



OUR VISION

Our vision rests firmly on the belief that as a professional organization our primary duty is to contribute to the external world. And to achieve this, we work towards leveraging our expertise in software technology based education solutions across the economic spectrum of society, thereby becoming a key contributor to the knowledge economy. Guided by relentless focus on our imperatives, we constantly strive to implement the critical initiatives required to achieve our vision. Till “We are done.”

OUR MISSION

Our mission at STG is actually a Purpose, a purpose to become an absolute “Knowledge Provider” with products and solutions that are effective, inspirational and something that strikes a basic chord and pushes us to continuously identify, seek, assimilate and deliver innovative solutions for skills upgrade of the youth of our country.

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Registered Office

Elegance, level 2,
Mathura Road,
Jasola,
New Delhi-110025.

Registrar & Transfer Agent

Sharex Dynamic (I) Pvt. Ltd
Unit no 1, Luthra Ind. Premises,
Safed pool, Andheri Kurla Road,
Andheri (East) Mumbai 400 072

Bankers

Standard Chartered Bank

M-1, South Extension-II,
New Delhi-110 049.

HDFC Bank

C-5/32, SDA,
New Delhi-110 016

CORPORATE INFORMATION

Board of Directors

Mr. Yogesh Vaidya	-	Chairman & CEO
Dr. Surya Mani Pathak	-	Director
Mr. Ravi Bhargava	-	Director
Mrs. Prasanna Vaidya	-	Director
Mr. Mahesh Chander Shrivastava	-	Director

Statutory Auditors

M/s H.K. Batra & Associates
Chartered Accountants
8/33, 3rd Floor, Sat Bhawan School Marg,
W.E.A. Karol Bagh,
New Delhi – 110005

Committees in pursuance of Corporate Governance

Audit

Dr. Surya Mani Pathak
Mr. Ravi Bhargava
Mrs. Prasanna Vaidya
Mr. Mahesh Chander Shrivastava

Remuneration

Dr. Surya Mani Pathak
Mr. Ravi Bhargava
Mrs. Prasanna Vaidya

Compensation

Dr. Surya Mani Pathak
Mr. Ravi Bhargava
Mr. Yogesh Vaidya

Shareholders/Investors Grievance

Dr. Surya Mani Pathak
Mr. Yogesh Vaidya
Mrs. Prasanna Vaidya

Share Transfer

Mr. Yogesh Vaidya
Mrs. Prasanna Vaidya

Investment

Mr. Yogesh Vaidya
Mr. Ravi Bhargava

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held on Thursday, the 24th day of October, 2013 at 11:30 AM at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi- 110003 to transact the following businesses:

AS ORDINARY BUSINESS:**1 Adoption of Accounts**

To receive, consider and adopt the Balance Sheet as at 30th June, 2013 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.

2 Re-appointment of Mr. Ravi Bhargava

To appoint a Director in place of Mr. Ravi Bhargava, who retires by rotation and being eligible, offers himself for re-appointment.

3 Re-appointment of Dr. Surya Mani Pathak

To appoint a Director in place of Dr. Surya Mani Pathak, who retires by rotation and being eligible, offers himself for re-appointment.

4 Appointment of Statutory Auditors

To appoint Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

***Resolved that** M/s H.K. Batra & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

By Order of the Board

Place: Gurgaon

Software Technology Group International Limited

Date: 28.09.2013

Yogesh Vaidya
Chairman

NOTES

1. 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. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.

2. Since no special business is there, explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to special business is not required.

3. The Register of Members and Share Transfer Books of the Company will remain closed from October 17, 2013 to October 24, 2013 (both days inclusive).

4. Members seeking further information about the accounts are requested to write at least 10 days before the date of meeting so that it may be convenient to get the information ready at the meeting.

5. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

6. As per amended provisions of the Companies Act, 1956, facility for making nominations is now available for shareholders in respect of shares held by them. Nomination forms can be obtained from Registrar of the Company namely Sharex Dynamic (India) Pvt. Limited.

7. Members are requested to inform the Company's Registrar and Share transfer agent i.e. Sharex Dynamic (India) Pvt. Ltd., Unit no 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai 400 072 about the changes, if any in their registered addresses along with the Pin Code number, quoting their Folio number and DP ID number. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share transfer Agent of the Company.

8. Members are requested to bring their copies of Annual Report to the meeting. No copies will be made available at the meeting venue.

9. Member, who are holding shares in identical names in more than one folio are hereby requested to write to the Company or the Registrar, enclosing their Share Certificates to enable the Company to consolidate their holdings.

10. Members attending the meeting are requested to complete the enclosed attendance slip & deliver the same at the entrance of the meeting place. Attendance at the meeting will not be allowed without the production of the attendance slip duly signed.

11. The Company has joined hands with MCA in its Green initiative as per its circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 for electronic delivery of notices/documents and Annual Accounts to the members of the Company. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in (7) above quoting their folio number(s).

12. No gifts shall be distributed at the Meeting.

13. Pursuant to Clause 49 of the listing agreements with the stock exchanges, following information is furnished about the Directors proposed to be appointed/ re-appointed:

a) Brief profile of Mr. Ravi Bhargava, recommended for re-appointment:

Mr. Ravi Bhargava aged 66 has BE (Electronics) from BITS Pilani. He had been with Defence Research & Development Organisation Government of India for 15 years. Thereafter he has been associated with number of business ventures in the field of IT and Medical Instrumentation.

b) Brief profile of Dr. Surya Mani Pathak, recommended for re-appointment:

Dr. Surya Mani Pathak aged 83 years, M.S.C. with Specialization in Economics & Marketing and Ph.D. from Cornell University, USA with specialization in Management Techniques, Production Economics, Marketing Research & Development. He has over 35 years of experience which includes 22 years in banking industry in senior capacity to the level of General Manager. Prior to that, he served central & state government as joint Economic advisor for 8 years. He has also served as short-term consultant in Asian Development, Manila and World Bank in the field of financial analysis and development credit covering in various countries.

DIRECTOR'S REPORT

Your Directors are pleased to present the Twentieth Annual Report of the company together with the Audited Statements of Accounts for the fifteen months period ending June 30, 2013.

FINANCIAL RESULTS:

Particulars	Period Ended June 30, 2013 (15 Months)	Year Ended March 31, 2012 (12 Months) (Rs. In lacs)
Operating Income	37.99	83.94
Gross Profit/ (Loss) after Interest		
But before Depreciation & Tax	(159.04)	(131.25)
Less: Depreciation	72.85	79.76
Provision for Taxation	-	-
Net Profit / (loss) before	(231.90)	(211.02)
Extra - Ordinary and prior period items		
Add: Extra Ordinary items	107.14	11.28
Less: Prior Period Items	0.02	0.83
Net Profit / (loss)	(124.78)	(200.57)

REVIEW OF OPERATIONS

Due to steep global economic slowdown with sluggishness and recession in the domestic economy as well as due to restructuring, your company had suffered loss of Rs. 124.78 Lacs as against the loss of last year amounting Rs. 200.57 Lacs. Your Directors are hopeful of better performance in the coming year.

Pursuant to provisions of section 217(1)(d) of the Companies Act, 1956, there has been no material change and commitment affecting the financial position of the Company, between the end of the financial year of the Company to which the balance sheets relates and the date of this report.

DIVIDEND

In view of the current year loss, your Board has decided not to recommend dividend this year.

NEW PRODUCTS/PROJECTS:

Due to the sluggish demand for the skills development in the IT sector, STG has decided to widen the scope of the programs to address the demand of trained man power in other sectors of the service industry.

Service sector such as Retail, Healthcare, Banking & Finance industries, such as Auto and Construction are witnessing rapid growth. This growth has spurred a huge demand for skilled manpower, right from entry to specialized levels. The National Skills Development Commission has estimated the need for about 3 crore trained manpower over the next five years.

For the Indian economy to grow at a steady pace, the nation's skill development program needs to be at par with the projected requirement. The shortfall of skilled manpower in service and operations has resulted in lowered business productivity. This has also led to business complexity and higher acquisition costs by poaching and in-house training. Of the new jobs being created across industries, 75% will require skills training in order to be employable.

The Indian government, understanding the criticality and need for skills training, has commenced key initiatives in this area to fill the enormous need gap.

Demand for Skilled Labour by 2015 (in Millions)

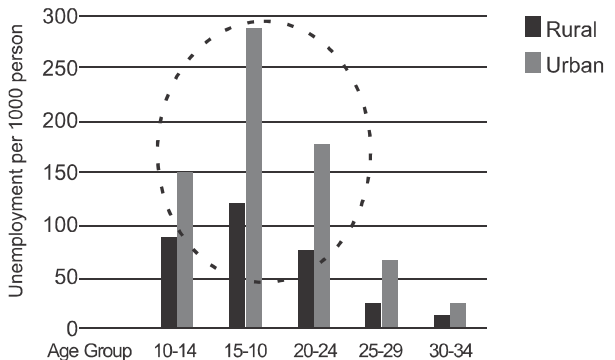
Auto 2.5 Mil
Healthcare 6 Mil
Retail 5 Mil
Construction 15 Mil
Banking & Finance 5 Mil

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report pursuant to clause 49 of the listing agreement is as under:

The current system of education lacks focus on creating and building employability. This has resulted in huge numbers of unemployment, escalating dropout rates, graduates being unemployed and employed youth being unproductive. The vocational training arena which is strong in developed countries (as high as 85% of students do vocational training) is very nascent in India (less than 5% of students undergo vocational training). The need of the hour is quality skills training from industry-recognized players.

A large number of youth in the 16-24 age bracket are either unemployed or underemployed.



Future Potential

Here are some interesting facts: 64% of India's population would be in the working age of 15-64 years by 2026. As the world population ages, India will have the advantage of a younger demographic. This means that India would have one of the largest and youngest working populations in the world. In the face of global shortages in skilled labour, India could be poised to supply skills to the world. And here lies another opportunity waiting to be tapped.

The company's strategy to improve its performance includes:

- Focus on employability oriented programs which are the need of the hour.
- Embracing new technologies
- Renewed focus on corporate / institutional training market and.
- Increased customer-centricity
- Adopting new business models
- Focus on new markets
- Improvement in cost structure by observing economy in operations.
- Focus on maintaining profitability and cash flow positive business.
- Consolidation of operations by focusing on medium and large customers.

With these steps and new projects that have been initiated during the year, your company is likely to improve its performance in the following years.

➤ Opportunities and Threats

India has the second largest manpower or talent pool in the world besides the large pool of skilled professionals -about half a million graduating from engineering schools in the country. The outlook for India also remains buoyant as it has a demographic profile with 54% of India's population under 25 years. In such an environment the education and training sector becomes a key determinant of economic growth. In addition the increase in public expenditure on IT and IT training and thrust on e-governance projects looking to education and skill development in order to promote economic growth augur well for the company.

On the other hand the global economy faced new challenges with several of the major economies facing issues of growth and solvency. The Indian economy has witnessed a year of slower growth, coupled with high inflation and strong forex volatility. Besides environmental uncertainties may affect the people hiring sentiments across all sectors in India. Moreover, the one challenge that all people-driven companies all over the world face is the ability to attract "enabled" and "empowered" employees. Trained employees who would be capable of creating synergy between organizational objectives and individual aspiration. Bringing in the best and the brightest professionals is an important challenge because it provides sustainable and demonstrable value addition. Retaining the right talent, high competitions, pressure on margins due to rise in employee expenses without rise in anticipated revenues, technological obsolescence are all major concerns.

➤ Risks and Concerns

Among the concerns, the availability of skilled personnel, high competition resulting in small attrition, small size and thus volatile revenue streams, intense competition from small unorganized players in the Industry and the external environment may have an impact on the company's operations.

An integrated approach to risk management will form an important element of the company's overall business strategy.

➤ Segment wise Performance: Segment wise revenue, results and capitals employed are provided in the notes on account forming part of the Annual Report.

➤ Discussion on Financial Performance

The company witnessed growth in sales during the year under review despite recession prevailing across the globe in previous years.

Operations:● **Revenue:**

Revenues during financial year 2013 were posted Rs. 37.99 Lacs.

The Company derives its revenue from two segments viz Software Training and Software Consulting

● **Expenditures:**

Management was also able to control the expenses and cost to the Company and able to register 7.6 % decline in cost.

Cost Control Initiatives

Your company continues to focus on cost reduction, procurement of materials at competitive Prices, reinforcement of financial discipline and adequate control on overhead costs on continuous basis. All these initiatives for cost control and efficiency enhancement are expected to lead to improvement and consolidation in all segments of the business in future also.

Financial Position:(a) **Authorised Capital:**

The authorised capital of the Company comprises of 2,00,00,000 equity shares of Rs. 10/- Each (same in previous year).

(b) **Issued Capital**

Issued Capital of the Company comprises of 1,48,37,140 equity shares of Rs. 10/- each (previous year 1,48,37,140 equity shares).

(c) **Changes in Capital structure: None****►Internal Contraol Systems and their adequacy:**

your our company has in place adequate system of internal control commensurate with its size and nature of its operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. Management continuously reviews the Internal Control Systems and procedures to ensure orderly efficient conduct of business.

An extensive program of internal audit supplements the internal control and review by management based on documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are in order for preparing financial statements and other data and for maintaining accountability of assets. Internal audit reports have been placed before the Audit Committee at regular intervals for its review.

►Human Resources Development

Your company operates in knowledge intensive industry and considers its employees as its one of the most valuable asset and lays great emphasis on nurturing an organizational culture that creates job satisfaction and performance oriented environment. The staff of your company, at all levels, contributed, significantly in pegging the overheads at the lowest possible levels, without compromising on the quality and efficiency of deliverables, which act in unison is highly appreciated.

The Company believes in nurturing young talents through its people interventions and management-training schemes, which strives to develop business managers of tomorrow. It has restructured internally its organization levels with a view to maintain individual and organizational productivity at the optimum with minimum possible workforce.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ravi Bhargava and Dr.Surya Mani Pathak are liable to retire by rotation as Directors at the ensuing Annual General Meeting and are eligible for re-appointment and has offered himself for re-appointment. The Board recommends their re-appointment.

FIXED DEPOSITS

The Company has not accepted any deposit from the public, and as such there are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 1975.

OVERSEAS SUBSIDIARIES

The financial statements with value in Indian Rupees and other related documents of company's subsidiaries namely M/s Software Technology Group Inc. San Jose, California, USA are annexed with the Annual Accounts of your company in terms of section 212 of the Companies Act, 1956.

BUY BACK OF SHARES:

The Company has not made any offer of Buy Back of its shares.

STOCK EXCHANGES

The equity shares of your company are listed with the National Stock Exchange of India Limited, Delhi Stock Exchange and the Bombay Stock Exchange Ltd. and the company has paid listing fees to the National Stock Exchange Ltd. for the period 2012-13.

SHARES UNDER COMPULSORY DEMATERIALISATION

With effect from July 24, 2000 trading in equity shares of the company at the Stock Exchange are permitted only in Dematerialized form. The Company's shares are available for trading in the depository systems, of both the National Securities Depository Services (India) Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on June 30, 2013, a total of 1,45,66,733 Shares of the Company stand dematerialized & this constitutes 98.18% of the holding in the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956; your Directors confirm as under:

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial period and of profit or loss of the company for that period.
- iii) That the directors had taken proper and sufficient care for the 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 fraud and other irregularities; and
- iv) That the director had prepared the annual accounts on a "going concern basis"

PARTICULARS OF EMPLOYEES

Information to be provided under section 217(2) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, is not required since there is no employee covered under these provisions.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required to be furnished under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars of Board of Directors) Rules, 1988 are set out in Annexure 'A', which forms an integral part of the report.

CORPORATE GOVERNANCE

The report of the Board of Directors of the Company on Corporate Governance is given as a separate section titled "Corporate Governance Report 2012-13, which forms part of this Annual Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels, whose continued commitment and dedication helped the Company in its operations in these trying times.

Your Directors would also like to take this opportunity to express their gratitude for the co-operation and support from its Bankers viz: Standard Chartered Bank and Jammu & Kashmir Bank Limited, and other organizations like STPI, the Reserve Bank of India and other statutory bodies of the Government of India. We look forward to their continued support in the future also.

Last but not the least, we sincerely thank our shareholders for their constant support and co-operation in the difficult times.

**For and on behalf of the board
Software Technology Group International Limited**

Place : Gurgaon
Dated : 28.09.2013

**Yogesh Vaidya
Chairman & CEO
(DIN:01185252)**

ANNEXURE "A"

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy

Measures have been taken to conserve and optimize the use of energy. The operations of company are not energy intensive; however, energy conservation has always been given focus from point of view of cost control. Adequate measures have been taken to conserve and optimize the use of energy by using energy efficient computers and equipment with latest technologies.

(i) Building Infrastructure:

Furthering our commitment to growing responsibly, we are working on reducing the ecological impact of our operations. We are committed to minimizing the consumption of energy and fresh water, preserving natural habitat and reducing waste. Our Green Initiatives team focuses on developing infrastructure directed at conservation of resources.

It not only caters to our internal needs but also supports initiatives at the local and global levels.

Our Energy Efficiency drive includes:

- Normal bulbs replaced by CFLs.
- All air conditioners, lights and PCs are shutdown after 19:30 hrs. (Except at the time work commitments)
- All facilities have an optimum ratio of glass windows to utilize natural daylight and proper insulation/ventilation to balance temperature and reduce heat.
- Regular sensitization campaigns.
- STG celebrated 'earth hour' on the 31st March, 2013, by switching off the lights of all its facilities at 8:30 pm for 1 hour.

(ii) Green Innovation:

- "STG supports the 'Green Initiative' taken by the Ministry of Corporate Affairs ("MCA") and urges its shareholders to accept electronic delivery of documents as prescribed by Law and provide valuable support to the Company in conserving the environment by reducing impact of printing as it is truly said "There can be substitute for paper, not for trees"

B. Technology Absorption, Research and Development (R&D)

In its endeavors to obtain and deliver the best, your company continuously develops and adopts new technologies to aid efficient management of its resources. It has various renowned strategic alliance partners and is continuously adapting the technology through these partners.

C. Foreign Exchange Earning and Outgo

Efforts continue to enlarge the product range and geographical reach on export market in order to maximize foreign exchange inflow and every effort is being made to minimize the foreign exchange outflow.

Total Foreign Exchange Earnings on accrual basis during the period is Nil against Rs. 20,252/- of previous year.

Total Foreign exchange Outgo on actual basis during the year amounted to NIL against Rs. NIL of previous period.

For and on behalf of the board
Software Technology Group International Limited

Place : Gurgaon
Dated : 28.09.2013

Yogesh Vaidya
Chairman & CEO
(DIN:01185252)

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

In compliance with the clause 49 of the Listing Agreement with the Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice followed by the Company.

I Company's philosophy on Corporate Governance: -

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholders with strong emphasis on transparency, accountability and integrity.

To create a culture of good governance, your company has adopted certain practices, which comprises effective management control by the Board of Directors, performance accountability, constitution of Board Committee as part of the internal control system, fair representation of professionally qualified, non-executive and independent Directors on the Board, the adequate timely disclosure of information and prompt discharge of statutory duties. Focus of the Board and the Management has always been to ensure continuing value creation for its stakeholders, apprising them of all relevant information on a regular basis in a transparent manner and above all to grow the Company's business with the goal of long term sustainable development.

As a proactive measure, your company has complied with the requirements of Corporate Governance during the year 2000-2001 much before the mandatory deadline of March, 2002 and with the adoption of code of conduct for Corporate Governance last year, your Company has moved further in its pursuit of excellence in Corporate Governance. Your Company is managed by the Chairman & Chief Executive officer under the supervision and control of Board of directors. The Chairman and CEO is assisted by a team of qualified & highly experienced professionals. The disclosures requirements of Corporate Governance Code complied with by the Company are provided in this report.

II Board of Directors**(a) Composition of the Board**

The Company recognizes the need of a well functioning Board and presently three fourth of its Board is constituted by non-executive directors led by an executive promoter Director as Chairman of the Company. As on June 30, 2013, the Board consisted of four Directors, one is promoter executive director (without remuneration) and the remaining three are non-executive Directors, of which two are in independent capacity. The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and experience. The non-executive Directors bring statutory and wider perspective in the Board's deliberations and decisions.

The Composition of the Board of Directors as on June 30, 2013 is given below:

Name of Director	Category of Director	No of other Director ships held	No of other Board Committee(s) of which he is a member	No. of other Board Committee(s) of which he is Chairman*
Mr. Yogesh Chandra Vaidya	Executive Promoter Director	05	-	-
Mrs. Prasanna Vaidya	Non- Executive Director	03	-	-
Mr. Ravi Bhargava	Non- Executive Independent Director	03	-	-
Dr. Surya Mani Pathak	Non- Executive Independent Director	01	02	01
Mr. Mahesh Chander Shrivastava	Non- Executive Independent Director	-	-	-

* As required under Clause 49 of the Listing Agreement, the disclosures includes memberships / chairpersonships of audit committee and shareholders' grievance committees.

(b) Number of Board Meetings held and attended by each Director:

During the period under review, the Board of Directors of the Company met 6 (Six) times. These were held on 30/05/2012, 06/07/2012, 14/08/2012, 14/11/2012, 14/02/2013 and 14/05/2013.

i The attendance record of each Directors at the Board Meetings during the period ended on June 30, 2013 and of last Annual General Meeting is as under: -

Name of Directors	Total No. of Meetings held	No. of board meeting attended	Attendance at the last AGM
Mr. Yogesh Chandra Vaidya	6	6	Yes
Mrs. Prasanna Vaidya	6	6	Yes
Mr. Ravi Bhargava	6	6	Yes
Dr. Surya Mani Pathak	6	2	No
Mr. Mahesh Chander Shrivastava	6	4	No

(c) Code of Conduct:

The Board of directors has laid down the Code of Conduct for the Directors and senior management and the same has been communicated to them for its adherence. The Code lays down the standards of ethical and moral conduct to be followed by them in the course of proper discharge of their duties and commitments. Necessary declaration has been appended at the end of this report.

III Audit Committee

During the period under review, the members of Audit Committee met 6 (Six) times. The Dates of the meetings were 30/05/2012, 06/07/2012, 14/08/2012, 14/11/2012, 14/02/2013 and 14/05/2013.

S. No.	Name of Director	Position	Category	No. of meetings	Attendance
1.	Dr. Surya Mani Pathak	Member	Non- Executive Independent Director	6	2
2.	Mr. Ravi Bhargava	Member	Non- Executive Independent Director	6	6
3.	Mrs. Prasanna Vaidya	Member	Non- Executive Director	6	6
4.	Mr. Mahesh Chander Shrivastava	Member	Non- Executive Independent Director	6	4

The composition of Audit Committee comprises of members who all are non-executive directors as its members and the Chairman of the committee is elected from amongst its members who is also an independent director and is having requisite qualification.

(a) Terms of reference:

- To review of the performance of Statutory Auditors and recommend their appointment and remuneration to the Board, considering their independence and effectiveness;
- To review internal controls, delegation of authority limits;
- To act as an interface between the management and the statutory and internal auditors overseeing the internal audit functions;
- To oversee the company's financial statements, including annual and quarterly financial results, and the financial accounting practices and policies;
- To review all internal systems, review the company's financial and risk management policies, audit control procedures of the company including but not limited to appointment of statutory/internal auditors from time to time and also to review the annual accounts, quarterly unaudited financial results and limited review report before they are put up to Board for its approval.*

IV Remuneration Committee

(i) During the period under review, the members of the Remuneration Committee met 2 (Two) times. The Dates of the meetings were 30/05/2012 & 06/07/2012.

S. No.	Name of Director	Position	Category	No. of meetings	Attendance
1.	Mr. SuryaMani Pathak	Chairman	Non- ExecutiveIndependent Director	2	2
2.	Mr. RaviBhargava	Member	Non- ExecutiveIndependent Director	2	2
3.	Mrs. Prasanna Vaidya*	Member	Non- ExecutiveDirector	2	2

Terms of reference

To oversee the method, criteria and quantum of compensation for executive and non executive directors.

To review the recruitment of key management employees and their compensations;

To formulate the initiatives leading to greater transparency and improved corporate governance.

Remuneration policy

The Company has not paid any remuneration to Directors during the year under review. Sitting fee and other incidental expenses including traveling etc. to Non-Executive Independent Director(s) for attending the Board Meetings are paid as decided by the Board of Directors from time to time.

The remuneration of the Directors, if any, has always been decided by the Board of Directors from time to time within the ceiling fixed by the Shareholders. The Board constantly evaluates the contribution of Directors and recommends to the Shareholders their reappointment periodically as per provisions of the Act.

Except for Mr. Yogesh Vaidya and Mrs. Prasanna Vaidya, who holds 37,11,250 shares and 5,08,010 shares respectively, no other Director holds any shares or convertible instruments of the Company as on June 30, 2013.

V. Investor's/Shareholders Grievance Committee

(i) During the period under review, the members of the Investor's/Shareholders Committee met 2 (Two) times. The Dates of the meetings were 30/05/2012 & 06/07/2012.

S. No.	Name of Director	Position	Category	No. of meetings	Attendance
1.	Dr. Surya Mani Pathak	Chairman	Non- ExecutiveIndependent Director	2	2
2.	Mr. YogeshChandra Vaidya	Member	Executive Director	2	2
3.	Mrs. Prasanna Vaidya	Member	Non- ExecutiveDirector	2	2

(ii) No. of investors' complaints received by the RTA/ Company : 2

No. of complaints not solved/ pending: : NIL

No. of pending transfers: : NIL

VI Share Transfer Committee:

Company's Registrar & Transfer Agents processes the transfer cases which are approved by duly constituted Share Transfer Committee of the Board. The Committee meets from time to time as required to expedite all matters relating to transfer etc. The Committee comprises of Mr. Yogesh Chandra Vaidya and Mrs. Prasanna Vaidya, as its members.

In terms of SEBI directive, all Share Registry work in respect of both physical and demat segments has been handled by a single common Agency viz M/s Sharex Dynamic (India) Pvt. Ltd, the Registrar of the Company. Further, half yearly Share Transfer Audit in terms of Listing Agreement are regularly carried out by an independent practicing Company Secretary.

VII Investment Committee:

The Committee was constituted on 28th April, 2000 and has Mr. Yogesh Vaidya and Mr. Ravi Bhargava as its Members. The committee was formed as per provisions of Section 372A of the Act, ibid to identify the various investment options, which are likely to benefit to the Company.

VIII Compensation Committee:

A Compensation Committee was constituted on 28th July, 2000 and presently has two non-executive independent Directors namely Mr. Ravi Bhargava, Dr. S. M. Pathak and Mr. Yogesh Vaidya, promoter Director as its members. The Committee was formed for finalizing, among other things, the procedures and modalities for giving effect to the Employee Stock Option Scheme, which inter alia, include the determination of eligibility criteria, no. of shares/options to be offered to each employee, identification of classes of employees entitled to participate in the Scheme, process of exercise of option, pricing of Shares/options etc.

IX Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary company and hence, it is not mandatory to have an independent director of the Company on the Board of such Subsidiary Company. The Audit Committee reviews the financial statements and accounts, particularly the investments, if any, made by the Company's non-listed foreign subsidiary namely M/s Software Technology Group Inc., San Jose, California, USA. The minutes of unlisted foreign subsidiary have been placed before the Board for its perusal.

X Secretarial Audit:

A qualified practicing Company Secretary carried out a Reconciliation of Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialized form with both the aforesaid depositories.

XI CEO/CFO Certification

Certificate from CEO as per clause 49V of the listing agreement for the Financial Period ended June 30, 2013 is annexed at the end of the Corporate Governance Report.

XII Compliance Certificate

Necessary Compliance Certificate on Corporate Governance from Practicing Company Secretary as per Clause 49 VI (i) of listing agreement is annexed herewith.

XIII General Body Meetings

(a) The details of last three Annual General Meetings held are as under: -

AGM	Day	Date	Time	Venue
17 th	Monday	29/03/2010	03:00 P.M.	Shah Auditorium 2, Gujrati Samaj Marg, Civil Lines, delhi-110054.
18 th	Monday	27/06/2011	02:00 P.M.	Shah Auditorium 2, Gujrati Samaj Marg, Civil Lines, delhi-110054.
19 th	Wednesday	01/08/2012	11:30 A.M.	Lok Kala Manch, Institutional Area, Lodhi Road, New Delhi -110003.

(b) Whether any special resolutions passed in the previous 3 AGMs:

➤ 17th Annual General Meeting held on 29th March, 2010: No special resolution was passed.

➤ 18th Annual General Meeting held on 27th June, 2011: No special resolution was passed.

➤ 19th Annual General Meeting held on 1st August, 2012:

One special resolution is passed pursuant to section 163 of the Companies Act, 1956 to keep and maintain the statutory registers and documents to be prepared under section 159, 160 and 161 of companies Act, 1956, at a place other than the registered office of the Company.

(c) Whether any special resolution passed in last year through postal ballot, details of voting pattern No

(d) Person who conducted the postal ballot exercise :N.A.

(e) Whether special resolutions are proposed to be conducted through postal ballot :No

(f) Procedure for postal ballot : N.A.

XIV Disclosures**(a) Related party transactions:**

These transactions are defined as transactions of the Company of material nature, with promoters, Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. Details on materially significant related party transactions are appearing in note 33 forming part of accounts.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related capital markets, during the last three years:

No penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) Whistler Blower policy and affirmation that no personnel has been denied access to the audit committee: N. A.**(d) Details of compliance of mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with the mandatory requirements of the Listing Agreement. The Company has adopted the non-mandatory requirements of constituting the Remuneration Committee.

XV Means of communication

Quarterly, half-yearly and annual financial results are communicated to the Stock Exchanges immediately after these are considered and approved by Audit Committee and the Board and thereafter regularly published in the prominent newspapers like Financial Express, Business Standard, Veer Arjun, Jansatta, Hari Bhoomi etc. as required. Quarterly and annual financial statements, along with segmental information, are posted on our website, www.stgglobal.com. Further, all other price sensitive and other information are sent to the Stock Exchanges where shares of the Company are listed, enabling them to display the same on their website etc. Besides, Official news releases are given to the press also from time to time on regular basis.

XVI GENERAL SHAREHOLDERS' INFORMATION:**(a) Annual General Meeting to be held: Day, Date, Time & Venue:**

Day : Thursday
Date : 24/10/2013
Time : 11:30 A.M.
Venue : 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003

(b) Financial Year : 01/04/2012 to 30/06/2013**(c) Dates of Book Closure** : 17/10/2013 to 24/10/2013 (both days inclusive)**(d) Dividend Payment Date** : N.A.**(e) Stock Exchanges in which the Company's Shares are listed:**

The Company's shares are listed with the following Stock Exchanges having Stock code as follows:

(i) The Bombay Stock Exchange, Mumbai-532293

(ii) The National Stock Exchange- SOFTTECHGR

(iii) The Delhi Stock Exchange-19633

Status of payment of Listing Fees: Paid/ in the process.

(f) Market Price Data High/Low during each month in last financial year:

At BSE (Bombay Stock Exchange) and National Stock Exchange (NSE):

Month	BSE		NSE	
	Monthly High	Monthly Low	Monthly High	Monthly Low
April, 2012	4.49	3.21	4.25	3.15
May, 2012	4.51	3.00	4.30	3.10
June, 2012	4.51	3.20	4.20	3.20
July, 2012	4.60	3.02	4.30	3.10
August, 2012	4.40	2.75	4.50	2.60
September, 2012	3.94	2.95	4.00	2.85
October, 2012	4.04	3.01	3.75	2.85
November, 2012	3.69	2.90	3.50	2.80
December, 2012	3.69	2.93	3.60	2.95
January, 2013	3.99	2.89	3.95	2.60
February, 2013	3.69	2.62	3.50	2.60
March, 2013	3.51	2.03	3.50	1.85
April, 2013	3.28	2.01	3.30	1.85
May, 2013	3.43	2.90	3.40	3.25
June, 2013	3.57	3.24	3.50	3.50

(g) Registrar & Share Transfer Agents:

Sharex Dynamic (India) Pvt. Ltd., Unit no 1, Luthra Ind. Premises, Safed pool, Andheri Kurla Road, Andheri (East) Mumbai 400 072.

(h) (1) Distribution of Shareholding on number of shares as on June 30, 2013:

Equity Shares	No. of shareholders	% of shareholders	Total Shares	% of shares
Upto TO 100	6294	68.59	528038	3.56
101 TO 200	851	9.27	162023	1.09
201 TO 500	963	10.49	376328	2.54
501 TO 1000	489	5.33	420962	2.84
1001 TO 5000	439	4.78	977413	6.59
5001 TO 10000	72	0.78	536267	3.61
10001 TO 100000	55	0.60	1500425	10.11
100001 TO Above	13	0.14	10335684	69.66
T O T A L	9176	100.00	14837140	100.00

(2) Shareholding pattern as on June 30, 2013:

STATUS	HOLDING	PERCENTAGE
A. Total Promoter & Promoter Group	7593614	51.18
B. Public Shareholding		
(a) Institutional Investors		
Financial Institutions / Banks	100	0.00
Mutual Funds/FII/Insurance Companies/Govt.	-	-
(b) Others		
Bodies Corporate	3097393	20.88
Resident Individuals	4107444	27.68
NRIs	38589	0.26
Clearing Members		
Total Public Shareholding	7243526	48.82
TOTAL (A+B)	14837140	100

(i) Dematerialization of shares:

As on June 30, 2013, a total of 1,45,66,733 Shares of the Company stand dematerialized & this constitutes 98.18% of the holding in the Company.

(j) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

The Company has not issued any ADR/GDR/Warrants or any Convertible Instruments during the period under review and the company has no outstanding ADR/GDR/Warrants or any Convertible Instruments.

(k) Registered Office: Level 2 Elegance, Mathura Road, Jasola, New Delhi-110025.

(l) Connectivity with the Depositories:

National Securities Depositories Limited (NSDL)
Central Depository Services (India) Limited (CDSL)
Demat ISIN Number: INE 863A01013 / IN9863A01045

(m) Address for correspondence: Elegance, Level 2, Mathura Road, Jasola, New Delhi - 110025.

(n) Designated E-mail Id of Compliance Officer for any investors' queries:

companysecretary@stg.in

XVII Declaration on Code of Conduct:

As required under Clause 49 I (D) (ii) of the Listing Agreement with stock Exchanges, it is hereby confirmed that the Board Members and the senior management have affirmed compliance with the Code of Conduct framed by the Company.

For and on behalf of the board
Software Technology Group International Limited

Place : Gurgaon
Dated: 28.09.2013

Yogesh Vaidya
Chairman & CEO
(DIN:01185252)

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
M/s Software Technology Group International Limited
Elegance, Level 2, Mathura Raod, New Delhi-110025.

We have examined the compliance of conditions of Corporate Governance by Software Technology Group International Limited for the year ended 30th June, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and the best of our information and according to the explanations given to us and based on the representation made by the Director and Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Krishna Kumar Sharma & Co.
Company Secretaries

Krishna Kumar Sharma
Proprietor
CP No.7747

Place: Gurgaon
Date: 28.09.2013

Certificate by Chief Executive Officer
(Under Clause 49 of the Listing Agreement with Stock Exchanges)

The Board of Directors
Software Technology Group International Limited.

- (a) I have reviewed the financial statements, read with the cash flow statement of Software Technology Group International Limited for the financial period ended 30th June, 2013 and that to the best of my knowledge and belief, I state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable Laws and Regulations.
- (b) To the best of my Knowledge and belief, no transactions entered into by the Company during the year ended 30th June, 2013 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurgaon
Dated : 13.08.2013

Yogesh Vaidya
Chairman & CEO
(DIN:01185252)

AUDITOR'S REPORT

To the Members of Software Technology Group International Ltd.

We have audited the accompanying financial statements of M/s Software Technology Group International Ltd. ('the company') which comprise the Balance Sheet as at June 30, 2013 (15 month period), and the Statement of Profit and Loss and Cash Flow Statement for the period from 1st April 2012 to 30th June 2013 (15 months period), and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013;
- b) in the case of the Statement of Profit and Loss, of the Loss for the period ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows of the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Subject to Notes on Accounts from Note no. 29 to 45 on the financial statements and further to our comment in the annexure to our comments in the Annexure referred to in paragraph 1 above the, we report, As required by section 227(3) of the , Act, that:-
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet , Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For H.K. BATRA & Associates
Chartered Accountants
FRN: 009889N

Place : New Delhi
Date : 13.08.2013

(H. K. BATRA)
Partner
M. No: 088790

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/S SOFTWARE TECHNOLOGY GROUP INTERNATIONAL LIMITED. ON THE ACCOUNTS OF THE COMPANY FOR THE PERIOD ENDED 30TH JUNE, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
c. During the period, the company has not disposed off substantial part of fixed assets.
2. a. The management has conducted physical verification of inventory of books held as stock-in-trade at reasonable intervals.
b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. a. The Company has not granted any loans secured or unsecured to companies firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. and accordingly paragraph 4 (iii) (a), (b), (c) and (d) of the order are not applicable.
b. The Company had taken unsecured loan from Director of the company. The amount involved during the period was Rs. 82.80 Lacs and the period end balance of loan taken from such Director was 1195.65 Lacs.
c. In our opinion the rate of interest and other conditions of loans taken by the company are prima facie not prejudicial to the interest of the Company.
d. There are no stipulated terms of Payment thus the overdue amount cannot be determined.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase fixed assets and also for the sale of goods & services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. a. Based on the audit procedures performed by us and according to the information, explanations and representation given to us, we are of the opinion that the particulars of the contracts or arrangement referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
b. In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contract or arrangement have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits during the period from the public within the meaning of the provisions of Section 58 A, 58 AA or any other relevant provision of the Companies Act, 1956 and rules made there under. Hence, the clause (vi) of the order is not applicable.
7. In our opinion the Company does not have a formal internal audit system which commensurate with its sizes and nature of its business.
8. We have been informed that the Central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. a. According to the books and records as produced and examine by us in accordance with generally accepted auditing practices in India and also based on management representations, undisputed statutory dues as on 30.06.2013 towards Income tax deducted at sources of Rs. 39.81 lacs, Provident Fund of Rs. 8.44 Lacs, Employees' State Insurance of Rs. 6.96 Lacs, Service Tax of Rs. 148.89 Lacs have not been regularly deposited with the appropriate authorities. We are informed that the provision of Central Excise act, 1944 are not applicable to the company.
b. According to the information and explanation given to us, there are no dues of Sales Tax, Custom Duty, Wealth Tax, cess which have not been deposited on account of any dispute except the following

Nature of Statute	Nature of Dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	832030/-	CIT (Appeals)
Income Tax Act, 1961	Income Tax demand u/s 143(1)	10223720/-	Rectification u/s 154 of Income Tax Act. Filed.

10. In our opinion, The Company has accumulated losses more than 50 % of its net worth as at 30.06.2013. The company has incurred cash losses during the financial period and also in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks. Company has not taken any loans from financial institutions and also not issued any debenture. Hence question of default does not arise.
12. According to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly paragraph 4 (xii) of the order is not applicable
13. In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to chit fund/ Nidhi/mutual benefit fund/societies are not applicable to the company.
14. In our opinion and according to information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of Clauses (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. As explained by the management, company has not given guarantee for loans taken by other from banks or financial institutions.
16. The company has not taken any term loan from any bank and/or financial institution.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the period, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us and the records examined by us, the company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) issued are not applicable to the company.
20. The company has not raised any money by public issues during the period.
21. According to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the period.

For H.K. BATRA & ASSOCIATES

Chartered Accountants
F. R. N. 009889N

Place: New Delhi
Date: 13.08.2013

[H.K. BATRA]
Partner
M.No. 088790

BALANCE SHEET AS AT 30TH JUNE 2013

Particulars	Notes	As at 30 June 2013 (Rs.)	As at 31 March, 2012 (Rs.)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	148,356,900	148,356,900
(b) Reserves and surplus	4	(44,432,097)	(31,954,172)
		<u>103,924,803</u>	<u>116,402,728</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	137,001,152	129,707,162
(b) Other long-term liabilities	6	520,000	1,545,000
(c) Long-term provisions	7	1,196,691	1,221,395
		<u>138,717,843</u>	<u>132,473,557</u>
3 Current liabilities			
(a) Trade payables	8	309,338	2,928,317
(b) Other current liabilities	9	25,696,365	42,364,142
(c) Short Term Provisions	10	3,938,932	7,968,871
		<u>29,944,635</u>	<u>53,261,330</u>
TOTAL		<u>272,587,280</u>	<u>302,137,615</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		10,688,805	14,453,890
(ii) Intangible assets under development		-	4,221,795
(b) Non-current investments	12	91,489,204	91,489,204
(c) Deferred tax assets (net)	13	141,807,674	141,807,674
		<u>243,985,683</u>	<u>251,972,563</u>
2 Current assets			
(a) Inventories	14	2,284,260	2,284,260
(b) Trade receivables	15	10,084,649	20,407,995
(c) Cash and cash equivalents	16	226,923	953,258
(d) Short-term loans and advances	17	9,039,698	17,224,249
(e) Other Current Assets	18	6,966,067	9,295,290
		<u>28,601,597</u>	<u>50,165,052</u>
TOTAL		<u>272,587,280</u>	<u>302,137,615</u>
Significant accounting policies	1&2		

Note: The notes referred to above alongwith Notes no. 29 to 45 form an integral part of these financial statements.

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates

Chartered Accountants

Firm's Registration No.: 009889N

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

H.K. Batra

Partner

M.No. 88790

Date: August 13, 2013

Place: Gurgaon

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30TH JUNE, 2013

Particulars	Notes	For the period ended 30th June, 2013 (Rs.)	For the year ended 31st March, 2012 (Rs.)
Income			
Revenue from operations	19	3,798,860	8,394,062
Other income	20	295,253	34,056
Total revenue		4,094,113	8,428,118
Expenses			
Materials Consumed	21	5,838	297,661
Salaries and other benefits	22	5,330,218	8,725,691
Administration Expenses	23	6,763,498	10,332,726
Finance costs	24	133,401	548,136
Depreciation and amortisation expense	25	7,285,296	7,976,023
Other Expenses	26	7,765,550	1,649,609
Total		27,283,801	29,529,846
Profit before exceptional and extra-ordinary items and tax		(23,189,688)	(21,101,728)
Extra Ordinary Items (Refer Note no. 44)	27	10,714,054	1,128,170
Profit before Prior Period and tax		(12,475,633)	(19,973,558)
Prior period Items	28	(2,292)	(83,747)
Profit / (loss) before taxation		(12,477,925)	(20,057,305)
Tax expense			
Current Tax		-	-
Deferred tax charge / (credit)		-	-
Total tax expense		-	-
Profit for the year		(12,477,925)	(20,057,305)
Earnings per share			
Basic [Nominal value of shares Rs 10/- (Previous year Rs 10/-)]		(0.84)	(1.35)
Diluted [Nominal value of shares Rs 10/- (Previous year Rs 10/-)]		(0.84)	(1.35)
Weighted average number of shares outstanding		14,837,140	14,837,140

Significant accounting policies 1&2

Note: The notes referred to above alongwith Notes no. 29 to 45 form an integral part of these financial statements.

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates
Chartered Accountants
Firm's Registration No.: 009889N

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Maresh Chander Shrivastava
Director (DIN 05307377)

H.K. Batra
Partner
M.No. 88790
Date: August 13, 2013
Place: Gurgaon

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2013

Particulars	For the Period Ended 30th June, 2013 (Rs.)	For the year ended 31st March, 2012 (Rs.)
Cash Flow From Operations		
Profit/(Loss) for the period Before Provision for Taxation & Extra Ordinary items	(12,477,925)	(20,057,304)
Add/ (less):		
Amortisation Expenditure	4,221,795	4,408,576
Depreciation	3,063,501	3,567,447
Net Loss/(Profit) on Sale of assets	244,101	-
Interest Paid	90,014	412,816
Interest Income	(90,914)	(34,056)
Operating Profit Before Working Capital Change	<u>(4,949,429)</u>	<u>(11,702,522)</u>
Change in Working Capital		
Decrease/(Increase) in Inventories	-	218,434
Decrease/(Increase) in Sundry Debtors	10,323,346	18,901,433
Decrease/(Increase) in Loans and Advances	8,646,056	(3,195,488)
Increase/(Decrease) in Current Liabilities	(20,331,225)	(4,924,366)
Provision For Salaries & Benefits	(3,307,930)	(2,257,523)
Net Advance Tax / TDS Refund / (Paid)	1,121,005	2,096,320
Net Cash Flow from Operating Activities (A)	<u>(8,498,176)</u>	<u>(863,712)</u>
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(23,430)	-
Sale / Adjustments of Fixed Assets	480,913	-
Interest Income on Fixed Deposits etc	90,914	34,056
Net Cash Flow From Investing Activities (B)	<u>548,397</u>	<u>34,056</u>
Cash Flow from Financing Activities		
Increase/(Decrease) in Share Capital	-	12,371,400
Increase/(Decrease) in Reserve & Surplus	-	-
Increase/(Decrease) in unsecured loan	7,548,146	(10,100,353)
Interest Paid	(90,014)	(412,816)
Net Cash Flow From Financing Activities (C)	<u>7,458,132</u>	<u>1,858,231</u>
Net Increase/(decrease) in cash and cash equivalent (A+B+C)	(491,648)	1,028,575
Cash and Cash Equivalents at the beginning of the year	160,380	(868,195)
Cash and Cash Equivalents at the close of the year	(331,268)	160,380

Note : FDR amounting to Rs.222,307/- (Previous year Rs. 8,03,302/-) has been pledged with bank as margin against Bank Guarantee

Note: The notes referred to above form an integral part of these financial statements.

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates
Chartered Accountants
Firm's Registration No.: 009889N

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

H.K. Batra
Partner
M.No. 88790
Date: August 13, 2013
Place: Gurgaon

Notes to financial statements for the period ended 30th June 2013**1 Corporate information**

Software Technology Group International Ltd. (hereinafter referred to as 'the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of Software Consulting and Training.

2 Basis of Accounting

The financial statements are prepared in accordance with Indian Generally Accepted Accounting principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI"), the provisions of the Companies Act, 1956, and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Management evaluates all recently issued or revised accounting standards on an ongoing basis.

2.1 Summary of significant accounting policies**a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Valuation-Fixed Assets and Inventory

(I) Fixed assets are normally accounted for on cost basis including the cost of installation where incurred. Expenditure on regular staff, which might be occasionally engaged for installation work, is charged to revenue.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(II) Inventory:-

(i) Stock of books are valued at cost based on First-in First-out method.

(ii) Softwares under development & intended for sale and not ready for use before the year end, are valued at cost as Software Work-in-Progress

c) Depreciation and Amortisation

(a) Normal Depreciation on all the fixed assets is provided on Straight Line Method at the rates prescribed in schedule -XIV to the Companies Act, 1956.

(b) Depreciation on additions/ deletions to Fixed Assets is provided on prorata basis from/to date of additions/deletions.

(c) In case of financial period consist of the year less/more than a normal year of 12 months then depreciation is provided for that particular period.

(d) In case of courseware/software developed and capitalised, the same is written off over a period of 3 years, considering the estimated economic life of the product.

d) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

e) Investments

Long-term Investments, are valued at their acquisition cost. Any decline in the value of said investment other than the temporary decline is recognised and charged to Profit & Loss Account.

f) Revenue Recognition

a.(i) In case of own centres income from coaching fee is recognised to the extent of course/programme delivered to students. Income from courseware is recognised on the basis of courseware supplied to the students/clients.

(ii) In Case of domestic licence centres, the income is recognised on the basis of collections received from licensee against course fee. Income from courseware is recognised on the basis of courseware supplied to the licence centre.

b. Income from Technical Know How/ Licence Fees are recognised on the basis of Agreement/MOU entered subject to realisation of the income.

c. In respect of Software Development/Products and Consultancy activities, the revenue is recognised on dispatch/ delivery of the concerned goods/services by adopting percentage completion method wherever required.

g) Public Issue Expenses and Pre-Operative Expenses

Public issue expenditure and pre-operative expenses incurred on further issue of Share Capital are written off over a period of ten years on prorata basis.

h) Foreign Currency Transactions

Transactions in foreign currency are booked at pre-determined rate and all monetary assets and liabilities in foreign currency are restated at the period end.

Gain / Loss arising out of fluctuations on realisation / payment or restatement, except those identifiable to acquisition of fixed assets & Investment are charged /credited to Profit & Loss Account.

i) Employees' / Retirement Benefits

a. All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan.

b. In addition, some employees of the Company are covered under the employees' state insurance schemes.

c. The Company's contributions to above schemes are expensed in the Profit and Loss Account.

d. Liability on account of Gratuity and Leave Encashment of Employees is provided on accrual basis.

j) Taxation

Income tax expenses are accrued in accordance with Accounting Standard -22 "Accounting for Taxes on Income, issued by The Institute of Chartered Accountants of India, which includes current taxes and deferred taxes. Deferred income tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to extent, there is a reasonable certainty that sufficient future taxable income will be available. Such Deferred tax Assets and Liabilities are measured at each Balance Sheet date & the carrying value of the same are adjusted for recognising the change in the value of each such deferred tax Asset and Liability.

k) Borrowing Cost

Interest and other costs in connection with the borrowing of funds to the extent related/attributed to the acquisition/ construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

l) Provision and Contingencies

The Company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a Contingent Liability is made when there is a possible obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

m) Segment reporting

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

n) Earnings per share

Basic earning per share (EPS) is calculated by dividing the net profit after tax for the year (including the post-tax effect of extraordinary items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

o) Provisions

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

p) Cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

3. Share capital

	30.06.2013	31.03.2012
Authorised		
2,00,00,000 (Previous year same)* Equity shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed & paid-up		
14837140 (Previous year 1,48,37,140) Equity shares of Rs.10/- each	148,371,400	148,371,400
Less: Calls in arrears 2900 Equity shares @ Rs. 5/- each- by others	14,500	14,500
Total subscribed & paid-up share capital	148,356,900	148,356,900

The Company has only one class of equity shares having a par value of Rs. 10 per share. All shares have equal rights with respect to voting rights and dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

	30.06.2013		31.03.2012	
Equity shares	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	14,837,140	148,371,400	13,600,000	136,000,000
Add: Fresh Issue	-	-	1,237,140	12,371,400
At the end of the year	14,837,140	148,371,400	14,837,140	148,371,400

(b) Detail of shareholders holding more than 5% shares in the Company

	30.06.2013		31.03.2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10/- each fully paid				
Mr. Yogesh Chandra Vaidya	3,711,250	25.01%	3,699,668	24.94%
Associated Tekno Plastics Pvt Ltd	1,857,885	12.52%	1,857,885	12.52%
AKM Systems Pvt Ltd	1,237,140	8.34%	1,237,140	8.34%
Bits Limited	1,000,000	6.74%	1,000,000	6.74%

4. Reserves and surplus

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Securities Premium account (As per the last financial statement)	282,402,180	282,402,180
Warrant Forfeited A/c	2,990,000	2,990,000
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last financial statements	(317,346,352)	(297,289,048)
Profit/ (loss) for the period	(12,477,925)	(20,057,304)
Net surplus/ (deficit) in the statement of profit and loss	(329,824,277)	(317,346,352)
Total reserves and surplus	(44,432,097)	(31,954,172)

5. Long-term borrowings

	30.06.2013 (Rs.)	Non-current portion 31.03.2012 (Rs.)	30.06.2013# (Rs.)	Current maturities 31.03.2012# (Rs.)
Secured Loan				
Car finance loans from banks (secured)*	352,246	606,401	205,946	180,716
	352,246	606,401	205,946	180,716
Unsecured Loans				
Directors	47,895,341	43,350,195	-	-
Others**	88,753,565	85,750,565	-	-
	136,648,906	129,100,760	-	-
Total	137,001,152	129,707,162	-	-

Current Maturities Amount disclosed under the head "other current liabilities" (refer note 9)

** Others includes loan taken from Associated Tekno Plastic Pvt Ltd (company under the same management) during the period for Rs.37,35,000/-.

Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security

Term Loan amounting to Rs. 558192 (March 31, 2012: Rs. 606401) is secured against hypothecation of vehicles financed by them.

Terms of Repayment

Repayable in 60 equated monthly installments commencing from December, 2010. Last installment due in November, 2015.

6. Other Long-term liabilities

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Securities from Customers	520,000	1,545,000
Total	520,000	1,545,000

7. Long Term Provisions

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Provision for employee benefits		
Provision for gratuity	1,094,126	1,094,126
Provision for leave encashment	102,565	127,269
	1,196,691	1,221,395

8. Trade Payables

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Trade payables	309,338	2,928,317
	309,338	2,928,317

9. Other Current liabilities

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Sundry Creditors	2,058,330	9,730,289
Advance from customer	300,000	392,976
Securities deposit received	-	150,000
Due to Employees	2,237,633	7,875,673
Expenses payable	485,413	1,145,971
Bank Overdraft	-	5,762
Statutory dues payable (Refer note 41)	20,409,043	22,882,755
Current maturities of long term borrowings (refer note 5)	205,946	180,716
	25,696,365	42,364,142

10. