2021;

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 2021;

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 2021;

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/-
Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN No: 21101797AAAABJ3244
Place: Mumbai
Date: 25 June 2021

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 2021

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 2021, 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 Holding 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 Group's business, including adherence to the Holding 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 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 2021, 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/-

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN No.: 21101797AAAABJ3244

Place: Mumbai
Date: 25 June 2021

SoftTech Engineers Limited
Consolidated Balance Sheet as at 31 March 2021

	Notes	As at 31 March 2021 In ₹	As at 31 March 2020 In ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	94,666,720	94,224,760
Reserves and surplus	4	600,435,963	573,242,727
		695,102,683	667,467,487
Share application money pending allotment	3	-	220,980
Minority interest		27,305	74,166
Non-current liabilities			
Long-term borrowings	5	196,472,232	167,233,425
Other long-term liabilities	6	1,310,590	50,000
Long-term provisions	7	11,057,858	8,870,092
		208,840,680	176,153,517
Current liabilities			
Short-term borrowings	5	105,740,176	108,630,172
Trade payables - outstanding dues to micro and small enterprises	8	687,697	1,096,604
Trade payables - outstanding dues to other than micro and small enterprises	8	92,340,286	58,894,457
Other current liabilities	9	50,062,562	51,162,061
Short-term provisions	7	5,666,839	9,391,121
		254,497,560	229,174,415
Total		**1,158,468,228**	**1,073,090,565**
Assets			
Non-current assets			
Property, plant and equipment	10	41,274,839	9,137,325
Intangible assets	11	158,507,601	100,176,541
Intangible assets under development		30,810,034	60,577,178
Non-current investments	12	379,800	379,800
Deferred tax assets	13	10,575,987	13,119,791
Long-term loans and advances	14	47,037,753	30,896,539
Other non-current assets	15	90,093,300	96,738,365
		378,679,314	311,025,539
Current assets			
Current investments	16	49,866,746	85,220,553
Trade receivables	17	333,676,604	359,860,947
Cash and bank balances	18	3,791,442	2,510,865
Short-term loans and advances	14	10,371,124	6,841,827
Other current assets	19	382,082,998	307,630,834
		779,788,914	762,065,026
Total		**1,158,468,228**	**1,073,090,565**
Significant accounting policies and other explanatory information	**1 to 39**		

As per our report of even date attached

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

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Sd/-
Priti Gupta
Director
DIN: 1735673

Place : Pune
Date : 25 June 2021

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021

SoftTech Engineers Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 In ₹	Year ended 31 March 2020 In ₹
Revenue			
Revenue from Operations	21	415,735,637	579,470,196
Other Income	22	9,976,097	9,669,247
Total revenue		**425,711,734**	**589,139,443**
Expenses			
Purchases of software products		47,537,876	62,190,359
Employee benefits expense	23	108,525,148	111,647,256
Finance costs	24	23,756,700	16,921,518
Depreciation and amortisation expense	25	48,964,055	37,194,677
Other expenses	26	154,166,778	264,772,272
Total expenses		**382,950,557**	**492,726,082**
Profit before tax		**42,761,177**	**96,413,361**
Tax Expense			
Current tax		13,000,000	33,000,000
Deferred tax charge / (credit)		2,543,804	(1,516,624)
Profit after tax before share of minority interest		**27,217,373**	**64,929,985**
Add/Less: Minority interest [profit/(loss)]		(35,224)	21,484
Profit for the year		**27,252,597**	**64,908,500**
Earnings per equity share	32		
Basic		2.88	6.89
Diluted		2.87	6.84
Significant accounting policies and other explanatory information	**1 to 39**		

As per our report of even date attached

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

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Place : Pune
Date : 25 June 2021

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Sd/-
Priti Gupta
Director
DIN: 1735673

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021

SoftTech Engineers Limited
Consolidated Cash Flow Statement for the year ended 31 March 2021

		Year ended 31 March 2021 In ₹	Year ended 31 March 2020 In ₹
Cash flow from operating activities			
Profit before tax		**42,761,177**	**96,413,361**
Adjustments for:			
Depreciation and amortisation expense		48,964,055	37,194,677
Loss on sale of equipment		435,495	-
Unrealised (gain)/loss on foreign currency transactions and translations (net)		(113,895)	(448,259)
Employees' stock option compensation		161,620	379,762
Finance costs		23,501,433	16,773,138
Bad debts and advances written off		3,689,400	6,156,131
(Reversal of)/Provision for doubtful debts		(1,931,702)	(1,197,174)
Dividend income		(2,146,193)	(2,015,388)
Interest income on deposits		(5,096,248)	(5,375,990)
Operating profit before working capital changes		**110,225,142**	**147,880,257**
Changes in working capital:			
Increase/(decrease) in trade payables, liabilities and provisions		15,896,467	32,589,915
(Increase)/decrease in trade receivables		24,540,540	(176,266,372)
Increase in loans and advances and other assets		(77,751,344)	(47,928,025)
Cash generated from operations		**72,910,805**	**(43,724,225)**
Direct taxes paid (net)		(31,953,394)	(19,048,984)
Net cash generated from operating activities	**(A)**	**40,957,411**	**(62,773,209)**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and intangible assets under development)		(104,420,370)	(67,763,880)
Purchase of mutual fund units		-	(110,000,000)
Proceeds from sale of mutual fund units		35,353,858	133,744,588
Fixed deposits including balances in escrow account realised/(placed)		3,358,523	(12,727,472)
Interest received		7,414,537	1,035,297
Dividend received		2,146,193	2,015,388
Net cash used in investing activities	**(B)**	**(56,147,259)**	**(53,696,079)**
Cash flow from financing activities			
Proceeds from shares issued to minority		-	14,222
Share application money pending allotment		-	220,980
Repayment of long-term borrowings		(10,801,322)	(36,004,543)
Proceeds from long-term borrowings		53,261,428	121,500,000
Dividend paid (including dividend distribution tax paid)		-	(5,659,069)
Proceeds from short-term borrowings (net)		(2,889,996)	37,937,474
Interest paid		(22,063,193)	(13,941,836)
Net cash generated from / (used in) financing activities	**(C)**	**17,506,917**	**104,067,228**

SoftTech Engineers Limited
Consolidated Cash Flow Statement for the year ended 31 March 2021

		Year ended 31 March 2021 In ₹	Year ended 31 March 2020 In ₹
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**2,317,069**	**(12,402,060)**
Cash and cash equivalents at the beginning of the year		1,467,388	13,869,447
Cash and cash equivalents at the end of the year		**3,784,457**	**1,467,387**
Cash and cash equivalents comprise of :			
Cash on hand		30,794	5,794
Balances with banks (in current accounts)		3,753,663	1,461,594
		3,784,457	**1,467,388**

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

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Sd/-
Priti Gupta
Director
DIN: 1735673

Place : Pune
Date : 25 June 2021

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021

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 2021	As at 31 March 2020
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, municipal corporations, 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.

The accounting policies adopted in the preparation of Consolidated financial statements are consistent with those of previous year.

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 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) Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any).

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated statement of profit and loss when the asset is derecognized.

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'.

e) 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 are in line with Schedule II of the Companies Act, 2013 considering the estimated useful life of the assets and obsolescence:

Class of assets	Useful life as followed by the Company (in Years)
Furniture, fixtures and fittings	10
Vehicles	8
Office equipment	5
Computers	3
Servers	6
Service cell system	5
Leasehold improvements	Over the lease period

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) 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
- 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.

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 their estimated useful life of 4 years, and computer software are amortised on a straight line basis over their estimated useful life of five years.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with *AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated statement of profit and loss when the asset is derecognized.

g) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

h) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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.

i) Revenue recognition

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.

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.

Revenue from annual technical service contracts is recognised on a pro-rata basis over the period in which such services are rendered. Revenue from sale of traded software licenses is recognised on delivery to the customer.

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.

Dividend income is recognised when the right to receive the dividend is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Consolidated statement of profit and loss.

j) Trade receivables

Trade receivables are recorded net of allowance for doubtful accounts.

k) Foreign currency transactions

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

ii. **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences on settlement/conversion are included in the Consolidated Statement of Profit and Loss in the period in which they arise.

l) Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated statement of profit and loss.

m) Employee benefits

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.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Post-employment benefits:

i. 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.

ii. **Defined benefit plans**:

The Group operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the Consolidated Statement of profit and loss.

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 treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Consolidated Statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

n) Employee stock compensation cost

Employees (including senior executives) of the Holding Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized 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. The expense or credit recognized in the Consolidated Statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

o) 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.

p) Impairment of assets

The Holding company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Holding company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Holding company bases its impairment calculation on detailed budgets and forecast calculations which cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, are recognized in the Consolidated statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Holding company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Consolidated statement of profit and loss.

q) Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) 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.

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

	As at 31 March 2021		As at 31 March 2020	
	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	9,466,672	94,666,720	9,422,476	94,224,760
	9,466,672	**94,666,720**	**9,422,476**	**94,224,760**

a) Reconciliation of share capital

	As at 31 March 2021 Number	As at 31 March 2021 Amount	As at 31 March 2020 Number	As at 31 March 2020 Amount
Equity shares				
Balance at the beginning of the year	9,422,476	94,224,760	9,422,476	94,224,760
Add : Bonus shares issued during the year	-	-	-	-
Add: Shares issued during the year	44,196	441,960	-	-
Balance at the end of the year	**9,466,672**	**94,666,720**	**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.

