

BOARD OF DIRECTORS

Mr. Vijay Gupta	Chairman and Managing Director
Mrs. Priti Gupta	Whole-time Director
Mr. Rahul Gupta	Independent Director
Mr. Sridhar Pillalamarri	Independent Director
Mr. Ravi Mathur	Nominee Director

CHIEF FINANCIAL OFFICER

Mr. Anand Dad

COMPANY SECRETARY

Ms. Aishwarya Patwardhan

STATUTORY AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

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

REGISTERED OFFICE

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

CIN: U30107PN1996PLC016718

Website: www.softtech-engr.com

Email Id: investors@softtech-engr.com

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Chairman's Message

Dear Shareholders,

I take immense pleasure in reporting that FY 17-18 was yet another year of excellent performance by your company.

As India invests in creating world class infrastructure to achieve its potential growth, our company has recorded impressive growth during last financial year, at the same time playing a crucial role in helping government bringing reforms for better governance and habitable conditions in cities.

As an organisation, we have always set our eyes for the future and capitalised on opportunities. As the leader in Building Plan Approval Systems in India, we are constantly pursuing excellence and are embracing latest technologies.

Through continuous innovation, we are committed to offer cutting edge software products and create greater value for our stakeholders and customers.

With a strong focus on the Company's values and commitment towards our vision, we are set to take another leap in our growth trajectory through innovation of new products and overseas expansion of our business.

Domestic & Global Economic Developments

The AEC (Architectural, Engineering & Construction) Industry in India has received a strong boost due to greater emphasis by the Central Government in building houses as well as civil infrastructure all over India through its programs like Pradhan Mantri Awas Yojana (PMAY), Smart Cities Mission (SCM) and Atal Mission for Rejuvenation and Urban Transformation (AMRUT). Government's initiatives on improving country's rankings on "Ease of Doing Business" have resulted into a strong focus on automating the process of issuing construction permits in India.

Our software products AutoDCR and PWIMS are perfect fit to the requirements of this industry and are witnessing a sustained demand in e-Governance projects for construction & infrastructure.

Since RERA has come into force from May 2017, the construction industry has started shaping up as a more organised sector. This is going to be an impetus for adopting ERP software for managing growth of construction enterprises, thereby increasing demand for software products like OPTICON.

The favourable global financial conditions and strong sentiments are expected to keep the global GDP growth momentum strong. For our planned foray into international markets, the conditions are ripe for an opportune entry.

Today I am proud to report that we are the leader in the implementation of "Building Plan Approval Systems" in India, through our flagship AutoDCR software product, with the highest market share. We are at the forefront of enabling faster construction permits in India and have contributed to the states like Telangana, Andhra Pradesh, Jharkhand and Haryana in they achieving high rankings in Ease of Doing Business parameters.

Performance Overview

Your company delivered a robust financial performance and all-round growth across all parameters and is likely to see this trend of improvement continuing in future. Your company is perfectly positioned to be the key beneficiary of industry opportunities as evident from our total revenue in FY 17-18 at Rs. 51.99 Crores, making a growth of 10.20 %. We concentrated more on quality and high profit revenues. This was driven by tapping of new opportunities and better utilization of our resources. Our EBITDA margin has shown an impressive growth of 17.38% as compared to corresponding figure in FY 16-17. Our Profit After Tax has gone up by 38.15% in comparison to FY 16-17. We bagged prestigious state wide new orders from the States of Kerala, Gujarat, West Bengal and enhanced our ongoing order at Jharkhand. Today we have orders worth Rs. 185.71 Crores in hand and our orders in pipeline are of Rs. 96.78 Crores.

Technology Vision and product roadmap

We released our new software product BIMDCR in December 2017. I am glad to share with you that BIMDCR is receiving an encouraging response from the market. Leveraging the advanced 3-dimensional BIM (Building Information Modelling) technology, BIMDCR is pushing the limits of benefits accrued through the traditional 2-dimensional CAD technology. I am very happy to inform that we already have bagged prestigious orders from MCGM (Municipal Corporation of Greater Mumbai), DOITC (Department of Information Technology and Communication) Govt. of Rajasthan and APCRDA (Andhra Pradesh Capital Region Development Authority) for implementing BIMDCR. This proves your company's vision of anticipating and adopting advanced technologies even before the market demands actually come up.

With our focus on the product innovation, we shall be rolling out two new software products namely RuleBuddy and IBPS (Integrated Building Permits System) for higher customer acquisition from private sectors and widening our presence among new as well as existing customers.

World is moving towards cloud based technologies offering solutions on SaaS model and your company is fully geared up to offer its solutions utilizing such platforms.

We have the knowhow and resources to take advantage of latest technology trends like Internet of Things, Artificial Intelligence, Machine Learning, Virtual & Augmented Reality and Big Data Analytics. We shall be making use of these technologies in our upcoming products.

Future Outlook

Your company is looking forward to maintain and consolidate our leading position in Building Plan Approval Systems in India, at the same time increasing contribution of our other products in revenue and widening our market reach in private sector.

We are poised to enter the international market now with our proven products. This will help your company to jump to the next level, increasing our sales revenue and at the same time achieving higher profit margins, which will again propel us to greater heights. We have started executing our plan for expanding our business operations in North America, Middle East and Asia Pacific countries.

Overall, our focus shall continue to be on driving the Company's Revenue and Profitability growth, increasing Return on Capital Employed and resource utilizations and improving cash flows for our business with strong ethical and corporate governance practices.

The Company is ultimately guided by the values and cultures it propagates. Our workforce of 500+ to 400+ team members is bound by strong Company values that reflects in the work we do. As we go ahead, the belief will only grow stronger.

Before I conclude, I would like to thank you for your support, consistent commitment, engagement and encouragement. We continue to seek your participation in our next leg of growth and footprint expansion.

Thank you!

NOTICE OF 22ND ANNUAL GENERAL MEETING

NOTICE is hereby given that Twenty Second Annual General Meeting of the Members of SoftTech Engineers Limited will be held on Friday, 28th September, 2018, at Maharashtra Chamber of Commerce, Industries and Agriculture, Sumant Moolgaokar Auditorium, No. 1 (A Wing, Ground Floor), MCCIA Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune-411 016 at 2:30 P.M. to transact the following business:

A. Ordinary Business:

1. To receive, consider and adopt the Audited financial statements as on 31st March, 2018, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a final dividend on equity shares for the financial year ended 31st March, 2018.
3. To appoint a director in place of Mrs. Priti Gupta (DIN: 01735673), who retires by rotation and, being eligible, offers herself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as

Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) read with the Companies (Audit & Auditors) Rules, 2014 and as per the recommendation of the Audit Committee of the Company, appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), (who were appointed in the Annual General Meeting held on 26th September, 2016 as the Statutory Auditors of the Company for the period of Five years subject to ratification of appointment every year in Annual General Meeting), as the Statutory Auditors of the Company be and is hereby ratified to hold the office for the remaining term of Three (3) years i.e. from the conclusion of this AGM till the conclusion of 25th Annual General Meeting of the Company to be held in the year 2021 on such remuneration as may be mutually decided between the Board of Directors and the auditors.”

B. Special Business:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **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; 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 and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s), the consent of the members of the Company be and are hereby accorded for revision in remuneration payable to Mrs. Priti Gupta (DIN: 01735673) as a Whole-time Director of the Company, as per below mentioned details with effect from 1st October, 2018:

- a. Salary: Rs. 1,132,560/- (Eleven Lakh Thirty Two Thousand Five Hundred and Sixty) per annum.
The Board or Committee thereof in its absolute discretion and from time to time, will fix, the salary payable to Mrs. Priti Gupta (DIN: 01735673).
- b. Other: The other terms and conditions of appointment of Mrs. Priti Gupta shall remain unchanged.

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. To consider and if thought fit, to pass with or without modification(s), the following resolution as **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; 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 and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s), the consent of the members of the Company be and are hereby accorded for revision in remuneration payable to Mr. Vijay Gupta (DIN: 01653314) as a Managing Director of the Company, as per below mentioned details with effect from 1st October, 2018:

- a. Salary: Rs. 4,400,000/- (Forty Four Lakh Only) per annum.
- b. Other: The other terms and conditions of appointment of Mr. Vijay Gupta shall remain unchanged.

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.”

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

“**RESOLVED THAT** pursuant to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the pre IPO Employee Benefit Scheme -SoftTech Employees Stock Option Plan 2017 be and is hereby ratified.

RESOLVED FURTHER THAT pursuant to the Companies (Share Capital and Debenture) Rules 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and including any statutory modifications or re-enactment thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required, and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors (herein after referred to as “the Board” which expression shall deemed to include the Nomination and Remuneration Committee of the Board which has been authorized to exercised the power concord by this resolution), consent of the members be and is hereby accorded to increase the number of Stock Options by 70,000 number in ‘SoftTech Employees Stock Option Plan 2017’ thereby totaling the number of Stock Options under this Plan to 1,40,000 number to give effect to the Bonus issue made by the Company in the ratio 1:1 on 6th February, 2018.

RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to the Board which shall be deemed to include the Nomination and Remuneration Committee of the Board, (hereinafter referred to as the “NRC Committee” thereof) for the purpose of adoption of the SoftTech Employees Stock Option Plan 2017, the salient features of which are furnished in the Explanatory Statement to the Notice.

RESOLVED FURTHER THAT all actions taken by the Board or NRC Committee in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the SoftTech Employees Stock Option Plan 2017 be administered by the NRC Committee, which be hereby empowered to determine in its absolute discretion the terms governing the Plan including any variation thereof in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including but not limited to determining of number of options, quantum, time of grant, vesting criteria, vesting schedule, eligibility, exercise price, framing other relevant and appropriate procedure for grant, vesting etc. of the options, etc., subject however to the overall superintendence and control of the Board.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the SoftTech Employees Stock Option Plan 2017 and such equity shares to be allotted to the employees under the Plan upon exercise of the Employee Stock Options shall rank *pari-passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the number of ESOPs that may be granted to the Employee(s), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as well as the Accounting Standards and any other applicable laws and regulations to the extent relevant and applicable to the SoftTech Employees Stock Option Plan 2017.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organization, and others, if any additional equity shares are required to be issued by the Company to the Shareholders ("Additional Shares"), the ceiling of ESOP's and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorized at any time to modify, change, vary, alter, amend, suspend or terminate the SoftTech Employees Stock Option Plan 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and (or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the SoftTech Employees Stock Option Plan 2017 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including appointing Merchant Bankers or Consultants, being incidental to the effective implementation and administration of SoftTech Employees Stock Option Plan 2017 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals, if required.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this resolution."

RESOLVED FURTHER THAT Mr. Vijay Gupta, Chairman and Managing Director or Ms. Aishwarya Patwardhan, Company Secretary of the Company be and is hereby authorized to take necessary steps for taking requisite approval for National Stock Exchange and / or any other Statutory or the Government Authority for in-principle listing of the Equity Shares arising out of exercise of Stock Options granted under the SoftTech Employees Stock Option Plan 2017.

RESOLVED FURTHER THAT Mr. Vijay Gupta, Chairman and Managing Director or Ms. Aishwarya Patwardhan, Company Secretary of the Company be and is hereby authorized to do such acts and deeds as may be required to give effect to this resolution.”

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

**Place: Pune
Date: 31.08.2018**

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

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting, is annexed hereto.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.** Proxies submitted on behalf of banks, financial institutions, companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. The Register of Members and Share Transfer Books will remain closed from Friday 21st September, 2018 till Friday 28th September, 2018 (both days inclusive).
4. 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. 3 at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Director for her reappointment.
5. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those shareholders whose names appear on the Register of Members as on Friday, 21st September, 2018.
6. 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.

7. On 8th June 2018, SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 by issuing SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (FOURTH AMENDMENT) REGULATIONS, 2018 that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime for assistance in this regard.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime/ Depositories.
11. Members seeking any information with regard to the Accounts are requested to write to the Company at least seven days prior to the date of the meeting, so as to enable the Management to keep the information ready at the meeting.
12. Members may note that the Notice of the 22nd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.softtech-engr.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Pune for inspection during normal business hours on all working days except Saturday.
13. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by permitted mode free of cost. For any communication, the shareholders may also send requests to the email id: investors@softtech-engr.com

14. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 6.30 pm) on all working days except Saturday, up to and including the date of the Annual General Meeting of the Company.

15. For the benefit of Members who will be present at the meeting and who have not cast their vote through e-voting, the facility for voting to poll paper will be made available at the meeting.

The members who have cast their votes by e-voting may also attend the meeting but shall not be entitled to cast their vote again at the AGM.

16. The Board of Directors of the Company has appointed Mr. Devesh Tudekar, Company Secretary in Practice (Membership No. 5712), to act as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

17. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

18. The 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 CDSL e-Voting www.evotingindia.com immediately after their declaration and the same shall simultaneously communicated to National Stock Exchange of India Limited.

19. Voting through electronic means

In compliance with Regulation 44 of the SEBI Listing Regulations and Section 108 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members.

The instructions for e-voting are as follows:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 25th September, 2018 (09.00 a.m.) and ends on Thursday, 27th September, 2018 (05.00 p.m.). 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 Friday 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SoftTech Engineers Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
20. Members are requested to sign at the place provided on the attendance slip and handover the same at the entrance of the building.
21. Queries on account of the Company, if any, may please be sent to the Company Secretary at the Registered Office of the company seven (7) days in advance of the meeting so that the answers may be made available at the meeting.
22. Members are requested to bring their personal copy of Annual Report to the meeting.

23. Profile of Directors being re-appointed

Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the particulars of Directors who are proposed to be appointed/re-appointed are given below:

Mrs. Priti Gupta is liable to retire by rotation and being eligible, offers herself for re-appointment. Mrs. Priti Gupta (DIN: 01735673), aged 52 years, was appointed as director on Board since March 04, 2008. She holds a Master’s degree in Management studies from the Welingkar Institute, University of Mumbai (Bombay), Mumbai, Maharashtra. She also holds a bachelor’s degree in science in the stream of physics from Mumbai University and a diploma in Computer Applications from Maharashtra Technical Board.

She joined SoftTech Engineers Limited in the year 2008 as a director and also the head of the human resource and administration department and during her stint with the Company has been instrumental in bringing the ISO processes to the Company. Mrs. Gupta has over 17 years of experience in business processes and management, training, human resource & administration

operations. She was appointed as the Whole-time Director of our Company with effect from February 24, 2015 for a period of 5 years. She is also on Board of Co-Visible Solutions (India) Private Limited.

As on 31st March, 2018 Mrs. Priti Gupta holds 33,090 equity shares of the Company. She is wife of Mr. Vijay Gupta, Managing Director of the Company. None of the Directors or Key managerial personnel or their relatives other than Mr. Vijay Gupta and Mrs. Priti Gupta are concerned or interested, financial or otherwise, in the resolution set out at an item No.3

Membership of Committees:

1. IPO Committee
2. CSR Committee
3. Compensation Committee

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

ITEM NO.: 5

The Board of Directors of the Company, pursuant to the recommendation of Nomination and Remuneration Committee has approved the revision in remuneration payable to Mrs. Priti Gupta (DIN: 01735673) Whole-time Director of the Company in their meeting held on 24th August, 2018, considering her qualification, vast experience and the efforts taken by her in contributing the growth of the Company. Further pursuant to the provision of the section 196 of the Companies Act, 2013, remuneration payable to Whole-time Director as approved by the Board of Directors at a meeting requires the approval of members at general meeting of the Company.

The Board recommends the resolution set out at Item No. 5 of the notice, for the approval of the members of the Company.

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

ITEM NO.: 6

The Board of Directors of the Company, pursuant to the recommendation of Nomination and Remuneration Committee has approved the revision in remuneration payable to Mr. Vijay Gupta (DIN: 01653314), Managing Director of the Company in their meeting held on 24th August, 2018 considering his qualification, vast experience and the efforts taken by him in contributing to the growth for the Company. Further pursuant to the provision of the section 196 of the Companies Act, 2013, remuneration payable to Managing Director as approved by the Board of Directors at a meeting requires the approval of members at general meeting of the Company.

The Board recommends the resolution set out at Item No. 6 of the notice, for the approval of the members of the Company.

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

ITEM NO.: 7

Prior to making the initial public offer, the Company has implemented SoftTech Employees Stock Option Plan 2017. The shareholders had approved the scheme vide shareholders resolution date 22nd September, 2017. The Company has made a Bonus issue in the Ratio 1:1 which was approved as a Special resolution by the members on 6th February, 2018. The ESOP summary is as below:

Particulars	Pre Bonus	Post Bonus
Total ESOP pool	70,000	140,000
Total number of Options granted	35,116	70,232
Total number of Ungranted Options	34,884	69,768

Since the bonus issue was made after grant of Options, the number of Options granted and the ESOP pool has been increased in the same proportion as the bonus issue.

The main features of the Plan are as under:

1. Total number of Options to be granted:

1,40,000 (One lakh Forty thousand) Options would be available for grant to the eligible employees of the Company in aggregate under the Plan, in one or more tranches exercisable into not exceeding **1,40,000 (One lakh Forty thousand)** equity shares in aggregate in the Company of face value of Rs.10/- each fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed /cancelled options as per the provisions of the Plan.

If any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the applicable laws.

2. Identification of classes of employees entitled to participate in SoftTech Employees Stock Option Plan 2017:

Such person(s) who are in employment of the Company, and satisfy the definition of ‘employee’ under Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 or any such group of

employee(s), above a particular level, as per internal ranking procedure of the Company, in accordance with the Plan, including employee directors of the Company, viz., whole-time directors etc. (hereinafter “employees/ employee directors”).

Following class/classes of employees are not eligible:

- an employee who is a Promoter or belongs to the Promoter Group;
- a Director who either by himself or through his relatives or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- an Independent Director within the meaning of the Companies Act, 2013.

3. Transferability of Employee Stock Options:

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under **SoftTech Employees Stock Option Plan 2017**.

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company as the case may be. Vesting of the Employee Stock Options may commence after the expiry of a minimum period of 12 months from the date on which the options were granted, and may extend up to such time as may be decided at the discretion of the NRC from the date of grant. The Board may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

5. Maximum period within which the Options shall be vested:

Options granted under **SoftTech Employees Stock Option Plan 2017** would vest subject to maximum period of 4 years from the date of grant of Options.

6. Exercise price or pricing formula:

The exercise price per Option shall not be less than face value of equity share and shall not exceed fair market price of the equity share of the Company as on date of grant of Option, which may be decided by the Board.

The Board can give cashless exercise of options, if required to the employees and shall provide necessary procedures and/or mechanism for exercising such options subject to applicable laws, rules and regulations.

7. Exercise period and the process of Exercise:

Exercise Period shall be the time period after vesting within which the Employees/Employee Directors should exercise his right to apply for the Equity Shares against the Employee Stock Options vested in them pursuant to the Plan. The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 5 years from the date of grant of Options.

The vested Option shall be exercisable by the employees by a written application or electronic notice to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Board from time to time. The Options shall lapse if not exercised within the specified exercise period.

In case of cashless system of exercise of vested Options, the Board shall be entitled to specify such procedures and/or mechanism for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

8. Appraisal process for determining the eligibility of employees under ESOP 2018:

The appraisal process for determining the eligibility of the employees will be decided by the Board from time to time.

The employees would be granted Options under the ESOP 2018 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Board from time to time.

9. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted to any specific employee of the Company under the Plan, in any financial year and in aggregate under the **SoftTech Employees Stock Option Plan 2017** shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

10. Accounting and Disclosure Policies:

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

11. Method of Option Valuation:

The Company shall adopt the fair value method or any other method as per applicable Accounting Standards prescribed by the Institute of Chartered Accountant of India or prescribed under any other statutory provisions from time to time for valuation of options. The Company will be valuing the options at fair value as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. However, in case in future the Company calculates the employee compensation cost using the Intrinsic Value method for valuation of the Option granted, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share of the company shall also be disclosed in the Boards' Report.

12. Lock In Period:

Post exercise, the Equity Shares shall not have any lock in period.

13. Conditions under which Vested Options shall lapse:

The vested Options shall lapse if not exercised within the exercise period subject to the following and more particularly described in the Plan:

- The Options will lapse if the employment is terminated prior to Vesting without any obligation on the Company or Board. Even after the Options are vested, the unexercised Options may be forfeited if the Eligible Employee is terminated for misconduct or if the Option has lapsed as provided in this Plan or if the Exercise Period, as specified has lapsed.

- In the event of an Option Holder ceasing to be an Employee by reason of resignation, the Unvested Options held by the Option Holder shall lapse forthwith, without any obligations whatsoever on the Company or the Board. In case of Options already vested but not Exercised, the Option Holder may Exercise all the Vested Options to the extent exercisable, within a period of 60 days from the date of resignation subject to the Exercise Period. In the event that the Options are not exercised within this period, the Options would lapse immediately on the expiry of the aforesaid period, without any obligations whatsoever on the Company or the Board.

- In the event of an Option Holder ceasing to be an Employee by reason of termination for non performance, the vested Options, to the extent unexercised and exercisable by the Option Holder as on the date on which the Option Holder's employment is terminated, may be exercised by the Option Holder within a period of 60 days from the date of termination or before the end of the Exercise Period, whichever is earlier. The Options that are unvested on the date of termination shall automatically lapse and the Option Holder shall have no further claim on the same. In case of termination of service of an employee on account of cheating / fraud / misconduct being done by the employee / for any other reason (except due to Permanent Disability or death), the vested as well as the unvested Options of such employee shall lapse immediately on the date of his termination.

In terms of provisions of Section 62(1) (b) and all other applicable provisions, if any, or the Companies Act, 2013 consent of the Shareholders is being sought by way of a Special Resolution(s) set out at Item No.7 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution(s), except to the extent of their entitlements, if any under the Plan.

Your Directors recommend the Resolution(s) proposed at Item 7 of this Notice for your approval.

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN:U30107PN1996PLC016718

Name of the Company: SoftTech Engineers Limited

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

Name of the member(s) : _____

Registered Address : _____

E-mail id: _____

Folio No./Client ID: _____

DP ID: _____

I/We, _____ of
_____ being a member(s) of SoftTech Engineers Limited hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____

Signature _____, or

failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature _____, or

failing him

3. Name: _____

Address: _____

E-mail Id: _____

Signature _____, or

failing him as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Friday, 28th September , 2018, at Mahratta Chamber Of Commerce, Industries and Agriculture, Sumant Moolgaokar Auditorium, No. 1 (A Wing, Ground Floor), MCCIA Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune-411 016 at 2:30 PM and/or at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Optional*	
	For	Against
Ordinary Business		
1. To receive, consider and adopt the Audited financial statement as on 31 st March, 2018, and the Reports of the Board of Directors and the Auditors thereon.		
2. To declare a final dividend on equity shares for the financial year ended on 31 st March,2018.		
3. To appoint a Director in place of Mrs.Priti Gupta (DIN : 01735673), who retires by rotation and, being eligible, offers herself for re-appointment.		
4. To ratify appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as statutory Auditors for the remaining term of Three (3) years i.e. from the conclusion of this AGM till the conclusion of the 25 th AGM to be held in the year 2021.		
5. Revision in remuneration of Mrs. Priti Gupta, Wholetime Director of the Company.		
6. Revision in remuneration of Mr. Vijay Gupta, Managing Director of the Company.		
7. Approval of SoftTech Employees Stock Option Plan 2017 as per Securities and Exchange Board of India (Share Based Employee		

Benefits) Regulations, 2014.		
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Signed this _____ day of _____, 2018.

Affix a

Signature of Shareholder

Revenue stamp -----

Signature of Proxy Holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions and Notes, please refer to the Notice of the 22nd Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting the 22nd 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, 2018.

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

Your Company is primarily involved in software development and providing software support and maintenance to the clients. In last 20 years, the Company is constantly improving, developing and innovating software products to meet the AEC industry requirements. We have a portfolio of 3 established products –AutoDCR, PWIMS, OPTICON, a newly launched product BIMDCR and two products under development stage- RuleBuddy and IBPS.

Your Company's financial performance for the year under review has been encouraging. During the year under review, the Company has achieved a gross turnover of Rs. 51,54,23,246/- in comparison to previous year's turnover which was Rs. 46,71,82,677/-. It represented an increase of 10.33 % over the previous year. Your Company has earned a net profit of Rs. 6,79,36,851/- against last year's Rs. 4,91,75,655/-. Key aspects of Financial Performance of your Company for the current financial year 2017-18 along with the previous financial year 2016-17 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. We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. We believe our track record of timely delivery of quality products and demonstrated technical expertise has helped in forging strong relationships with our customers.

2. FINANCIAL RESULTS:

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

(Amount in Rs.)

Particulars	Financial Year	
	2017-18	2016-17
Revenue from Operations (Net)	515,423,246	467,182,677
Other Income	4,501,462	4,633,849
Total Revenue	519,924,708	471,816,526
Depreciation and Amortization	37,801,546	37,365,467
Total Expenses (including Depreciation and Amortization)	423,616,770	398,503,936
Profit/ (Loss) Before Tax	96,307,938	73,312,590
Tax Expenses:		
1. Current Tax	32,393,518	27,295,038
2. Deferred Tax	(4,022,431)	(3,158,103)
Net Profit/ (Loss) After Tax	67,936,851	49,175,655

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

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

4. DIVIDEND:

Your directors are pleased to recommend a Final Dividend of Rs. 0.50/- per equity share of face value of Rs. 10/- each for the year ended 31stMarch, 2018. The Final Dividend is subject to the approval of Members at the ensuing Annual General Meeting. The dividend declared will absorb Rs. 56.80 Lakhs including Dividend Distribution Tax of Rs. 9.69 Lakhs.

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

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

6. 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.

7. 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, 2018.

8. CONVERSION TO PUBLIC LIMITED COMPANY:

During the financial year under review, your Company had proposed listing of its securities on SME Stock Exchange(s) to raise the funds from the public market. Considering the same, the Company has converted from Private Limited Company to Public Limited Company and the Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company has been issued by the Registrar of Companies, Pune on 1st March, 2018. The Company has duly adopted new set of Articles of Association.

9. 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, 2018, 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) Company being unlisted Company as on 31st March, 2018, sub clause (e) of section 134(5) is not applicable; and
- 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.

10. 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 as required there under was not applicable to the Company, as the Company was unlisted as on closure of the financial year.

11. 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	Rs. 11,224,720/-.
Outgo	Rs. 1,766,264/-.

12. LISTING OF SECURITIES ON STOCK EXCHANGES:

The shares of the Company are listed at the National Stock Exchange of India Limited on SME platform with effect from 11th May, 2018. The Company is registered with both NSDL & CDSL for holding the shares in dematerialized form and open for trading. The Company has paid Listing Fees to the Stock Exchange and the depositories.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

I. Retire by Rotation:

Mrs. Priti Gupta (DIN: 01735673) Whole-time Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

II. Resignation of Director:

- a) The office of Mr. Babulal Patel (DIN: 01342839) was vacated as a director with effect from 23rd November, 2017.
- b) Mr. Rahul Gupta (DIN: 00024732) has resigned as a director w.e.f. 2nd March, 2018.

III. Appointment /Re-appointment of Directors:

- a) Mr. Ravi Mathur (DIN: 01777668) has been appointed as a Nominee Director of the Company w.e.f. 28th April, 2017.
- b) Mr. Rahul Gupta (DIN: 00024732) and Mr.Sridhar Pillalamarri (DIN: 00026018) have been appointed as Independent Directors w.e.f. 3rd March, 2018.

IV. Appointment / Resignation of Key Managerial Personnel:

- a) Mr. Anand Dad has been appointed as an CFO(KMP) with effect from 1st February, 2018
- b) Ms. Aishwarya Patwardhan has been appointed as a Company Secretary with effect from 3rd March, 2018.

The Composition of Board of Directors & Key Managerial Person as at 31st March, 2018 consists of following:

Sr. No.	Name	Designation
1.	Mr. Vijay Gupta	Managing Director
2.	Mrs. Priti Gupta	Whole-time Director
3.	Mr. Ravi Mathur	Nominee Director
4.	Mr. Rahul Gupta	Independent Director
5.	Mr. Sridhar Pillalamarri	Independent Director
6.	Mr. Anand Dad	CFO(KMP)
7.	Ms. Aishwarya Patwardhan	Company Secretary

14. STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Directors under Section 149(7) of Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

15. 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. This was done as per the provisions of the Companies Act, 2013. However the law mandates the ratification of their appointment every year in Annual General Meeting.

The Companies (Amendment) Act, 2017 published in the Gazette of India on January 3, 2018, amended certain sections of Companies Act, 2013 including omission of first proviso to Section 139(1) of Companies Act, 2013 which provided for ratification of appointment of Statutory Auditors by members at every Annual General Meeting. The amendments to the said section become effective from May 7, 2018.

In view of the same, the Board recommends approval of the members for the ratification of appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company, for the remaining term of Three (3) years i.e. from the conclusion of ensuing Annual General Meeting up to the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2021.

They have indicated their willingness to continue as Statutory Auditors of the Company and hence the ratification of their appointment is recommended to the members of the Company.

b) Internal Auditor:

The provision for appointment of Internal Auditors was not applicable to the Company during the financial year 2017-18.

The Company has received consent letter from M/s P. G. Bhagwat, Chartered Accountants, for their appointment as the Internal Auditors of the Company and the Board has appointed them accordingly in the financial year 2018-19.

c) Secretarial Auditor:

The provision for appointment of Secretarial Auditors was not applicable to the Company during the financial year 2017-18, therefore the report of the Secretarial Auditor for the F.Y. 2017-18 was not required to be prepared and enclosed with this Board's Report.

The Company has received consent letter from Mr. Devesh Tudekar, Practicing Company Secretary for his appointment as the Secretarial Auditor of the Company for the financial year 2018-19 and the Board has appointed him accordingly.

16. CORPORATE GOVERNANCE:

The provision to report on Corporate Governance was not applicable for the financial year 2017-18 and thus the report on same is not required to be enclosed with this Board's Report.

17. COMPLIANCE OF SECRETARIAL STANDARDS:

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

18. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:

The provision relating to Management Discussion and Analysis was not applicable for the financial year 2017-18, however as a matter of good corporate governance a report on Management Discussion & Analysis is given as 'Annexure - A' to this report.

19. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The provision of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 was not applicable to the Company during the financial year 2017-18.

However the Company has already adopted Policy on Disclosures and Internal Procedures for Prevention of Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 during the financial year under review.

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>

20. PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered with related parties during the F.Y. 2017-18 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.

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 Eight (8) times on:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	24 th April, 2017	2.	28 th April, 2017
3.	16 th May, 2017	4.	21 st August, 2017
5.	14 th , December, 2017	6.	03 rd March, 2018
7.	27 th March, 2018	8.	28 th March, 2018

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	8	8
2.	Mrs. Priti Gupta	8	8
3.	Mr. Babubhai Patel	4	2
4.	Mr. Rahul Gupta	7	5
5.	Mr. Ravi Mathur	6	3
6.	Mr. Sridhar Pillalamarri	2	0

B. AUDIT COMMITTEE MEETING:

During the financial year under review, the Company was not required to hold the meeting of Audit Committee.

C. NOMINATION & REMUNERATION COMMITTEE MEETING:

During the financial year under review, the Company was not required to hold the meeting of Nomination and Remuneration Committee.

D. COMPENSATION COMMITTEE MEETING:

During the financial year under review, the Compensation Committee of the Board of Directors of the Company has duly met on 7th October, 2017.

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

Sr. No.	Name of Member of the Compensation Committee	Number of meetings entitled to attended	Number of meetings attended
1.	Mr. Vijay Gupta	1	1
2.	Mrs. Priti Gupta	1	1

E. IPO COMMITTEE MEETING:

During the financial year under review, the IPO Committee of the Board of Directors of the Company has duly met Two (2) times on 6th February, 2018 and on 3rd March, 2018.

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

Sr. No.	Name of Member of the IPO Committee	Number of meetings entitled to attended	Number of meetings attended
1.	Mr. Vijay Gupta	2	2
2.	Mrs. Priti Gupta	2	2
3.	Mr. Rahul Gupta	2	1

F. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING:

During the financial year under review, no meeting of Corporate Social Responsibility Committee was held.

G. STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING:

During the financial year under review, the Company was not required to hold the meeting of Stakeholders Relationship Committee.

22. COMMITTEES OF THE BOARD:

As on 31st March, 2018 the Board had Committees such as the Audit Committee, the Nomination and Remuneration Committee, Compensation Committee, IPO 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, 2018. The table sets out the composition of the Committee:

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

- **Composition of Nomination and Remuneration Committee:**

As per the provisions of Section 178 of the Companies Act, 2013 the Company’s Nomination and Remuneration Committee comprised of the three directors for the Financial Year ended 31st March, 2018. The table sets out the composition of the Committee:

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

- **Composition of Compensation Committee:**

The Company's Compensation Committee comprised of the two directors for the Financial Year ended 31st March, 2018. The table sets out the composition of the Committee:

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

- **Composition of IPO Committee:**

The Company's IPO Committee comprised of the three directors for the Financial Year ended 31st March, 2018. The table sets out the composition of the Committee:

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

- **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, 2018. The table sets out the composition of the Committee:

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

- **Composition of Stakeholders Relationship Committee:**

The Company's Stakeholders Relationship Committee comprised of the three directors for the Financial Year ended 31st March, 2018. The table sets out the composition of the Committee:

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

23. EXTRACT OF ANNUAL RETURN:

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

24. 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.

25. 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. These are suitably monitoring the procedures in place to provide reasonable assurance for the accuracy and timely reporting of the financial information and compliance with the statutory requirements. There are policies, guidelines and delegation of power issued for the compliance of the same across the Company.

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

During the year under review, there was no loan or guarantee given by the Company pursuant to section 186 of the Companies Act, 2013. However, the Company has investment in equity shares of The Mahesh Sahakari Bank Limited and The Saraswat Co-operative Bank Limited amounting to Rs. 3,54,800/- and 25,000/- respectively.

27. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

During the financial year under review, the Company did not have any Subsidiary, Joint Venture or Associate Company.

28. BOARD'S EVALUATION ON ITS OWN, COMMITTEES AND INDIVIDUAL DIRECTOR'S PERFORMANCE:

During the financial year under review, the provision for evaluation of performance of the Board, its Committees and Individual Directors were not applicable to the Company.

29. 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>

30. 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>).

31. 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 2017-18, no grievance / complaint from any women employee was reported.

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

- Your Company, in the Extra Ordinary General Meeting held on 7th March, 2018, has been accorded the approval of the members by way of special resolution authorising to undertake a capital raising process by way of Initial Public Offer ('IPO') considering the business exigency and requirement of funds. Accordingly, the Company, pursuant to the section 62(1)(c) of the Companies Act, 2013 and rules made thereunder and pursuant to the provisions of the Chapter X(B) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 (the 'SEBI ICDR Regulations' and pursuant to the listing

agreement with the Stock Exchange for listing of securities on SME platform and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued by the Securities Exchange of India (‘SEBI’), Stock Exchanges, Reserve Bank of India (‘RBI’), the Registrar of Companies (the ‘ROC’), has listed its equity shares on EMERGE SME platform of the National Stock Exchange of India Limited. Accordingly, the letter of confirmation is received from the Stock Exchange stating that the equity shares of the Company shall be listed and admitted to dealings on the EMERGE SME platform of the Exchange w.e.f. May 11, 2018 as per the details given below:

Sr. No.	Description of Securities	Symbol	No. Of Securities	Mkt. Lot	Distinctive Numbers
1.	Equity Shares of Rs. 10/- each	SOFTTECH	94,22,476	1600	1 to 94,22,476

- The Company has allotted 28,51,200 Equity Shares of face value of Rs. 10/- each fully paid at price of Rs.80/- per equity share (including a share premium of Rs. 70/- per equity share), comprising of a fresh issue of 23,71,200 equity shares by the Company(“Fresh Issue”) and an offer for sale of 4,80,000 equity shares by existing shareholder, Rajasthan Trustee Company Pvt. Ltd. A/c SME TECH FUND, RVCF Trust II.
- Your Company has formed a wholly owned subsidiary in Finland on 16th July, 2018 with an objective to enhance, upgrade and develop SoftTech’s product for international market. It will create high end products with global acceptance having future technologies like Artificial Intelligence (AI), Machine Language (ML) etc. enabling Exports and International market penetration.

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.

Since the securities of the Companies are listed w.e.f. May 11, 2018 on the National Stock Exchange-EMERGE SME platform, the provisions of the regulations prescribed by the Securities Exchange Board of India were not applicable to the Company as on financial year ended 31st March, 2018.

33. INDUSTRIAL RELATIONS:

The industrial relations during the year 2017-18 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.

34. 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.

35. THE EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITORS IN HIS REPORT:

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

36. 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 D'.

37. 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.

38. LOAN FROM DIRECTORS AND RELATIVES OF DIRECTOR:

During the financial year under review, the Company has taken unsecured loan of Rs. 17,850,000/- from Mr. Vijay Gupta and repaid loan of Rs. 11,750,000/- to him. Further, the details of loans and advances accepted from directors of the Company and relatives of directors as on 31st March, 2018 is given below:

Sr. No.	Name of person	Designation	Amount in Rs.
1	Vijay Gupta	Managing Director	1,75,39,662
2	Priti Gupta	Whole-Time Director	636,975

39. CHANGES IN SHARE CAPITAL:

During the year under review, the following changes occurred in the Share Capital of the Company:

- The authorised share capital of Rs. 46,000,000/- (Rupees Four Crores Sixty Lakhs Only) divided into 3,600,000 (Thirty Six Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each and 1,000,000 (Ten Lakhs) Preference Shares of Rs. 10/- (Rupees Ten Only) each was re-classified as Rs. 46,000,000/- (Rupees Four Crores Sixty Lakhs Only) divided into 4,600,000 (Forty Six Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each.
- The Authorised share capital was increased from Rs. 46,000,000/- (Rupees Four Crores Sixty Lakhs Only) divided into 4,600,000 (Forty Six Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 110,000,000/- (Rupees Eleven Crore Only) divided into 11,000,000 (One Crore Ten lakh) equity shares of Rs. 10/- (Rupees Ten Only) each.
- The Company has issued and allotted 3,525,638 equity shares of Rs. 10.00 each as Bonus Shares in proportion of 1(One) Equity Share for every 1(One) Equity Share held in the Company.
- The Company has approved the 'SoftTech Employees Stock Option Plan 2017' in the Annual General Meeting held for the Financial Year ended 31st March, 2017 which upon exercise or conversion could give rise to the issue of equity shares up to 70,000 (Seven Thousand) of Rs. 10/- each in aggregate.
- The Company has granted 35,116 Employee Stock Options to the identified employees pursuant to the 'SoftTech Employees Stock Option Plan 2017'.

Further, the Company has neither allotted any sweat equity nor it has bought back any shares or securities.

40. EMPLOYEE STOCK OPTION SCHEME:

During the year under review, the Company has approved the 'SoftTech Employees Stock Option Plan 2017' in the Annual General Meeting held for the Financial Year ended 31st March, 2017. The details pursuant to the sub rule 9 of the Rule 12 of The Companies (Share Capital and Debenture) Rules, 2014 are mentioned herein under:

Particulars	Pre-Bonus	Post-Bonus
Options granted	35,116	70,232
Options vested	NIL	NIL
Options exercised	NIL	NIL

Total number of Equity Shares that would arise as a result of full exercise of options granted	35,116	70,232		
Options forfeited/lapsed/cancelled	NIL	NIL		
Variation in terms of options	NIL	NIL		
Money realised by exercise of options	NIL	NIL		
Total number of options in force	35,116	70,232		
Employee wise details of options granted to				
i. Senior managerial personnel, i.e. Directors and key management personnel	Name of Employee	Total Options Granted	Name of Employee	Total Options Granted
	NIL		NIL	
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	1. Sheetal Jagtap Kurhade 2. Neetesh Singhal 3. Kingshuk Chail 4. Srinivas Rao Perla 5. Kuldeep Rathi 6. Premanath Basava 7. Sarika Y. Jaglaganeshwala 8. Deepak Warad	1. Sheetal Jagtap Kurhade 2. Neetesh Singhal 3. Kingshuk Chail 4. Srinivas Rao Perla 5. Kuldeep Rathi 6. Premanath Basava 7. Sarika Y. Jaglaganeshwala 8. Deepak Warad		
iii. Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NIL	NIL		

41. 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.

For and on behalf of the Board of Directors

SOFTTECH ENGINEERS LIMITED

Sd/-

VIJAY GUPTA

CHAIRMAN & MANAGING DIRECTOR

DIN:01653314

DATE: 31.08.2018

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- Extract of Annual Return in Form MGT-9.**
- 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 4500 clients in India and across the world till date.

II. INDUSTRY OVERVIEW:

Global Economic Outlook:

The global growth in 2016 was a modest 3.2%, broadly in line with the previous year. The recovery is projected to strengthen in 2017 and beyond, driven primarily by emerging market and developing economies. Global

Global growth is projected to reach 3.9% in 2018 and 2019

India's growth rate is expected to rise to 7.3% in 2018 and 7.5% in 2019.

growth is expected to tick up to 3.4%¹ next year, supported by notable pickups in investment, trade, and industrial production, coupled with stronger business and consumer confidence.²

¹ World Economic Outlook: Subdued Demand- Symptoms and Remedies, October 2017

² World Economic Outlook: Seeking Sustainable Growth, October 2017

³Global growth is projected to reach 3.9% in 2018 and 2019, but the expansion is becoming less even, and risks to the outlook are mounting. The rate of expansion appears to have peaked in some major economies and growth has become less synchronized.

Emerging and Developing Asia is expected to maintain its robust performance, growing at 6.5 percent in 2018–19. India’s growth rate is expected to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019, as drags from the currency exchange initiative and the introduction of the goods and services tax fade.

Indian Economy Overview⁴

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India’s GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

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 behaviour 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.

India’s GDP is expected to grow 7.3% in 2018-19.

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*

Indian Construction Industry⁵

Under Union Budget 2018-19, US\$ 92.22 billion (Rs. 5.97 Lakh Crores) was allocated to the sector. Increased impetus to develop infrastructure in the country is attracting both domestic and international players.

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

³World Economic Outlook update July-2018

⁴IBEF- indian economy overview

⁵IBEF- infrastructure Industry analysis report May2018

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

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

Smart Cities Mission⁶:

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.

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

Till date, 99 cities have been identified, with an outlay of USD 31.38 billion. The scheme is projected to positively impact 99 million of urban population.

82 Special Purpose Vehicles (SPVs) have been formed.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)⁷:

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

State level plans of USD 11 billion for 500 cities have been approved. Uttar Pradesh has got the highest investment under the Atal Mission of USD 1.75 billion. This is followed by: Tamil

⁶ Make in India- Construction

⁷ [Make in India- Construction](#)

Nadu(USD 1.72 billion), Maharashtra(USD1.03 billion), Haryana(USD 0.39 billion), Chattisgarh (USD 0.33 billion), Manipur(USD 27 million), Sikkim(USD 6 million) .

Pradhan Mantri AwasYojana (PMAY)⁸:

“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.

RERA⁹:

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 Business¹⁰:

The Ease of Doing Business (EODB) index is a ranking system established by the [World Bank Group](#). India is ranked 100th in 2018 and 131st in 2016 among 189 countries.

Dealing with construction permits is one of the 10 areas of business regulation for which information is collected for research. India ranked 181st in dealing with construction permits among 189

India ranked 100th in 2018 Ease of doing Business rankings by World Bank.

It ranked 181st in dealing with construction permits among 189 economies.

⁸PMAY site

⁹RERA site

¹⁰Make in India- Ease of doing business; World bank group- doing business

economies in 2018 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.

Digital India¹¹:

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

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

IT and Technology Industry

Information technology (IT) spending will continue to dominate total tech spending, especially in emerging markets. The global tech market in currency terms will continue to grow modestly throughout 2016 & 2017 at 4.5% and 4.7% respectively. ¹² Information technology is not only fuelling major business transformation across industries, it’s also changing how technology enterprises sell their products and services, operate and plan for future growth.

Global Digital Transformation Market:

New developments in Information technology and software solutions are transforming and disrupting almost every industry. There is a software application for every sector and business function such as, sales, banking, accounting, payroll software technology which has existed in the form of web, mobile technologies, management information systems, data management tools etc. The global digital transformation market size is estimated to rise at a

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:

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

¹¹IBEF

¹² Global Tech Market will continue to grow at 4%-5% rates in 2016 and 2017, Forrester

CAGR of 18.6% from US\$ 1.2 trillion in 2017 to US\$ 2 trillion in 2020¹³. India's IT industry is increasingly focusing on digital opportunities as digital is poised to be a major segment in the next few years. It is also currently the fastest growing segment, growing over 30 per cent annually. Revenue from digital is expected to comprise 38 per cent of the forecasted US\$ 350 billion industry revenue by 2025.¹⁴With growth potential, NOW is the perfect time to focus on digital opportunities in the IT sector.

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\$ 8.9 trillion by 2020 attaining a 19.9% CAGR¹⁵.

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. ¹⁶Spending on Artificial Intelligence and Machine Learning will grow from US\$12billion in 2017 to US\$57.6 billion by 2021. ¹⁷

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 will experience major growth from US\$ 35 billion in 2017 to US\$ 77 billion in 2023.¹⁸

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.

¹³IT & ITes Industry in India by IBEF

** all figures are in fiscal year

¹⁴IT & ITes Industry in India by IBEF

** all figures are in fiscal year

¹⁵Size of the Internet of Things market worldwide in 2014 and 2020, by industry (in billion US dollars), Statista

¹⁶Machine Learning Market worth 8.81 billion USD by 2022, Markets and Markets

¹⁷Roundup of Machine Learning forecasts and estimates, Forbes

¹⁸Forecast of Big Data Market Size, based on revenue from 2011 to 2027 (in billion US dollars), Statista

The product engineering services market is estimated to reach US\$ 1 trillion by 2021 & grow at a CAGR of 8.2% in 5 years.¹⁹

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 2022.²⁰

Growth Area #6: Building Information Modelling is a digital representation of physical and

*“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*

functional characteristics of a facility. A building information model is a shared knowledge resource for information about a facility forming a reliable basis for decisions during its life-cycle; defined as existing from earliest conception to demolition. The adoption of BIM in Indian construction projects is to the tune of 22%

currently and expected to grow rapidly in upcoming years.

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

III. OPPORTUNITIES AND THREATS

Our Business

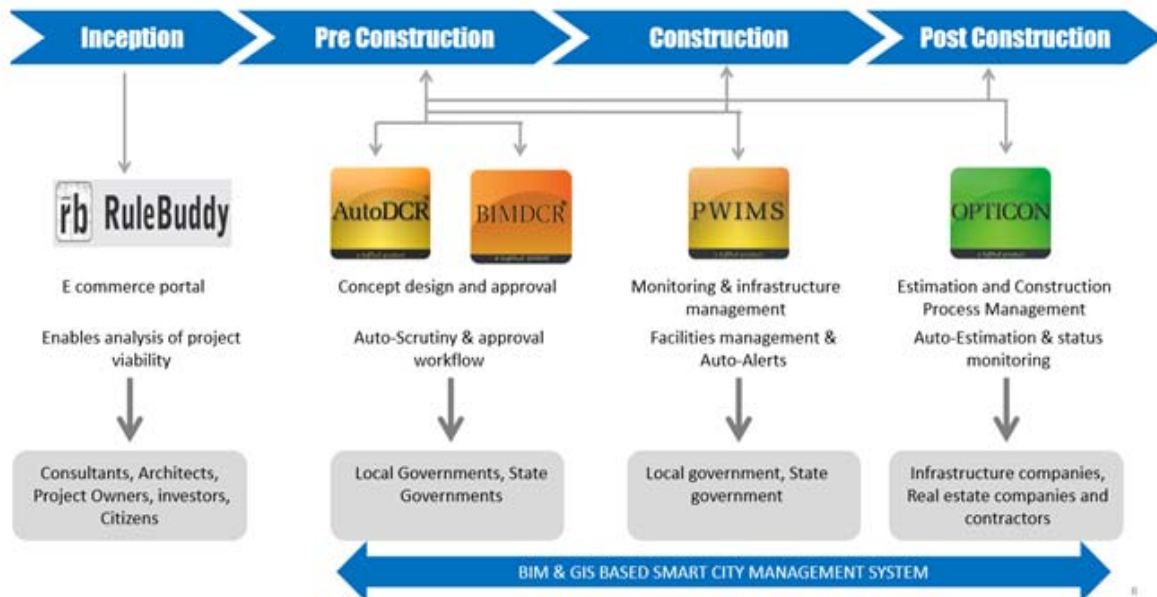
In last 20 years, the company is constantly improving, developing and innovating software products to meet the AEC industry requirements. We have a portfolio of established 3 products, newly released products and two products under development stage. These products cover entire value chain of the construction 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.

- Product portfolio includes-*
- *AutoDCR*
 - *PWIMS*
 - *OPTICON*
 - *BIMDCR*
 - *RuleBuddy*
 - *IBPS*

¹⁹Product Engineering services market worth 1003.12 billion USD by 2021, Markets and Markets

²⁰Digital media revenue worldwide from 2016 to 2022, by category (in million US dollars)

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



Products

AutoDCR–Technology to Deliver on The Building Plans

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

PWIMS – Smarter Management for Public Works Organizations

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

OPTICON – ERP for Construction Enterprises

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

BIMDCR

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

RULEBUDDY

RuleBuddy is an upcoming product by our Company which is currently in Beta phase. It 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.

INTEGRATED BUILDING PERMITS SYSTEM (IBPS)²¹

IBPS is a vision product by our Company under research and design phase. IBPS provides innovative, intelligent and collaborative platform to accelerate the approval of building projects. It

²¹Under research and design phase

automates and simplifies the building plan/model scrutiny processes, document management, approval workflow and verification of the parameters defined in the city map. It uses technology like Internet of Things (IoT), Virtual Reality/Augmented Reality, Machine Learning and AI tools. It consists of various modules for proposal creation, collaborative verification, virtual site visits and audit, workflow and online collaboration, progress monitoring and tracking, analytical reports, etc. It is useful for private consultants, corporations, government organizations among others.

With these products, our Company will be catering to full value chain of building construction activity through automation; resulting in effective governance, reduced approvals time, lower cost of investment, anywhere access to construction related information, digitalization of the entire process and thereby facilitate the authorities to increase their ranking in “Ease of Doing Business”.

Technology expertise and strength

- **CAD/ CAM Expertise-** CAD Drawing Entity reading, mathematical modelling, numerical methods and data processing; Strong skillset in reading AutoCAD, ZWCAD and open CAD platform APIs.
- **Web Development-** Strong Skill set in various Microsoft framework technologies; Team Proficiency in ASP. Net, C#, MVC, Bootstrap, jQuery, JSON, Ajax and various java script frameworks
- **Mobile Development- Separate** Teams of Android and iOS developments
- **Dashboards & Analytics-** Strong Skills in defining schemas of Transactional data; ETL services and analytical Models
- **Database Engineering & Administration group-** Team and Expertise in managing SQL Server, Oracle and Mongo DB
- **Quality & testing-** Team with strong domain and knowledge of business functions; Proficiency in Manual and Automations testing; Awareness on tools like Vega (for Security testing) & Selenium (for Automation testing)
- **Rule Engine-** Strong Skill set of C++/ Visual C++ & XML
- **3D/ BIM Expertise-** Skill set for model reading and data processing; Team Proficiency in understanding of Revit APIs and Open Source modelling APIs
- **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.

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. *Expand*

Strategy	Particulars	Impact
Innovate	<ul style="list-style-type: none"> - Develop new products - Continued investment in research and development - Develop new applications for existing products 	<ul style="list-style-type: none"> - Pro-active solutions to market needs. - Keeping ahead of competition through technological edge. - New customers - New business from existing customers
Augment	<ul style="list-style-type: none"> - Widen the customer base by augmenting our reach to enterprises and corporates - Increase product contribution PWIMS, Opticon and other products 	<ul style="list-style-type: none"> - Better coverage of market with increased revenue. - Up-selling and cross selling for business revenue growth. - Covering industry entirely across both government as well as private sector markets.
Expand	<ul style="list-style-type: none"> - Product base and industry offering - presence and set up across India and overseas - enter into overseas market 	<ul style="list-style-type: none"> - Increase in margins due to foreign exchange earnings, price advantage in international markets, as our primary software development activities remain within India.

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 IBPS²² will help us acquire more and more customers from private sector.

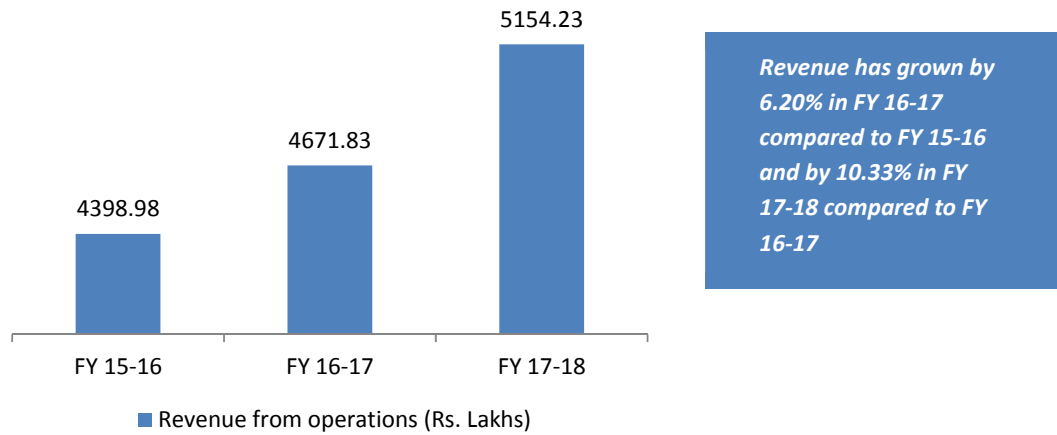
Our competitive edge lies in:

- (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

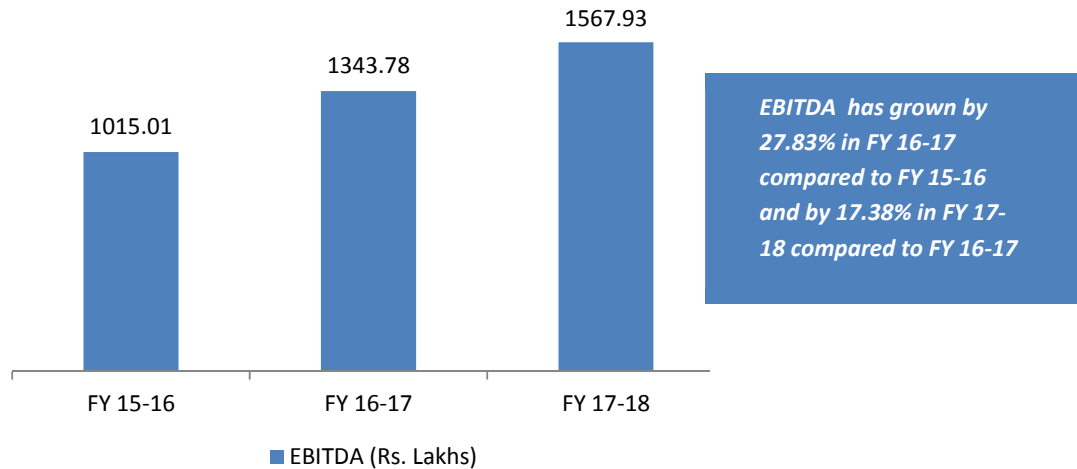
²²Under research and design phase

IV. COMPANY PERFORMANCE

- Revenue from operations Rs. Lakhs

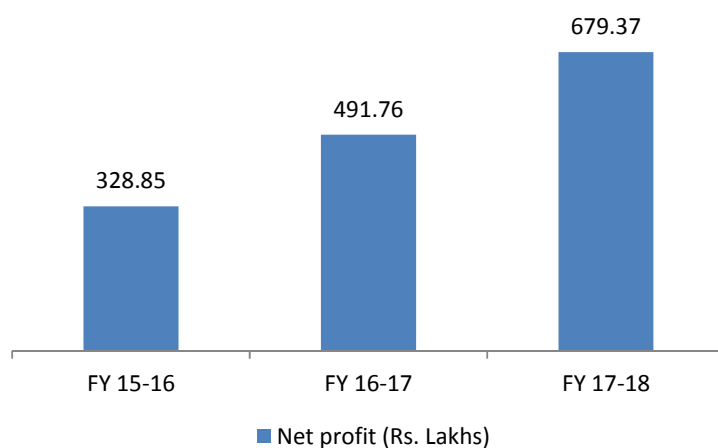


- Earnings before interest, depreciation and amortization and tax (EBITDA Rs. Lakhs)²³



²³Excluding other income

- **Net profit Rs. lakhs**



Net profit has grown by 49.54% in FY 16-17 compared to FY 15-16 and by 38.15% in FY 17-18 compared to FY 16-17

- **Performance of the Company**

Rs. Lakhs

Particulars	Year ended March 31			
	2018	%	2017	%
Revenue from operations	5154.23	100%	4671.83	100%
Purchases of stock-in-trade	440.89	8.55%	714.23	15.29%
Employee benefits expense	836.83	16.24%	808.80	17.31%
Depreciation and amortisation expense	378.02	7.33%	373.65	8.00%
Other expenses	2353.60	45.66%	1851.35	39.63%
Total expenses	4009.34	77.79%	3748.03	80.23%
Operating profit	1144.89	22.21%	923.79	19.77%
Other income	45.01	0.87%	46.34	0.99%
Finance costs	226.83	4.40%	237.01	5.07%
Profit before tax	963.07	18.69%	733.13	15.69%
Net tax expenses	283.71	5.50%	241.37	5.17%
Net profit	679.37	13.18%	491.76	10.53%

- Revenue from operations has grown from Rs. 4671.83 lakhs to Rs. 5154.23 lakhs. It has grown by 10.33% compared to last year. Purchases of stock in trade also decreased from Rs. 714.23 Lakhs to Rs. 440.89 lakhs. Employee benefit expenses increased from Rs. 808.80 lakhs to Rs. 836.83 lakhs. As a % of revenue it is decreased from 17.31% to 16.24%. Depreciation and amortization expenses have increased by 1.17% compared to last year. Other expenses have

increased from Rs. 1851.35 lakhs to Rs. 2353.60 lakhs. Operating profit has increased from Rs. 923.79 lakhs to Rs. 1144.89 lakhs. Finance cost is decreased from Rs. 237.01 lakhs to Rs. 226.83 lakhs. Profit before tax increased from Rs. 733.13 lakhs to Rs. 963.07 lakhs. Net tax expenses increased from Rs. 241.37 lakhs to Rs. 283.71 lakhs. Net profit of the company increased from Rs. 491.76 lakhs in FY 16-17 to Rs. 679.37 lakhs in FY 17-18. EPS per share increased from Rs. 6.97 in FY 16-17 to Rs. 9.63 in FY 17-18.

- **Product wise revenue (Rs. Lakhs):**

Particulars	FY 17-18	FY 16-17	Growth
AutoDCR	2916.33	2777.73	5.0%
PWIMS	1303.97	937.63	39.1%
Opticon	415.87	62.57	564.6%
Others	518.06	893.89	(42.0)%

- **Performance of the company (Rs. Lakhs)**

Particulars	Year ended March 31	
	2018	2017
Net worth	3739.80	3095.79
Gross debt (Long term + short term debt)	1508.35	1731.45
Gross debt/net worth	0.40	0.56
Total fixed assets (including intangibles under development)	1248.39	1149.09
Current ratio	1.90	1.99

- Company has issued bonus shares 1:1 in FY 17-18. Surplus available in the profit and loss statement is utilized to issue bonus shares. Gross debt comprises of long term debt of Rs. 1057.59 lakhs in FY 17-18 (FY 16-17 Rs. 1304.61 lakhs) and short term debt of Rs. 450.76 lakhs (FY 16-17 Rs. 426.84 lakhs). Fixed assets include intangibles under development of Rs. 380.32 lakhs (FY 16-17- Rs. 230.44 lakhs). Gross debt to net worth has improved from 0.56 x to 0.40x. Current ratio is 1.90x FY 17-18 compared to 1.99 x in FY 16-17.

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, 2018, the Company has total 496 team members.

Department wise team members

Particulars	As on March 31, 2018	As on March 31, 2017
Management	3	3
Implementation	358	253
Development	80	80
QA	19	13
Sales	17	20
Finance and accounts	8	5
Purchase and administration	7	7
Human resource	4	3
Total	496	384

Male and female team members count

Particulars	Male	Female	Male:Female
March 31, 2018	339	157	68:32
March 31, 2017	264	120	69:31

VI. OUTLOOK, RISKS AND CONCERNS

Outlook:

With 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.

We have orders in hand of Rs. 18,571.55 lakhs for 57 customers out of which Rs. 10,522.12 lakhs are yet to be executed. Orders in pipeline are worth Rs. 9,678.00 lakhs for 41 prospective customers.

Risks, concerns and mitigations–

Risks	Impact on Company	Mitigation Plan
<p>Volatile global political and economic scenario</p>	<p>Revenue growth may be highly impacted by political instability or uncertain economic conditions as it is likely to influence the enterprise customer's outlook to restrict their expenses.</p>	<p>Diversification of business across various locations and industry verticals will help to minimize the risk.</p>
<p>Rapidly changing business models due to technology</p>	<p>The dynamic technological environment is disrupting consumption patterns, rapidly changing demand-supply, leading to new competitors and new client bases. It's becoming difficult to keep up with the pace of changing expectations, failure of which might lead to loss of market share and decrease in revenue.</p>	<p>Deep focus on Research & Development efforts by using internal experts and valuable external partnerships to develop solutions which are in high demand. Training and re-skilling the existing employees to successfully develop & implement new technologies.</p>
<p>Breach of data privacy and protection</p>	<p>Another area of increasing concern is the privacy and protection of personal data. In case of any violation or breach of security, non-compliance or inadequacy of privacy, policies might result in substantive penalties and financial impact on profitability.</p>	<p>A robust technology infrastructure and stringent data security norms help to keep the data secure. There are stringent confidentiality policies with employees in place as a part of the security management process.</p>

Inadequate laws in case of Intellectual Property (IP) management	There is always a risk of violation by 3 rd 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.	<ul style="list-style-type: none"> - Regular allocation of budget for R&D. - Build and enhance the R&D team.
Attrition	Our business depends upon the skilled personnel; we may not be able to attract, hire, motivate, retain and train personnel.	Company is providing training and other incentives to attract and retain its employees.
Government Policy change	If government policies relating to Smart cities, digital India, AMRUT, PMAY etc. change, it could result in lower future revenues and profitability	<ul style="list-style-type: none"> - Diversification and expansion of revenue streams to private sector. - Propose Saas based business models.
Technology changes	Changes in technology may render current technologies obsolete or may require significant capital investments	Company is investing in R&D to cope up with current technology changes.

VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

VIII. OUTLOOK

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 endeavours 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 for the same.

Over the last decade, the Company has plugged gaps in software requirements of various fields of construction sector and intends to continue doing so with the objective to cement out its reputation as a leading software company in AEC space. The Company has recruited more professionals to innovate new products and to address the number of growing clients.

The Company believes the relationship with the clients is established as they receive repeat order flows. To retain existing customers, the team regularly interacts with them and focuses on gaining an insight into the additional customers. The Company intends to enhance brand image by developing business through customer relationship and continuously upgrading and innovating the software's. Growing existing client relationship has helped the Company to leverage on domain expertise, understanding of target industry and close client relationships. The Company also provides value added services to customers of value businesses segment which are high yielding margin business and will continue to grow on this as well.

Form No. AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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: 31.08.2018 PLACE: PUNE						

ANNEXURE C FORM NO MGT-9 (EXTRACT OF ANNUAL RETURN) As on Financial Year ended on 31st March, 2018 [Pursuant to Sec 92(3)of Companies Act ,2013and rule 12(1) of the Companies (Management and Administration) Rules,2014]					
I. REGISTRATION AND OTHER DETAILS:					
S. NO.	PARTICULARS	DETAILS			
(i)	CIN	U30107PN1996PLC016718			
(ii)	Registration Date	17/06/1996			
(iii)	Name of the Company	SOFTTECH ENGINEERS LIMITED			
(iv)	Category/Sub Category of the Company	Company Limited by Shares/ Indian Non Government Company			
(v)	Address of Registered Office and Contact Details	The Pentagon Unit No 5A, Near Satara Road, Telephone Exchange, Shahu College Road, Parvati Pune 411009			
(vi)	Whether Listed Company	Yes			
(vii)	Name, Address and Contact Details of Registrar and transfer Agent, if any	Link Intime India Private Limited Block No 202 2nd Floor Akshay Complex Off Dhole Patil Road Pune 411001 Telephone: +91 20 26160084 26161629 Fax: +91 20 26163503 Email : pune@linkintime.co.in			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
S.NO	NAME AND DESCRIPTION OF MAIN PRODUCTS	NIC CODE OF THE PRODUCT SERVICE	% OF TOTAL TURNOVER OF THE COMPANY		
1	Providing software support and maintenance to the client	62013	100%		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY					
S.NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i. Category-wise Shareholding									
Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS*									
(1) INDIAN									
g) Individual/HUF		1,857,162	1,857,162	52.68		3,714,324	3,714,324	52.68	0
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	-	149,574	149,574	4.24	-	299,148	299,148	4.24	0
k) Banks /FI	-	-	-	-	-	-	-	-	-
l)Any other	-	-	-	-	-	-	-	-	-
Sub Total(A)(1):-		2,006,736	2,006,736	56.92		4,013,472	4,013,472	56.92	0
(2) FOREIGN									
a) NRI's -Individuals	-	-	-	-	-	-	-	-	0
b)Other Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)		0	0	0.00		0	0	0.00	
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)		2,006,736	2,006,736	56.92		4,013,472	4,013,472	56.92	0
B) PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	943,898	943,898	26.77	-	1,887,796	1,887,796	26.77	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	0
Sub total (B)(1):		943,898	943,898	26.77		1,887,796	1,887,796	26.77	0
2. NON-INSTITUTIONS									
a) Bodies Corp.									
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	575,004	575,004	16.31	-	1,150,008	1,150,008	16.31	0
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)		575,004	575,004	16.31		1,150,008	1,150,008	16.31	0
Total public Shareholding (B)=(B)(1)+(B)(2)		1,518,902	1,518,902	43.08		3,037,804	3,037,804	43.08	0
C) SHARES HELD BY CUSTODIAN FOR GDR & ADRs		NIL				NIL			
GRAND TOTAL (A+B+C)		3,525,638	3,525,638	100		7,051,276	7,051,276	100	-

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

ii) Shareholding of Promoters								
Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered of total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered of total shares	
1	Vijay Gupta	1,840,617	52.21	8.51	3,681,234	52.21	4.25	0
2	Priti Gupta	16,545	0.47	-	33,090	0.47	-	0
3	Covisible Solutions (India) Private Limited	149,574	4.24	-	299,148	4.24	-	0
iii) Change in Promoters Shareholding (Please specify if there is no change)								
Sr. No.	Particulars	Shareholding at the beginning of the		Cumulative shareholding during the year				
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company			
Vijay Gupta (Promoter)								
1	At the beginning of the year	1,840,617	52.21%	1,840,617	52.21%			
2	Increase on account of bonus issue on 06.02.2018	1,840,617	26%	3,681,234	52.21%			
3	At the end of the year	3,681,234	52.21%	3,681,234	52.21%			
Priti Gupta (Promoter Group)								
1	At the beginning of the year	16,545	0.47%	16,545	0.47%			
2	Increase on account of bonus issue on 06.02.2018	16,545	0.23%	33,090	0.47%			
3	At the end of the year	33,090	0.47%	33,090	0.47%			
Covisible Solutions (India) Private Limited (Promoter Group)								
1	At the beginning of the year	149,574	4.24%	149,574	4.24%			
2	Increase on account of bonus issue on 06.02.2018	149,574	2.12%	299,148	4.24%			
3	At the end of the year	299,148	4.24%	299,148	4.24%			
iv) Shareholding of top ten Shareholders (other than Directors, Promoters and Holders of GDR & ADR):								
Sr. no	For each of the top ten shareholders	Shareholding at the beginning of the		Cumulative shareholding during the year				
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company			
Rajasthan Trustee Company Pvt. Ltd. A/c SME TECH FUND, RVCF Trust II								
1	At the beginning of the year	943,898	26.77%	943,898	26.77%			
2	Increase on account of bonus issue on 06.02.2018	943,898	13.39%	1,887,796	26.77%			
3	At the end of the year	1,887,796	26.77%	1,887,796	26.77%			
Ajay Jain								
1	At the beginning of the year	118,410	3.36%	118,410	3.36%			
2	Increase on account of bonus issue on 06.02.2018	118,410	1.68%	236,820	3.36%			
3	At the end of the year	236,820	3.36%	236,820	3.36%			
Dhrubjyoti Debehoudury								
1	At the beginning of the year	65,721	1.86%	65,721	1.86%			
2	Increase on account of bonus issue on 06.02.2018	65,721	0.93%	131,442	1.86%			
3	At the end of the year	131,442	1.86%	131,442	1.86%			
Devendra Tripathi								
1	At the beginning of the year	65,721	1.86%	65,721	1.86%			
2	Increase on account of bonus issue on 06.02.2018	65,721	0.93%	131,442	1.86%			
3	At the end of the year	131,442	1.86%	131,442	1.86%			
Babulal Patel								
1	At the beginning of the year	325152	9.22%	325152	9.22%			
2	Increase on account of bonus issue on 06.02.2018	325152	4.61%	650,304	9.22%			
3	At the end of the year	650304	9.22%	650,304	9.22%			

v) Shareholding of Director and Key Managerial Person						
Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year		
	For each of Directors & KMP	No. of shares	% of total of the company	No. of shares	% of total of the company	
a)	Mr. Vijay Gupta					
	At the beginning of the year	1,840,617	52.21%	1,840,617		52.21%
	Increase on account of bonus issue on 06.02.2018	1,840,617	26%	3,681,234		52.21%
	At the end of the year	3,681,234	52.21%	3,681,234		52.21%
b)	Ms. Priti Gupta					
	At the beginning of the year	16,545	0.47%	16,545		0.47%
	Increase on account of bonus issue on 06.02.2018					
		16,545	0.23%	33,090		0.47%
	At the end of the year	33,090	0.47%	33,090		0.47%
c)	Mr. Ravi Mathur					
	At the beginning of the year	Nil	Nil	Nil		Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	NO CHANGE DURING THE YEAR				
	At the end of the year	Nil	Nil	Nil		Nil
d)	Mr. Rahul Gupta					
	At the beginning of the year	Nil	Nil	Nil		Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	NO CHANGE DURING THE YEAR				
	At the end of the year	Nil	Nil	Nil		Nil
e)	Mr. Sridhar Pillalamarri					
	At the beginning of the year	Nil	Nil	Nil		Nil
	Date wise Increase/Decrease in Directors shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	NO CHANGE DURING THE YEAR				
	At the end of the year	Nil	Nil	Nil		Nil

V. INDEBTEDNESS					
Indebtedness of the company including interest outstanding/accrued but not due for payment					
Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
i.) Principal Amount	141,348,935	31,795,665	0		173,144,600
ii.) Interest due but not paid	725,155	245,633	0		970,788
iii.) Interest accrue but not due	0	0	0		0
Total(i+ii+iii)	142,074,090	32,041,298	0		174,115,388
Change in Indebtedness during the Financial year					
i.) Addition	0	36,338,565	0		36,338,565
ii.) Reduction	31,308,000	29,732,207	0		61,040,207
Net Change	110,766,090	38,647,656	0		149,413,746
Indebtedness at the end of the Financial year					
i.) Principal Amount	112,432,675	38,402,023	0		150,834,698
ii.) Interest due but not paid	331,077	196,263	0		527,340
iii.) Interest accrue but not due	0	0	0		0
Total(i+ii+iii)	112,763,752	38,598,286	0		151,362,038

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

Sr. No.	Particulars of Remuneration	MD	WTD	WTD	Total Amount
		Mr. Vijay Gupta	Ms. Priti Gupta	Mr. Babulal Patel	
1	Gross Salary				
a.	Salary as per provisions contained in Sec 17(1) of Income Tax Act, 1961	4,000,000.00	1,029,600.00	300,000.00	5,329,600.00
b.	Value of perquisites u/s 17(2) income Tax Act, 1961	-	-	-	-
c.	Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of Profit	-	-	-	-
	Others, please specify	-	-	-	-
5	Others, please specify				
	Total (A)	4,000,000.00	1,029,600.00	300,000.00	5,329,600.00
	Ceiling as per the act	Being 10% of the net profit of the Company as per section 198 of the Companies Act, 2013			10,163,754.00

B. Remuneration to other Directors:

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
3	Independent Directors	-	-	-	-
i	Fee for attending board committee meeting	-	-	-	-
ii	Commission	-	-	-	-
iii	Others, please specify	-	-	-	-
	Total (1)				
4	Other Non Executive Directors	-	-	-	-
i.	Fee for attending board committee meeting	-	-	-	-
ii.	Commission	-	-	-	-
iii.	Others, please specify	-	-	-	-
	Professional fees	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	5,329,600.00
	Overall ceiling as per act	-	-	-	11,180,130.00

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

Sr.No	Particulars of Remuneration	Key Managerial Person			TOTAL
		Company Secretary	CFO		
		Aishwarya Patwardhan	Anand Dad		
		(Appointed w.e.f 3rd March, 2018)	(Appointed w.e.f. 1st February, 2018)		
1	Gross Salary	30817	120000		150817
a.	Salary as per provisions contained in Sec 17(1) of Income Tax Act, 1961				0
b.	Value of perquisites u/s 17(2) income Tax Act, 1961	0	0		0
c.	Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	0	0		0
2	Stock option	0	0		0
3	Sweat Equity	0	0		0
4	Commission as % of Profit	0	0		0
	Others, specify	0	0		0
5	Others, please specify	0	0		0
	Total	30817	120000	0	150817

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD/NCLT/ COURT]	APPEAL MADE IF ANY (GIVE DETAILS)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

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

Sd/-
VIJAY GUPTA
CHAIRMAN & MANAGING DIRECTOR
DIN: 01653314
DATE: 31.08.2018
PLACE: PUNE

ANNEXURE D

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

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

Your directors hereby presenting the Annual Report on Corporate Social Responsibility (“CSR”) Activities of your Company for the financial year 2017-18.

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

Vision:

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

Mission:

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

CSR Objective:

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

- 1) Promoting education including special education
- 2) Giving medical aid, Promoting preventive health care and sanitation and making available safe drinking water
- 3) Eradicating hunger, poverty and malnutrition

- 4) Promoting education, gender equality and empowering women and physically handicap and disabled.
- 5) Ensuring Environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents
- 7) Rural Development Projects

Company’s Corporate Social Responsibility Policy:

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

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

2. The Composition of the CSR Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted Corporate Social Responsibility (“CSR”) Committee. As on 31st March, 2018 the CSR Committee consists of:

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

3. Average net profit of the Company for last three financial years: Rs. 56,097,872/-

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 1,121,957/-

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

(a) Total amount to be spent for the financial year: Rs. 1,121,957/-

(b) Amount unspent: Rs. 1,121,957/-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S	CSR	Sector	Projects or	Amount	Amount	Cumulati	Amount
No	project	in	programs	outlay	spent	ve	spent:
	or	which	(1) Local area	(budget	on the	expenditu	Direct or
	activity	the	or other)	projects or	re	through
	identifie	project	(2) Specify the	project	programs	upto the	implem
	d	is	State and	or	Sub-heads:	reporting	ng
		covered	district where	progra	(1) Direct	period	agency
			projects or	ms wise	expenditure		
			programs was		on projects		
			taken		or programs		
					(2)		
					Overheads:		
The Company has not spent any amount during the financial year 2017-18 on CSR Activities							

6. Reasons for not spending the prescribed amount:

The Company has not spent any amount on CSR Activity, as the Financial Year 2017-18 was the first year after the provisions relating to Corporate Social Responsibility were applicable to the Company. Being the first year, the Company faced practical difficulties in identifying needful and genuine trusts with whom the Company could engage on CSR related activities / programs. On the closure of financial statements for the financial year ending 31stMarch 2017, in August 2017, the provisions of CSR became applicable for the FY 2017-18. The applicability provision of the CSR was identified in the month of December, 2017 and accordingly the Company initiated the work for identifying an internal team, and the same was completed by the formation of CSR committee in the meeting of Board of Directors of the Company held on 14thDecember 2017. Subsequently, the Company started the process of going public, and the entire Management bandwidth was completely engaged in the work of statutory filings and IPO work. As such the first CSR committee meeting happened in April 2018, after completing DRHP filing. CSR Policy was adopted in the said meeting, and groundwork

towards identifying areas for CSR activity has already started. The Company is fully committed towards its Social Responsibilities and will ensure the CSR activities are undertaken and executed.

7. Responsibility Statement:

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

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

For and on behalf of the board of Directors

SOFTTECH ENGINEERS LIMITED

Sd/-

VIJAY GUPTA

CHAIRMAN & MANAGING DIRECTOR

DIN: 01653314

DATE: 31.08.2018

PLACE: PUNE

Sd/-

PRITI GUPTA

DIRECTOR

DIN: 01735673

DATE: 31.08.2018

PLACE: PUNE

Independent Auditor's Report

To the Members of SoftTech Engineers Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of SoftTech Engineers Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards 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 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 31 August 2018 as per Annexure B expressed an unqualified opinion;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 19 to the financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - 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 financial statements. Hence, reporting under this clause is not applicable.

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

Bharat Shetty
Partner
Membership No.: 106815

Place: Pune
Date: 31 August 2018

Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited, on the financial statements for the year ended 31 March 2018

Annexure A

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year 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 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has 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, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited, on the financial statements for the year ended 31 March 2018

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Income tax act, 1961	Tax Deducted at Source (TDS) under section 194C	7,225	March 2017	30 April 2017	23 August 2018
Income tax act, 1961	TDS under section 194j	9,779	April 2017	7 May 2017	23 August 2018
Income tax act, 1961	TDS under section 194j	44,371	May 2017	7 June 2017	23 August 2018
Income tax act, 1961	TDS under section 194j and 194C	64,598	June 2017	7 July 2017	23 August 2018
Total		125,973			

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise 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	Remarks, if any
Central Sales Tax Act, 1956	Sales tax	4,131,770	250,000	F.Y. 2012-13	Joint Commissioner of Sales Tax	
Maharashtra Value Added Tax Act, 2002	Sales tax	55,505	25,000	F.Y. 2012-13	Joint Commissioner of Sales Tax	

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the 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.

Annexure A to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited, on the financial statements for the year ended 31 March 2018

- (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 financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Bharat Shetty
Partner
Membership No.: 106815

Place: Pune
Date: 31 August 2018

Annexure B to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited on the financial statements for the year ended 31 March 2018

Annexure B

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

1. In conjunction with our audit of the financial statements of SoftTech Engineers Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control as 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

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

Annexure B to the Independent Auditor's Report of even date to the members of SoftTech Engineers Limited on the financial statements for the year ended 31 March 2018

purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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 over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the 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 the Institute of Chartered Accountants of India.

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

Bharat Shetty
Partner
Membership No.: 106815

Place: Pune
Date: 31 August 2018

SoftTech Engineers Limited
Balance Sheet as at 31 March 2018

	Notes	As at 31 March 2018 In Rs.	As at 31 March 2017 In Rs.
Equity and liabilities			
Shareholders' funds			
Share capital	3	70,512,760	35,256,380
Reserves and surplus	4	<u>303,467,620</u>	<u>274,322,629</u>
		373,980,380	309,579,009
Non-current liabilities			
Long-term borrowings	5	51,025,639	88,360,106
Other long-term liabilities	6	100,000	100,000
Long-term provisions	7	<u>5,277,117</u>	<u>4,007,572</u>
		56,402,756	92,467,678
Current liabilities			
Short-term borrowings	5	45,075,675	42,683,935
Trade payables - outstanding dues to micro, small and medium enterprises	8	-	-
Trade payables - outstanding dues to other than micro, small and medium enterprises	8	75,518,697	56,200,123
Other current liabilities	9	131,316,472	101,975,894
Short-term provisions	7	<u>2,354,162</u>	<u>1,563,478</u>
		254,265,006	202,423,430
Total		<u>684,648,142</u>	<u>604,470,117</u>
Assets			
Non-current assets			
Property, plant and equipment	10	9,975,743	17,955,656
Intangible assets	11	76,831,770	73,909,968
Intangible assets under development		38,031,647	23,043,991
Non-current investments	12	379,800	379,800
Deferred tax assets	13	7,634,000	3,611,569
Long-term loans and advances	14	12,800,117	15,348,595
Other non-current assets	15	<u>57,128,980</u>	<u>66,688,464</u>
		202,782,057	200,938,043
Current assets			
Trade receivables	16	218,027,120	177,478,751
Cash and bank balances	17	12,696,174	32,593,950
Short-term loans and advances	14	15,801,131	16,989,794
Other current assets	18	<u>235,341,660</u>	<u>176,469,579</u>
		481,866,085	403,532,074
Total		<u>684,648,142</u>	<u>604,470,117</u>

Significant accounting policies and other explanatory information 1 to 34

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Bharat Shetty

Partner

Membership No.: 106815

Place : Pune

Date : 31 August 2018

For and on behalf of the Board of Directors

Vijay Gupta

Managing Director

DIN: 1653314

Aishwarya Patwardhan

Company Secretary

Membership No A54477

Place : Pune

Date : 31 August 2018

Priti Gupta

Director

DIN: 1735673

Anand Dad

Chief Financial Officer

SoftTech Engineers Limited
Statement of Profit and Loss for the year ended 31 March 2018

	Notes	Year ended 31 March 2018 In Rs.	Year ended 31 March 2017 In Rs.
Revenue			
Revenue from operations	20	515,423,246	467,182,677
Other income	21	4,501,462	4,633,849
Total revenue		519,924,708	471,816,526
Expenses			
Purchases of stock-in-trade		44,088,668	71,423,425
Employee benefits expense	22	83,682,877	80,879,619
Finance costs	23	22,683,389	23,700,392
Depreciation and amortisation expense	24	37,801,546	37,365,467
Other expenses	25	235,360,290	185,135,033
Total expenses		423,616,770	398,503,936
Profit before tax		96,307,938	73,312,590
Tax expense			
Current tax		32,393,518	27,295,038
Deferred tax credit		(4,022,431)	(3,158,103)
Profit for the period		67,936,851	49,175,655
Earnings per equity share	31		
Basic		9.63	6.97
Diluted		9.55	6.97

Significant accounting policies and other explanatory information 1 to 34

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

Vijay Gupta
Managing Director
DIN: 1653314

Priti Gupta
Director
DIN: 1735673

Bharat Shetty
Partner
Membership No.: 106815

Aishwarya Patwardhan
Company Secretary
Membership No A54477

Anand Dad
Chief Financial Officer

Place : Pune
Date : 31 August 2018

Place : Pune
Date : 31 August 2018

SoftTech Engineers Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 In Rs.	Year ended 31 March 2017 In Rs.
Cash flow from operating activities		
Profit before tax	96,307,938	73,312,590
Adjustments for:		
Depreciation and amortisation expense	37,801,546	37,365,467
Unrealised loss on foreign currency transactions and translations (net)	55,710	230,370
Employees' stock option compensation	707,895	-
Finance costs	21,624,774	23,635,076
Bad debts and advances written off	9,162,823	12,162,661
Provision for doubtful debts	5,672,713	232,328
Dividend income	(42,900)	(50,225)
Interest income on deposits	(3,348,339)	(3,077,048)
Operating profit before working capital changes	167,942,160	143,811,219
Changes in working capital:		
Increase/(decrease) in trade payables, liabilities and provisions	38,150,876	(10,093,080)
(Increase)/decrease in trade receivables	(55,439,615)	52,881,226
Increase in loans and advances and other assets	(38,889,481)	(58,897,378)
Cash generated from operations	111,763,940	127,701,987
Direct taxes paid (net)	(33,103,157)	(33,382,280)
Net cash generated from operating activities	(A) 78,660,783	94,319,707
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and intangible assets under development)	(47,731,091)	(32,233,196)
Fixed deposits realised/(placed) including balance in escrow account	10,148,102	(19,044,272)
Interest / dividend received	387,179	212,309
Net cash used in investing activities	(B) (37,195,810)	(51,065,159)
Cash flow from financing activities		
Repayment of long-term borrowings	(60,751,642)	(49,164,079)
Proceeds from long-term borrowings	36,050,000	30,000,000
Dividend paid (including dividend distribution tax paid)	(4,243,375)	(2,121,687)
Proceeds from short-term borrowings (net)	2,391,740	8,414,077
Interest paid	(22,086,370)	(23,936,359)
Net cash used in financing activities	(C) (48,639,647)	(36,808,048)
Net (decrease)/increase in cash and cash equivalents	(A+B+C) (7,174,674)	6,446,500
Cash and cash equivalents at the beginning of the year	19,856,078	13,409,578
Cash and cash equivalents at the end of the year	12,681,404	19,856,078

SoftTech Engineers Limited
Cash Flow Statement for the year ended 31 March 2018

	Year ended 31 March 2018 In Rs	Year ended 31 March 2017 In Rs
Cash and cash equivalents comprise of :		
Cash on hand	1,479,252	795,081
Balances with banks (in current accounts)	11,202,152	19,060,997
	12,681,404	19,856,078

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 Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Bharat Shetty

Partner

Membership No.: 106815

Place : Pune

Date : 31 August 2018

For and on behalf of the Board of Directors

Vijay Gupta

Managing Director

DIN: 1653314

Priti Gupta

Director

DIN: 1735673

Aishwarya Patwardhan

Company Secretary

Membership No A54477

Anand Dad

Chief Financial Officer

Place : Pune

Date : 31 August 2018

SoftTech Engineers Limited
Significant accounting policies and other explanatory information

1. Background of the Company

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

The Company is an information technology and software services organisation, delivering end to end solution in Architectural-Engineering-Construction (AEC) space, catering to property developers, investors, real estate companies, contractors, architects and consultants.

2. Summary of significant accounting policies

a) Basis of preparation of financial statements

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

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

b) Use of estimates

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

c) Depreciation

The Company provides pro-rata depreciation on additions and disposals made during the year. Depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act, 2013, except in case of service cell system which is depreciated on a useful life of 5 years on straight line method based on internal technical evaluation done by the management.

d) Revenue recognition

- i) Revenue from services is recognised when the provision of services is complete and there is either no unfulfilled obligations on the Company or unfulfilled obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services.
- ii) Revenue from fixed price contracts are recognised based on the milestones achieved as specified in the contracts and for interim stages, until the next milestone is achieved, on the basis of proportionate completion method. Provisions for future estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current estimates.
- iii) Revenue from annual technical service contracts is recognised on a pro-rata basis over the period in which such services are rendered.
- iv) Revenue from sale of traded software licenses is recognised on delivery to the customer.

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

- v) Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue.
- vi) Dividend income is recognised when the right to receive the dividend is established.
- vii) Interest income is recognised on time proportion basis.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of property, plant and equipment comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

f) Foreign currency transactions

The reporting currency of the Company is Indian Rupee.

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

g) Investments

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

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

h) Employee benefits

I. Short-term employee benefits:

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

II. Post-employment benefits:

a) Defined contribution plans:

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

b) Defined benefit plans:

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

SoftTech Engineers Limited
Significant accounting policies and other explanatory information

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

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

Compensated absences

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

III. Share based payments

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

i) Borrowing costs

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

j) Taxes on income

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

k) Intangible assets

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

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

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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

l) Impairment of assets

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

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

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

m) Provisions and contingent liabilities

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

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

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

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	11,000,000	110,000,000	3,600,000	36,000,000
Compulsorily convertible cumulative preference shares of ₹ 10 each	-	-	1,000,000	10,000,000
	11,000,000	110,000,000	4,600,000	46,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	7,051,276	70,512,760	3,525,638	35,256,380
	7,051,276	70,512,760	3,525,638	35,256,380

a) Reconciliation of share capital

Equity shares

Balance at the beginning of the year	3,525,638	35,256,380	3,525,638	35,256,380
Add : Bonus shares issued during the year	3,525,638	35,256,380	-	-
Balance at the end of the year	7,051,276	70,512,760	3,525,638	35,256,380

b) Rights, preferences and restrictions attached to equity shares

The Company has equity shares, having par value of ₹ 10 per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders.

Pursuant to the investor agreement entered into with the shareholders, in the event of occurrence of a liquidation event or winding up subject to applicable laws, the total proceeds from such an event will be distributed to the Rajasthan Trustee Company Private Limited (the "Investor") in preference to all other shareholders of the Company (including the Promoters) from the assets, cash and/or property of the Company and/or cash or other consideration payable on the occurrence of the liquidation event, as the case may be, prior and in preference to payment of any dividend or distribution of any of the assets or surplus funds of the Company to the shareholders of the Company by reason of their ownership thereof, so that the Investor receives the higher of (liquidation preference amount) :-

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

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

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

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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

c) Shareholders holding more than 5% of the shares

	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Vijay Gupta	3,681,234	52.21%	1,840,617	52.21%
Rajasthan Trustee Company Private Limited	1,887,796	26.77%	943,898	26.77%
Babubhai K. Patel	650,304	9.22%	325,152	9.22%
	6,219,334	88.20%	3,109,667	88.20%

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 Balance Sheet date

- 3,525,638 Equity shares of Rs. 10 each have been allotted as fully paid up bonus shares by way of capitalisation of general reserves.
- 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 where in part consideration will be received in the form of employees' services.

	As at 31 March 2018	As at 31 March 2017
4 Reserves and surplus		
Securities premium account		
Balance at the beginning of the year	99,628,949	99,628,949
Add: Additions made during the year	-	-
Balance as at the end of the year	99,628,949	99,628,949
Share options outstanding account		
Balance at the beginning of the year	-	-
Add: Employees' stock option compensation expense	707,895	-
Balance at the end of the year	707,895	-
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	174,693,680	125,518,025
Add : Transferred from Statement of Profit and Loss	67,936,851	49,175,655
Less: Dividend on equity shares	3,525,638	-
Less: Tax on dividend (on equity shares)	717,737	-
Less: Issue of bonus shares	35,256,380	-
Balance as at the end of the year	203,130,776	174,693,680
	303,467,620	274,322,629

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
5 Borrowings				
Secured				
Term loans (from others):				
Small Industries Development Bank of India (SIDBI)	59,857,000	-	91,165,000	-
Technology Development Board (TDB)	7,500,000	-	7,500,000	-
Loans repayable on demand:				
Working capital loan from banks	-	45,075,675	-	42,683,935
	67,357,000	45,075,675	98,665,000	42,683,935
Unsecured				
Term loans				
From banks	14,689,846	-	7,869,562	-
From others	5,535,540	-	11,849,466	-
Loans from related parties	18,176,637	-	12,076,637	-
	38,402,023	-	31,795,665	-
Less : Current maturities of long-term borrowings (refer note 9)	54,733,384	-	42,100,559	-
	51,025,639	45,075,675	88,360,106	42,683,935

a) Details of guarantee for each type of borrowings

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

Term loans				
From others	67,357,000	-	98,665,000	-
Loans repayable on demand				
Working capital loan from banks	-	45,075,675	-	42,683,935

b) Nature of security and terms of repayment

Loans from related parties

These are interest free loans and do not have any repayment schedule. However, as per the terms of the loans, repayment of loans cannot be demanded before 1 April 2019.

Unsecured term loans

Repayable in monthly instalments ranging between Rs. 9,649 to Rs. 254,023 along with interest ranging between 15.00% to 19.84% p.a. The Company has pre-paid these term loans subsequent to the year end and these balances have been classified as 'Current maturities of long-term borrowings'.

SoftTech Engineers Limited

Significant accounting policies and other explanatory information

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

b) Nature of security and terms of repayment

Nature of security	Terms of repayment
Term loans from others	
(a) SIDBI Loan of Rs. 27,107,000 is secured against : i) first charge by way of hypothecation on the assets acquired from loan. ii) first charge on the Intellectual Property Right (IPR) of products owned by the Company. iii) sub servient charge on movable and current assets. iv) residual charge over all the immovable assets of the Company.	Repayable in 18 monthly instalments from the end of the reporting period of Rs. 1,459,000 per month and Rs. 845,000 for last month including interest at 15.75% p.a.
(b) SIDBI Loan of Rs.32,750,000 is secured against: i) first charge by way of hypothecation on all moveable assets acquired from loan ii) first charge by way of hypothecation on all the book-debts arising out of the project of implementing integrated online building permission management system in urban local bodies in the state of Andhra Pradesh iii) extension of first charge by way of hypothecation on all IPRs owned by the Company and Mr. 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 Rs. 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.	Repayable in 10 monthly instalments of Rs. 1,150,000 per month and 17 monthly instalments of Rs. 1,250,000 per month from the end of the reporting period along with interest at the rate ranging from 10.50% to 10.95% p.a.
(c) TDB Loan is secured against: i) Hypothecation of movable assets of the Company including assets created under the project ranking first pari pasu charge with other holders. ii) Personal guarantee from Vijay Gupta and Priti Gupta pledging 3 Lakh shares of Rs. 10 each having face value of Rs. 3,000,000.	Loan of Rs. 24,500,000 will be disbursed in 3 instalments, with first instalment of Rs. 7,500,000 being disbursed on 28 March 2017. The loan is to be repaid as first repayment of Rs. 2,900,000 in April 2019 which will be followed by 8 half yearly instalments of Rs. 2,700,000 from October 2019 along with interest at 5% p.a.
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 moveable 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 Bibewadi, Pune, owned by Neetesh Singhal (employee of the Company) vi) Equitable mortgage on flat at Wagholi, Pune, owned jointly by Vijay Gupta and Chirag Gupta (son of Vijay Gupta) vii) Pledge on the recurring deposits of Rs. 3,600,000 (Rs. 600,000 per month for 6 months) viii) Negative lien on the office premises (Unit 5C, 5th Floor, Pentagon) located at Swargate, Pune, owned jointly by Vijay Gupta and Priti Gupta.	Interest rate is 3 month MCLR rate plus 2.75% p.a.

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

	As at 31 March 2018		As at 31 March 2017	
6 Other long-term liabilities				
Dealer deposits			100,000	100,000
			100,000	100,000
	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
7 Provisions				
Provision for gratuity (refer note (a) below)	5,147,072	1,626,701	3,977,890	1,298,903
Provision for compensated absences (refer note (b) below)	130,045	83,870	29,682	18,259
Provision for income tax (net of advance tax)	-	643,591	-	246,316
	5,277,117	2,354,162	4,007,572	1,563,478

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 2018	Year ended 31 March 2017
Change in benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	5,276,793	4,197,826
Current service cost	1,224,450	872,234
Past service cost	179,382	-
Interest cost	350,720	303,841
Actuarial (gain)/loss	(173,226)	196,105
Benefits paid	(84,346)	(293,213)
PBO at the end of the year	6,773,773	5,276,793
Net gratuity cost comprises the following components:		
Current service cost	1,224,450	872,234
Past service cost	179,382	-
Interest cost	350,720	303,841
Recognised net actuarial (gain)/loss	(173,226)	196,105
Net gratuity cost	1,581,326	1,372,180

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

Discount rate	7.20%	7.50%
Rate of increase in compensation levels	10.00%	10.00%
Rate of return on plan assets	NA	NA
Mortality rate	IALM Mortality- Tables (2006-08) Ultimate	IALM Mortality- Tables (2006-08) Ultimate

SoftTech Engineers Limited

**Significant accounting policies and other explanatory information
(Amount in Rs. except for share data, and if otherwise stated)**

a Gratuity (Continued)

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

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Present value of obligation	6,773,773	5,276,793	4,197,826	2,672,717	2,024,523
Fair value of plan assets	-	-	-	-	-
Deficit	6,773,773	5,276,793	4,197,826	2,672,717	2,024,523
Experience adjustments:					
On plan liabilities: (gain)/loss	(67,154)	62,406	(88,795)	987,350	(126,407)

b Compensated absences

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Statement of Profit and Loss for the period is Rs. 165,974 (Previous Year - Credit: Rs. 229,669).

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 activity under the ESOP 2017 scheme are summarised as follows:

Particulars	As at 31 March 2018	
	No. of options	WAEP*
Outstanding at the beginning of the year	-	-
Granted during the year	35,116	10
Adjusted for bonus#	35,116	-
Lapsed during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	70,232	5
Exercisable at the end of the year	-	-

* WAEP denoted weighted average exercise price

During the year ended 31 March 2018, the Company has issued bonus shares in the ratio of 1:1 on December 2017. The effect of the weighted average exercise price has been consequently adjusted.

The Company incurred Rs. 707,895 (Previous Year - nil) towards employee stock compensation during the year.

The weighted average fair value of the options granted during the year was Rs. 61.43 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 2018
Dividend yield (%)	0.00%
Expected volatility	0.001%
Risk free interest rate	6.61%
Exercise price	10
Expected life of options (in years)	
- Year I	2.00
- Year II	2.01
- Year III	3.01

SoftTech Engineers Limited

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

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 2018	As at 31 March 2018	As at 31 March 2017
Profit after tax attributable to equity shareholders	67,936,851		
Add: ESOP cost using intrinsic value method	707,895		
Less: ESOP cost using fair value method	535,700		
Proforma profit after tax	68,109,046		
Basic earnings per share			
- as reported		9.63	
- proforma		9.66	
Diluted earnings per share			
- as reported		9.55	
- proforma		9.57	
		75,518,697	56,200,123

8 Trade payables

Dues to micro, small and medium enterprises (refer note below)	-	-
Dues to other than micro, small and medium enterprises	75,518,697	56,200,123
	75,518,697	56,200,123

Note: Micro, Small and Medium Enterprises

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

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

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

9 Other current liabilities

Current maturities of long-term borrowings	54,733,384	42,100,559
Interest accrued but not due on borrowings	527,340	988,936
Statutory dues	6,414,526	13,497,117
Advance from customers	2,492,206	1,637,947
Deferred revenue	265,933	-
Outstanding expenses	66,883,083	43,751,335
	131,316,472	101,975,894

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

10 Property, plant and equipment

Gross block	Furniture and fixtures	Vehicles	Office equipment	Computers	Service cell system	Total
Balance as at 1 April 2016	7,954,992	1,221,812	2,103,002	23,558,322	34,945,137	69,783,265
Additions	246,951	-	154,772	1,464,250	-	1,865,973
Disposals	-	-	861,063	6,505,207	-	7,366,270
Balance as at 31 March 2017	8,201,943	1,221,812	1,396,711	18,517,365	34,945,137	64,282,968
Additions	79,520	-	27,344	938,636	113,000	1,158,500
Balance as at 31 March 2018	8,281,463	1,221,812	1,424,055	19,456,001	35,058,137	65,441,468
Accumulated depreciation						
Balance as at 1 April 2016	5,646,169	1,105,385	1,485,852	19,774,032	16,041,023	44,052,461
Depreciation charge	557,993	116,427	161,174	2,250,544	6,554,983	9,641,121
Reversal on disposal of assets	-	-	861,063	6,505,207	-	7,366,270
Balance as at 31 March 2017	6,204,162	1,221,812	785,963	15,519,369	22,596,006	46,327,312
Depreciation charge	563,688	-	170,135	1,950,879	6,453,711	9,138,413
Balance as at 31 March 2018	6,767,850	1,221,812	956,098	17,470,248	29,049,717	55,465,725
Net block						
Balance as at 31 March 2018	1,513,613	-	467,957	1,985,753	6,008,420	9,975,743
Balance as at 31 March 2017	1,997,781	-	610,748	2,997,996	12,349,131	17,955,656

11 Intangible assets

Gross block	Computer software	Internally generated software	Total
Balance as at 1 April 2016	13,314,561	145,080,362	158,394,923
Additions	228,282	43,919,449	44,147,731
Balance as at 31 March 2017	13,542,843	188,999,811	202,542,654
Additions	-	31,584,935	31,584,935
Balance as at 31 March 2018	13,542,843	220,584,746	234,127,589
Accumulated amortisation			
Balance as at 1 April 2016	11,275,161	89,633,179	100,908,340
Amortisation charge	755,435	26,968,911	27,724,346
Balance as at 31 March 2017	12,030,596	116,602,090	128,632,686
Amortisation charge	737,033	27,926,100	28,663,133
Balance as at 31 March 2018	12,767,629	144,528,190	157,295,819
Net block			
Balance as at 31 March 2018	775,214	76,056,556	76,831,770
Balance as at 31 March 2017	1,512,247	72,397,721	73,909,968

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

	As at 31 March 2018	As at 31 March 2017
12 Non-current investments		
Valued at cost unless stated otherwise		
Trade, unquoted investments in equity shares		
The Mahesh Sahakari Bank Limited (14,192 equity shares (Previous year: 14,192 equity shares) of Rs. 25 each fully paid up)	354,800	354,800
The Saraswat Co-operative Bank Limited (2,500 equity shares (Previous year: 2,500 equity shares) of Rs. 10 each fully paid up)	25,000	25,000
	379,800	379,800
Aggregate amount of unquoted investments	379,800	379,800

13 Deferred tax assets

Deferred tax assets

Provision for employee benefits	2,015,249	2,206,867
Provision for doubtful balances	2,660,051	1,173,990
On depreciation and amortisation	2,958,700	230,712
	7,634,000	3,611,569

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
14 Loans and advances				
(Unsecured, considered good (unless otherwise stated))				
Security deposits	3,226,995	3,000,000	3,186,995	3,000,000
Advance taxes (net of provision)	1,106,915	-	-	-
Advances to related parties	618,378	-	768,378	-
Prepaid expenses	1,004,880	4,643,179	1,381,343	6,132,350
Advance to employees and others	-	7,356,924	-	5,106,287
Advances recoverable in cash or in kind or for value to be received	-	305,378	-	1,045,507
Tender deposits (considered good)	6,842,949	495,650	10,011,879	1,705,650
Tender deposits (considered doubtful)	650,000	-	-	-
Less: Allowance for bad and doubtful advances	(650,000)	-	-	-
	12,800,117	15,801,131	15,348,595	16,989,794

	As at 31 March 2018	As at 31 March 2017
15 Other non-current assets		
(Unsecured, considered good (unless otherwise stated))		
Bank deposits with maturity of more than 12 months (refer note 15(a))	41,530,682	38,955,682
Interest accrued but not due on bank deposits and others	8,147,476	5,143,416
Trade receivables	7,450,822	22,589,366
	57,128,980	66,688,464

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

15 (a) Note:

Details of bank deposits pledged:

- (i) Deposits of ₹ 21,500,000 (Previous year: ₹ 21,500,000) are pledged as security against the long-term borrowings
(ii) Deposits of ₹ 3,775,000 (Previous year: ₹ 1,200,000) are pledged as security against the short-term borrowings
(iii) Deposits of ₹ 16,255,682 (Previous year: ₹ 16,255,682) are held against bank guarantees.

	As at 31 March 2018	As at 31 March 2017
16 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	63,109,158	56,980,266
Doubtful	8,573,478	3,550,765
	<u>71,682,636</u>	<u>60,531,031</u>
Less : Allowances for bad and doubtful debts	(8,573,478)	(3,550,765)
	<u>63,109,158</u>	<u>56,980,266</u>
Other debts		
Unsecured, considered good	154,917,962	120,498,485
	<u>218,027,120</u>	<u>177,478,751</u>
17 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	1,479,252	795,081
Balances with banks		
- in current accounts	11,202,152	19,060,997
	<u>12,681,404</u>	<u>19,856,078</u>
Other bank balances		
Balances in escrow account (refer note 5(b))	14,770	12,737,872
	<u>12,696,174</u>	<u>32,593,950</u>
18 Other current assets		
(Unsecured, considered good (unless otherwise stated))		
Unbilled revenue	210,327,862	176,469,579
Unamortised share issue expenses*	25,013,798	-
	<u>235,341,660</u>	<u>176,469,579</u>
19 Commitments and contingencies		
(i) Claims against the Company not acknowledged as debt		
Central Sales Tax liability for Financial Year 2012-13	4,131,770	-
Value Added Tax liability for Financial Year 2012-13	55,505	-
(ii) Bank guarantees	65,850,973	67,967,155
(iii) Other matters for which the Company is contingently liable		
Potential non-recoverability of certain receivables	762,041	-
	<u>70,800,289</u>	<u>67,967,155</u>

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

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

	Year ended 31 March 2018	Year ended 31 March 2017
20 Revenue from operations		
Sale of services	460,205,918	387,572,430
Sale of products	53,435,470	79,610,247
Other operating revenues	1,781,858	-
	515,423,246	467,182,677
21 Other income		
Interest income		
From fixed deposits in banks	3,134,304	2,863,040
From other deposits	214,035	214,008
Dividend income	42,900	50,225
Miscellaneous income	1,110,223	1,506,576
	4,501,462	4,633,849
22 Employee benefits expense		
Salaries and bonus (Refer note 7(a) and 7(b))	79,683,625	77,912,877
Contribution to provident fund and other funds (Refer note below)	2,984,187	2,690,889
Employees' stock option compensation	707,895	-
Staff welfare expenses	307,170	275,853
	83,682,877	80,879,619
Defined Contribution Plan: The amount recognised as an expense during the period is Rs. 2,984,187 (Previous year: Rs. 2,690,889)		
23 Finance costs		
Interest expense	20,438,051	22,545,076
Other borrowing costs	1,186,723	1,090,000
Interest on delayed payment of statutory dues	1,058,615	65,316
	22,683,389	23,700,392
24 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 10)	9,138,413	9,641,121
Amortisation of intangible assets (refer note 11)	28,663,133	27,724,346
	37,801,546	37,365,467

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

	Year ended 31 March 2018	Year ended 31 March 2017
25 Other expenses		
Electricity charges	1,183,767	1,165,719
Rent (refer note 30)	3,360,042	3,209,974
Repairs and maintenance	1,846,927	474,567
Insurance	745,177	196,301
Rates and taxes	751,561	363,670
Travelling and conveyance	10,257,159	8,584,310
Sub-contracting expenses	11,358,624	8,534,463
Professional fees for technical consultants	169,464,589	131,028,862
Auditors' remuneration (refer note (a) below)	717,500	562,000
Legal and professional expenses	6,620,639	5,941,453
Bank charges	1,359,603	1,243,680
Sales promotion expenses	3,447,007	3,550,111
Printing and stationery	788,548	997,295
Office expenses	1,520,880	1,216,293
Postage and telephone	842,000	925,916
Internet charges	612,034	504,677
Brokerage and commission	1,400,928	909,281
Bad debts and advances written off	9,162,823	12,162,661
Provision for doubtful balances	5,672,713	232,328
Donation	27,000	671,000
Loss on foreign currency transactions and translations (net)	55,710	230,370
Miscellaneous expenses	4,062,138	1,948,127
Prior period expenses	102,921	481,975
	235,360,290	185,135,033
a. Auditors' remuneration (excluding Goods and Service Tax)		
As auditor		
Statutory audit	700,000	550,000
Other services (disclosed in note 18 as 'Unamortised share issue expenses')	1,925,000	-
Reimbursement of expenses	17,500	12,000
	2,642,500	562,000

26 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 (ie. Business consulting and software implementation and related support activities). Further, the Company operates primarily in India and there is no other significant geographical segment. In view of the above, both primary and secondary additional reporting disclosures for business / geographical segments as envisaged in Accounting Standard 17, "Segment Reporting" are not applicable to the Company.

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

27 Related party disclosures

a) Names of related parties and description of relationship:

Name of the related party	Nature of relationship
CoVisible Solutions (India) Private Limited	Enterprise over which key managerial personnel and their relatives exercise significant influence
Vijay Gupta	Managing Director
Priti Gupta	Director
Girish Gupta	Director (upto 18 February 2017)
Babubhai K. Patel	Director (upto 23 November 2017)
Sridhar Pillalamari	Director (w.e.f. 3 March 2018)
Rahul Gupta	Director
Ravi Mathur	Director
Pawan Gupta	Relative of Director
Anand Chandraprakashji Dad	Chief Financial Officer (w.e.f. 1 February 2018)
Raja Bhaskar Goru	Chief Financial Officer (upto 5 July 2016)
Aishwarya Patwardhan	Company Secretary (w.e.f. 21 February 2018)
Rajasthan Trustee Company Private Limited	Enterprise having significant influence over the Company

b) Transactions with related parties:

Nature of transactions / relationship	Year ended 31 March 2018	Year ended 31 March 2017
Loan taken		
Vijay Gupta	17,850,000	17,500,000
Loan repaid		
Vijay Gupta	11,750,000	11,500,000
Rent paid		
Priti Gupta	678,117	638,769
Babubhai K. Patel	905,460	884,850
Remuneration paid		
Vijay Gupta	4,000,000	4,400,004
Babubhai K. Patel	300,000	300,000
Priti Gupta	1,029,600	936,004
Aishwarya Patwardhan	30,817	-
Raja Bhaskar Goru	-	395,419
Anand Chandraprakashji Dad	120,000	-
Receiving services		
Pawan Gupta	120,000	480,000
Dividend paid		
Vijay Gupta	1,840,617	920,309
Priti Gupta	16,545	8,273
Babubhai K. Patel	325,152	162,576
CoVisible Solutions (India) Private Limited	149,574	74,787
Rajasthan Trustee Company Private Limited	943,893	471,949
Interest income on security deposit		
Babubhai K. Patel	214,035	214,008

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

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

Nature of transactions / relationship	As at 31 March 2018	As at 31 March 2017
<u>Amount receivable</u>		
Advance towards purchase of goods		
CoVisible Solutions (India) Private Limited	618,378	768,378
Security deposit		
Vijay Gupta	553,395	553,395
Babubhai K. Patel	1,783,400	1,783,400
Priti Gupta	202,000	202,000
Interest receivable		
Babubhai K. Patel	1,835,883	1,621,848
<u>Amount payable</u>		
Unsecured loan		
Vijay Gupta	17,539,662	11,439,662
Priti Gupta	636,975	636,975
Remuneration payable		
Vijay Gupta	3,540,190	2,254,128
Babubhai K. Patel	896,388	598,888
Priti Gupta	476,908	310,784
Rent payable		
Babubhai K. Patel	2,300,397	1,485,477
Priti Gupta	1,449,231	838,926
Consultancy fees payable		
Pawan Gupta	194,928	167,728

28 Expenditure in foreign currency (accrual basis):

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Travelling and conveyance	414,176	86,893
Professional fees for technical consultants	1,352,088	105,595

29 Earnings in foreign currency:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of services	11,224,720	477,890

30 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 Statement of Profit and Loss for the period 1 April 2017 to 31 March 2018 in respect of operating lease is ₹ 3,360,042. (Previous years: ₹ 3,209,974).

SoftTech Engineers Limited

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

31 Earning per share (EPS)

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a) Computation of net profit for the year		
Profit after tax attributable to equity shareholders (₹)	67,936,851	49,175,655
b) Computation of number of shares for Basic EPS		
Weighted average number of shares*	7,051,276	7,051,276
c) Computation of number of shares for Diluted EPS		
Weighted average number of shares*	7,115,812	7,051,276
Basic earnings per share(₹)	9.63	6.97
Diluted earnings per share(₹)	9.55	6.97
Nominal value per equity share (₹)	10.00	10.00

* Weighted average number of shares for the year ended 31 March 2017 has been restated for 1:1 bonus issue made in the financial year ended 31 March 2018.

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

Particulars		As at 31 March 2018		As at 31 March 2017	
		(₹)	FX	(₹)	FX
Trade receivables	USD	14,037,850	215,821	11,734,945	180,927
Trade receivables	AED	183,836	10,375	366,684	20,360

33 Corporate Social Responsibility (CSR)

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

Particulars	Year ended 31 March 2018
Average net profit of the Company for last three financial years	56,097,872
Prescribed CSR expenditure (2% of the average net profit as computed above)	1,121,957
Total amount to be spent for the period	1,121,957
Amount spent	-
Amount unspent	1,121,957

34 The Board of Directors at its meeting held on 31 August 2018 have recommended final dividend of ₹ 0.50 per equity share. The recommended dividend is subject to shareholders' approval.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Bharat Shetty

Partner

Membership No.: 106815

Place : Pune

Date : 31 August 2018

For and on behalf of the Board of Directors

Vijay Gupta

Managing Director

DIN: 1653314

Aishwarya Patwardhan

Company Secretary

Membership No A54477

Place : Pune

Date : 31 August 2018

Priti Gupta

Director

DIN: 1735673

Anand Dad

Chief Financial Officer