During the earlier years, 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 2021		As at 31 March 2020	
	Number of shares held	**% holding**	**Number of shares held**	**% holding**
Equity shares				
Vijay Gupta	3,681,234	38.89%	3,681,234	39.07%
School of Design and Entrepreneurship LLP	1,233,396	13.03%	-	-
East India Udyog Limited	700,800	7.40%	-	-
Pratik Babubhai Patel	650,304	6.87%	-	-
Rajasthan Trustee Company Private Limited	-	-	1,233,396	13.09%
Babubhai K. Patel	-	-	650,304	6.90%
	6,265,734	**66.19%**	**5,564,934**	**59.06%**

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) **Share Application Money Pending Allotment:**

During the previous year, pursuant to the scheme of "SoftTech Employees Stock Option Plan 2017" (ESOP 2017) for issue of stock options to the eligible employees, the Holding Company has received application money of ₹ 220,980 till the repoting date. The Holding 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) of face value of ₹ 10. The respective shares has been alotted to employees on 05 May 2020.

4 Reserves and Surplus	**As at 31 March 2021**	**As at 31 March 2020**
Securities premium account		
Balance at the beginning of the year	240,130,092	240,130,092
Add: Additions made during the year	1,325,880	-
Balance as at the end of the year	**241,455,972**	**240,130,092**
Share options outstanding account		
Balance at the beginning of the year	2,181,910	1,802,148
Add: Employees' stock option compensation expense	161,620	379,762
Less: Transferred to Share Premium & Share Capital Account	1,546,860	-
Balance at the end of the year	**796,670**	**2,181,910**
Surplus in the Consolidated Statement of Profit and Loss		
Balance at the beginning of the year	330,930,725	271,702,093
Add : Transferred from Consolidated Statement of Profit and Loss	27,252,597	64,908,500
Less: Dividend on equity shares	-	4,711,238
Less: Tax on dividend (on equity shares)	-	968,630
Balance as at the end of the year	**358,183,321**	**330,930,725**
	600,435,963	**573,242,727**

	As at 31 March 2021		As at 31 March 2020	
	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	-
Technology Development Board (TDB)	21,000,000	-	22,000,000	-
Term loans (from Banks):				
Axis Bank vehicle loan	1,656,788	-	2,208,110	-
Axis Bank ECGL	19,500,000			
ICICI Bank	33,761,428			
Loans repayable on demand:				
Working capital loan from banks	-	105,740,176	-	108,630,172
	75,918,216	**105,740,176**	**39,558,110**	**108,630,172**
Unsecured				
Term loans				
From others	119,000,000	-	119,000,000	-
Loans from related parties	20,176,637	-	14,076,637	-
	139,176,637	**-**	**133,076,637**	**-**
Less : Current maturities of long-term borrowings (refer note 9)	18,622,621	-	5,401,322	-
	196,472,232	**105,740,176**	**167,233,425**	**108,630,172**

a) Details of guarantee for each type of borrowings

Guaranteed by directors (exclusive of interest, which is also guaranteed)				
Term loans				
From others	75,918,216	-	39,558,110	-
Loans repayable on demand				
Working capital loan from banks	-	105,740,176	-	108,630,172

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 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 Holding 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

These includes loan availed from managing director Mr. Vijay Gupta of ₹ 15,339,662 (previous year - ₹ 13,439,662) and director Mrs. Priti Gupta ₹ 4,836,975 (previous year - ₹ 636,975). These loans do not have a repayment schedule and carrying an interest rate of 10% 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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b) Nature of security and terms of repayment

	Nature of Security	Terms of repayment
	Term loans from others	
(i)	SIDBI Loan of Nil (Previous Year: ₹ 1,250,000) 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.	The loan has been completely repaid in the current year.
(ii)	SIDBI Loan of Nil (previous year: ₹ 14,100,000) 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.	During the month of March 2021, this loan has been taken over by ICICI Bank. The details of the ICICI Bank loans have been mentioned in point (iv) below.
(iii)	TDB Loan of ₹ 21,000,000 (previous year: ₹ 22,000,000) 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	Loan of ₹ 24,500,000 was disbursed in 3 instalments, with two instalments of ₹ 7,500,000 and ₹ 14,500,000 disbursed on 28 March 2017 and 16 February 2019 and third instalment of Rs 2,500,000 on 4 November 2020. The principal amount shall be repaid in 7 half-yearly installments, with the last installment payable in month of March 2024.

(iv) ICICI Bank

This loan is towards take-over of SIDBI loan. The sanction amount of this loan is ₹ 13,500,000. The Company has availed a loan of ₹12,049,215 (Previous Year : Nil) only.
This loan is secured against:
i) exclusive charge on movable fixed assets / tangible and intangible assets financed by SIDBI;
ii) personal guarantee by Mr Vijay S.Gupta and Ms. Priti V.Gupta.

Rate of interest is 9.25% p.a. The principal amount shall be repaid in 45 equal installments or remaining tenure of SIDBI loan, whichever is lower.

(v) ICICI Bank

This Loan is towards renovation and interiors of company's new office at Baner. The sanction amount of this loan is ₹ 35,000,000. The Company has availed a loan of ₹ 21,712,113 (Previous Year : Nil) only.
Loan is secured against:
i) the exclusive charge on assets to be financed for interiors and setup of new office (furntiture, fixtures, networking systems etc);
ii) personal guarantee by Mr Vijay S. Gupta and Priti V.Gupta.

Rate of interest is 9.25%. Principal amount shall be repaid in 60 equal installments starting from September 2021.

(vi) Axis Bank - ELCGS

This ECLGS loan has been sanctioned to meet the working capital requirements arising out of COVID-19.
Loan of ₹ 19,500,000 (Previous Year : Nil) is secured against:
i) Hypothecation on entire current assets of the borrower;
ii) personal guarantee by Mr Vijay S.Gupta , Mrs Priti V. Gupta and Mr Chirag Gupta (limited to the value of property)

Rate of interest is 5.25% over the Repo rate, which will reset at interval of 3 months. The current rate of interest is 9.25% p.a. (i.e. Repo rate of 4% + 5.25%).
The loan of ₹ 1,95,00,000 disbursed is to be repaid in 36 installments after 12 months from the month of July 2021.

SoftTech Engineers Limited
Significant accounting policies and other explanatory information
(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: 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 and Priti Gupta.	Interest rate is 3 month MCLR rate plus 1.95% p.a. currently 8.80% p.a.

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	As at 31 March 2021	As at 31 March 2020
6 Other long-term liabilities		
Tender deposits	1,310,590	50,000
	1,310,590	**50,000**

	As at 31 March 2021		As at 31 March 2020	
	Long-term	Short-term	Long-term	Short-term
7 Provisions				
Provision for gratuity (refer note (a) below)	8,808,080	4,420,641	7,747,643	4,180,624
Provision for compensated absences (refer note (b) below)	2,249,778	1,246,198	1,122,449	635,383
Provision for income tax (net of advance tax)	-	-	-	4,575,114
	11,057,858	**5,666,839**	**8,870,092**	**9,391,121**

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 Company:

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Change in benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	11,928,267	8,904,915
Current service cost	2,378,070	1,625,721
Interest cost	679,198	619,610
Actuarial (gain)/loss	(1,320,909)	884,706
Benefits paid	(435,905)	(106,685)
PBO at the end of the year	**13,228,721**	**11,928,267**
Net gratuity cost comprises the following components:		
Current service cost	2,378,070	1,625,721
Interest cost	679,198	619,610
Recognised net actuarial (gain)/loss	(1,320,909)	884,706
Net gratuity cost	**1,736,359**	**3,130,037**
The actuarial assumptions used in accounting for the gratuity plan were as follows:		
Discount rate	5.60%	5.80%
Rate of increase in compensation levels	10.00%	10.00%
Withdrawal Rate	25.00%	25.00%
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 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Present value of obligation	13,228,721	11,928,267	8,904,915	6,773,773	5,276,793
Fair value of plan assets	-	-	-	-	-
Deficit	13,228,721	11,928,267	8,904,915	6,773,773	5,276,793
Experience adjustments:					
On plan liabilities: (gain)/loss	(1,410,798)	430,269	25,453	(67,154)	62,406

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 ₹ 2,034,194 (previous year - ₹ 1,178,084).

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 2021		As at 31 March 2020	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	**66,878**	**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	44,196	-	-	-
Outstanding at the end of the year	**22,682**	**5.00**	**66,878**	**5.00**
Exercisable at the end of the year	**22,682**	**5.00**	**44,585**	**5.00**

* WAEP denotes weighted average exercise price

The Holding Company incurred ₹ 161,620 (Previous Year - ₹ 379,762) towards employee stock compensation during the year.
The weighted average fair value of the options granted during the earlier year was ₹ 58.67 per share option issued. Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Year ended 31 March 2021
Dividend yield (%)	0.00%
Expected volatility	15%
Risk free interest rate	6.26%
Exercise price	10
Expected life of options (in years)	
- Year I	2.00
- Year II	2.01
- Year III	3.01

c Employee stock compensation (Continued)

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may differ from the actuals.
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 2021	Year ended 31 March 2020
Profit after tax attributable to equity shareholders	27,252,597	64,908,501
Add: ESOP cost using intrinsic value method	161,620	379,762
Less: ESOP cost using fair value method	287,675	287,675
Proforma profit after tax	27,126,542	65,000,588
Basic earnings per share		
- as reported	2.88	6.89
- proforma	2.87	6.90
Diluted earnings per share		
- as reported	2.87	6.84
- proforma	2.86	6.85

	As at 31 March 2021	As at 31 March 2020
8 Trade payables		
Dues to micro and small enterprises (refer note (a) below)	687,697	1,096,604
Dues to other than micro and small enterprises	92,340,286	58,894,457
	93,027,983	**59,991,061**

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

a. The management had identified enterprises which have provided goods and services to the Holding Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the consolidated financial statements based on information received and available with the Holding Company. This information has been relied upon by the statutory auditors:

	As at 31 March 2021	As at 31 March 2020
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	687,697	1,096,604
Interest due to suppliers under MSMED Act and remaining unpaid as at year end	17,639	3,797
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	12,486,786	2,594,621
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	31,800	3,738
Further interest remaining due and payable for earlier years	42,053	34,518
Interest accrued and remaining unpaid as at the year end	91,492	42,053

	As at 31 March 2021	As at 31 March 2020
9 Other current liabilities		
Current maturities of long-term borrowings	18,622,621	5,401,322
Interest accrued but not due on borrowings	5,678,898	4,240,658
Statutory dues	10,615,816	26,319,172
Advance from customers	708,399	548,004
Outstanding expenses	14,416,028	14,632,105
Unpaid Dividend	20,800	20,800
	50,062,562	**51,162,061**

SoftTech Engineers Limited
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(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	Leasehold improvements	Total
Gross block							
Balance as at 1 April 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**
Additions	16,471,025	-	17,234,397	480,924	-	2,832,590	37,018,936
Disposals	8,142,485	-	833,355	6,659,761	576,532	-	16,212,133
Balance as at 31 March 2021	**17,312,369**	**3,389,082**	**19,142,336**	**11,520,978**	**26,982,031**	**2,832,590**	**81,179,386**
Accumulated depreciation							
Balance as at 1 April 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**
Depreciation charge	682,824	423,812	1,160,942	2,088,213	22,619	67,517	4,445,927
Reversal on disposal of assets	7,706,990	-	833,355	6,659,761	576,532	-	15,776,638
Balance as at 31 March 2021	**796,041**	**1,036,632**	**1,982,097**	**9,080,642**	**26,941,618**	**67,517**	**39,904,547**
Net block							
Balance as at 31 March 2021	**16,516,328**	**2,352,450**	**17,160,239**	**2,440,336**	**40,413**	**2,765,073**	**41,274,839**
Balance as at 31 March 2020	**1,163,622**	**2,776,262**	**1,086,784**	**4,047,625**	**63,032**	**-**	**9,137,325**

11 Intangible assets

	Computer software	Internally generated software	Total
Gross Block			
Balance as at 1 April 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**
Additions	1,246,399	101,602,789	102,849,188
Disposals	7,858,273	-	7,858,273
Balance as at 31 March 2021	**7,291,696**	**409,223,230**	**416,514,926**
Accumulated Amortisation			
Balance as at 1 April 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**
Amortisation charge	597,914	43,920,214	44,518,128
Reversal on disposal	7,858,273	-	7,858,273
Balance as at 31 March 2021	**5,319,148**	**252,688,177**	**258,007,325**
Net block			
Balance as at 31 March 2021	**1,972,548**	**156,535,053**	**158,507,601**
Balance as at 31 March 2020	**1,324,063**	**98,852,478**	**100,176,541**

		As at 31 March 2021	As at 31 March 2020
12	**Non-current investments**		
	Valued at cost unless stated otherwise		
	Trade, unquoted investments		
	Investments in others		
	The Mahesh Sahakari Bank Limited	354,800	354,800
	(14,192 equity shares (Previous Year: 14,192 equity shares) of ₹ 25 each fully paid up)		
	The Saraswat Co-operative Bank Limited	25,000	25,000
	(2,500 equity shares (Previous Year: 2,500 equity shares) of ₹ 10 each fully paid up)		
		379,800	**379,800**
	Aggregate amount of unquoted investment	**379,800**	**379,800**
13	**Deferred tax assets**		
	Deferred tax assets		
	Provision for employee benefits	4,209,272	3,985,392
	Provision for doubtful balances	1,648,650	2,300,056
	On depreciation and amortisation	4,718,065	6,834,343
	Deferred tax liability	-	-
		10,575,987	**13,119,791**

		As at 31 March 2021		As at 31 March 2020	
		Long-term	**Short-term**	**Long-term**	**Short-term**
14	**Loans and advances**				
	(Unsecured, considered good (unless otherwise stated))				
	Security deposits	9,562,748	-	6,396,040	-
	Advance taxes (net of provision)	14,378,279	-	-	-
	Balances with government authorities*	20,997,460	-	21,104,217	-
	Advances to related parties	488,378	-	618,378	-
	Prepaid expenses	483,270	3,282,506	1,008,186	1,976,699
	Advance to employees and others	387,500	7,088,618	-	3,615,128
	Tender deposits (considered good)	740,118	-	1,769,718	1,250,000
		47,037,753	**10,371,124**	**30,896,540**	**6,841,827**

* 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.

		As at 31 March 2021	As at 31 March 2020
15	**Other non-current assets**		
	(Unsecured, considered good (unless otherwise stated))		
	Bank deposits with maturity of more than 12 months (Refer note (a) below)	76,954,792	79,276,823
	Interest accrued but not due on bank deposits and others	11,184,196	13,502,485
	Trade receivables	1,954,312	3,959,057
		90,093,300	**96,738,365**

(a) Details of bank deposits pledged

(i) Deposit of ₹ 15,900,000 (Previous Year: ₹ 21,500,000) are pledged as security against the long-term borrowings.
(ii) Deposit of ₹ 39,900,000 (Previous Year: ₹ 39,900,000) are pledged as security against the short-term borrowings.
(iii) Deposit of ₹ 19,076,823 (Previous Year: ₹ 17,876,823) are held against bank guarantees.

		As at 31 March 2021	As at 31 March 2020
16	**Current investments**		
	Non-trade, unquoted investments in mutual funds		
	18,210.89 Units (Previous Year : Nil Units) of SBI Magnum Low Duration Fund	48,951,952	-
	237.44 Units (Previous Year : 6540.40 Units) of HDFC Low Duration Fund	914,794	25,220,553
	Nil Units (Previous Year : 19482.193 Units) of SBI Liquid Fund - Regular plan -Growth	-	60,000,000
		49,866,746	**85,220,553**
	Aggregate amount of unquoted investment	**49,866,746**	**85,220,553**
17	**Trade receivables**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	177,658,629	73,652,053
	Doubtful	6,550,579	7,898,543
		184,209,208	81,550,596
	Less : Allowances for bad and doubtful debts	(6,550,579)	(7,898,543)
		177,658,629	73,652,053
	Other debts		
	Unsecured, considered good	156,017,975	286,208,894
		333,676,604	**359,860,947**
18	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash in hand	30,794	5,794
	Balances with banks		
	- in current accounts	3,753,663	1,461,594
		3,784,457	**1,467,388**
	Other bank balances		
	Balances in escrow account (refer note 5(b))	6,985	1,043,477
		3,791,442	**2,510,865**

		As at 31 March 2021	As at 31 March 2020
19	**Unbilled revenue**		
	(Unsecured, considered good (unless otherwise stated))		
	Unbilled revenue	382,082,998	307,630,834
		382,082,998	**307,630,834**
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
	Income Tax demand for Assessement Year 2014-15 (refer note (v) below)	9,646,070	-
(ii)	Bank guarantees	65,852,021	72,685,179
(iii)	Other matters for which the Company is contingently liable		
	Potential non-recoverability of certain receivables	762,041	762,041

(iv) Provident Fund

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.

(v) The Assessing officer has filed an appeal with Income Tax Appellate Tribunal ('ITAT') against the order passed by Commissioner of Income Tax (Appeals) under section 143 (3) of the Income tax Act, 1961 for the Assessment Year (A.Y.) 2014 - 2015, resulting in net tax liability of ₹ 20,101,370. Amount of ₹ 3,000,000 has been paid under protest and an amount of ₹ 7,455,300 has been adjusted against the refund issued for Assessment Year 2019 - 2020. The entire amount of ₹ 20,101,370 has been disclosed as a contingent liability.

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		Year ended 31 March 2021	Year ended 31 March 2020
21	**Revenue from operations**		
	Sale of services	361,044,628	508,540,994
	Sale of products	54,691,009	70,929,202
		415,735,637	**579,470,196**
22	**Other income**		
	Interest income		
	From fixed deposits in banks	5,096,248	5,161,982
	From other deposits	-	214,008
	Dividend income		
	From current investments	2,146,193	2,015,388
	Gain on foreign currency transactions and translations (net)	1,931,702	491,614
	Miscellaneous income	801,954	1,786,255
		9,976,097	**9,669,247**
23	**Employee benefits expense**		
	Salaries and bonus (Refer note 7(a) and 7(b))	103,871,557	105,383,664
	Contribution to provident fund and other funds (Refer note below)	4,385,954	4,938,478
	Employees' stock option compensation	161,620	379,762
	Staff welfare expenses	106,017	945,352
		108,525,148	**111,647,256**

Defined Contribution Plan: The amount recognised as an expense during the period is ₹ 4,385,954 (Previous Year: ₹ 4,938,478)

		Year ended 31 March 2021	Year ended 31 March 2020
24	**Finance costs**		
	Interest expense	22,356,618	16,653,271
	Other borrowing costs	1,144,815	119,867
	Interest on delayed payment of statutory dues	255,267	148,380
		23,756,700	**16,921,519**
25	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (refer note 10)	4,445,927	5,016,032
	Amortisation of intangible assets (refer note 11)	44,518,128	32,178,646
		48,964,055	**37,194,678**

26 Other expenses

Electricity charges	1,296,243	1,341,722
Rent (refer note 29)	10,169,874	7,707,176
Repairs and maintenance	384,730	1,308,151
Insurance	1,731,093	1,098,852
Rates and taxes	705,137	544,150
Travelling and conveyance	5,081,045	16,889,560
Sub-contracting expenses	5,866,194	30,501,153
Professional fees for technical consultants	93,928,144	165,946,314
Auditors' remuneration (refer note (a) below)	1,499,000	1,369,280
Legal and professional expenses	9,178,328	15,614,352
Bank charges	2,026,883	1,562,900
Sales promotion expenses	4,028,659	3,451,749
Printing and stationery	825,707	1,603,888
Office expenses	1,685,821	1,434,812
Postage and telephone	827,408	763,135
Internet charges	4,348,220	809,343
Brokerage and commission	17,000	61,094
Bad debts and advances written off	3,689,400	6,156,131
Subscription charges	3,713,875	
Donation	-	12,000.00
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 35)	1,112,800	1,859,100
Prior period expenses	-	29,435
Loss on sale of equipment	435,495	-
Gain on foreign currency transactions and translations (net)	41,768	-
Miscellaneous expenses	1,573,954	4,707,975
	154,166,778	**264,772,273**

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

As auditor		
Statutory audit	1,085,000	1,025,000
Limited review	315,000	300,000
Certification fees	99,000	22,000
Reimbursement of expenses	25,000	22,280
	1,524,000	**1,369,280**

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, the financials statements are reflective of information required under in Accounting Standard 17, "Segment Reporting" are not applicable to the Company.

28 Related party disclosures

a) Names of related parties and description of relationship:

Name of the related party	Nature of relationship
Vijay Gupta	Managing director
Priti Gupta	Director
Sridhar Pillalamari	Director
Rahul Gupta	Director
Sundararajan Srinivasan	Director (w.e.f. 27 August 2019)
Pratik Patel	Director (w.e.f 18 July, 2020)
Wai Ki Chan	Nominee Director (w.e.f. 22 March 2021)
Amit Katariya	Chief Financial Officer (upto 1 April 2019)
Piranvez Irani	Chief Financial Officer (w.e.f. 20 April 2019 to 31 December 2020)
Murray Freeman	Nominee Director (w.e.f. 13 October 2020 to 11 February 2021)
Dominik Keller	Director (w.e.f. 27 December 2019 to 21 July 2020)
Aishwarya Patwardhan	Company Secretary
Chirag Gupta	Son of Vijay Gupta
Pawan Gupta	Relative of Director
SoftTech Finland OY	Subsidiary
SoftTech Engineers Inc.	Subsidiary
SoftTech Government Solutions Inc.	Subsidiary
CoVisible Solutions (India) Private Limited RIB ITWO Software Private Limited	Enterprises over which key managerial personnel and their relatives exercise significant influence

b) Transactions with related parties:

Nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Loan taken		
Vijay Gupta	17,100,000	-
Priti Gupta	11,500,000	2,500,000
RIB ITWO Software Private Limited	-	119,000,000
Loan repaid		
Vijay Gupta	15,200,000	3,500,000
Priti Gupta	7,300,000	2,500,000
Rent paid		
Priti Gupta	441,378	747,639
Interest expense		
Vijay Gupta	1,955,172	2,102,952
Priti Gupta	562,848	203,096
RIB ITWO Software Private Limited	7,140,000	1,872,787
Remuneration paid		
Vijay Gupta	5,550,000	5,200,000
Priti Gupta	1,368,750	1,316,280
Pratik Patel	875,000	-
Aishwarya Patwardhan	368,916	364,303
Piranvez Irani	1,381,429	2,379,435
Receiving services		
Pawan Gupta	175,000	300,000

Related party disclosures (Continued)

Nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Sitting fees paid		
Sridhar Pillalamari	125,000	75,000
Rahul Gupta	150,000	100,000
Sundararajan Srinivasan	100,000	75,000
Dividend paid		
Vijay Gupta	-	1,840,617
Priti Gupta	-	16,545
Chirag Gupta	-	18,400
CoVisible Solutions (India) Private Limited	-	149,574

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

Nature of balances	As at 31 March 2021	As at 31 March 2020
Amount receivable		
Advance towards expenses		
CoVisible Solutions (India) Private Limited	488,378	618,378
Security deposit		
Vijay Gupta	553,395	553,395
Priti Gupta	202,000	202,000
Amount payable		
Unsecured loan		
Vijay Gupta	15,339,662	13,439,662
Priti Gupta	4,836,975	636,975
RIB ITWO Software Private Limited	119,000,000	119,000,000
Remuneration payable		
Vijay Gupta	2,045,234	1,097,569
Priti Gupta	366,288	245,843
Pratik Patel	115,800	-
Interest Payable		
Vijay Gupta	3,157,296	2,230,907
Priti Gupta	560,911	182,786
RIB ITWO Software Private Limited	1,732,457	1,685,508
Rent payable		
Priti Gupta	233,299	78,518
Consultancy fees payable		
Pawan Gupta	39,928	174,928

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29 Value of imports on CIF basis:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expenditure incurred towards intangible under development	4,459,874	5,637,221

30 Earnings in foreign currency:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services	1,579,176	17,506,869

31 The Company has entered into operating lease agreements for office facilities and such leases are basically cancellable in nature. Lease rental expense recognised in the Standalone Statement of Profit and Loss for the period 1 April 2020 to 31 March 2021 in respect of operating lease is ₹ 10,169,874 (Previous year: ₹ 7,477,641).

A non-cancellable operating lease extends upto a maximum of five years from its date of inception. This lease agreement has a price escalation clause. Maximum obligation on long term non-cancellable operating lease in accordance with the rent stated in the agreement is as under:

	As at 31 March 2021	As at 31 March 2020
Disclosures in respect of non-cancellable operating lease		
Not later than 1 year	9,900,000	-
Later than 1 year but not later than 5 years	57,750,000	-
Later than 5 years	-	-

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32 Earning per share (EPS)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) Computation of net profit for the year		
Profit after tax attributable to equity shareholders (₹)	27,252,597	64,908,500
b) Computation of number of shares for Basic EPS		
Weighted average number of shares	9,462,555	9,422,476
c) Computation of number of shares for Diluted EPS		
Weighted average number of shares	9,485,776	9,486,723
Basic earnings per share(₹)	2.88	6.89
Diluted earnings per share(₹)	2.87	6.84
Nominal value per equity share (₹)	10.00	10.00

33 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
	2020-21			
Parent:				
SoftTech Engineers Limited	104.00%	722,963,361	144.33%	39,282,379
Subsidiary:				
- Foreign				
SoftTech Engineers Inc.	0.05%	361,700	-1.62%	(440,299)
SoftTech Finland OY	-0.68%	(4,694,490)	0.18%	49,163
SoftTech Government Solutions Inc.	-3.17%	(22,046,054)	-42.33%	(11,520,043)
Sub-total	**100.21%**	**696,584,517**	**100.57%**	**27,371,199**
Inter-company eliminations and consolidation adjustments	-0.21%	(1,454,523)	0.00%	-
Total	**100.00%**	**695,129,994**	**100.57%**	**27,371,199**
Minority interests in subsidiaries	0.00%	27,305	-0.13%	(35,224)

Name of the entities	Net assets i.e. total assets minus total		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%	21,484

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

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		(₹)	FX	(₹)	FX
Trade receivables	USD	5,718,021	75,850	5,718,021	75,850
Trade receivables	MYR	12,114,690	700,000	12,114,690	700,000

35 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 31 March 2021	Year ended 31 March 2020
Average net profit of the Holding Company for last three financial years	104,700,787	92,955,384
Prescribed CSR expenditure (2% of the average net profits as computed above)	2,094,016	1,859,108
Total amount to be spent for the year	2,094,016	1,859,108
Amount spent	1,112,800	1,859,100
Amount unspent	981,216	8

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

In March 2020, the World Health Organisations declared Covid-19 a global pandemic. Consequent to this, Government of India declared a nations wide lockdown, which has impacted normal business operations of the Company. In preparation of these financial results, the Company has taken into consideration internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity, assessment of recoverable and carrying value of certain assets such as property, plant and equipment, intangible assets, impact on revenues and receivables including unbilled revenue. Majority of customer base of the company are governmental authorities and due to delay in sanctioning new proposals, revenue from operations represents the declining trend post imposition of lockdown. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from impact considered as the date of approval of these financial results. Based on current indicators, the company has sufficient liquidity and it expects to recover the carrying value of its assets as stated in Statement of assets and liabilities. The Company has resumed its business activities from June 2020, in line with the guidelines issued by the Government authorities and has taken steps to strengthen its liquidity position and initiated cost restructuring exercise. The Company will continue to monitor any material changes to future economic conditions.

37 The code on Social Security, 2020 relating to employee benefits has been approved by the Parliament and has also been published in Official Gazette of India. However, the date on which it comes into effect has not been notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules are published.

38 Ministry of Corporate Affairs (MCA), vide its notification dated 24 March, 2021, amended Schedule III of the Companies Act, 2013 with effect from 1 April, 2021. Management is of the view that since the changes are applicable from 1 April, 2021, those are applicable for the financial year commencing from 1 April, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after 1 April, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on 31 March, 2021, although issued after 1 April 2021.

39 Prior year comparitives

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

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As per our report of even date attached

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

Sd/-
Shashi Tadwalkar
Partner
Membership No.: 101797

Place : Pune
Date : 25 June 2021

For and on behalf of the Board of Directors
SoftTech Engineers Limited

Sd/-
Vijay Gupta
Managing Director
DIN: 1653314

Sd/-
Priti Gupta
Director
DIN: 1735673

Sd/-
Aishwarya Patwardhan
Company Secretary
Membership No. A54477

Place : Pune
Date : 25 June 2021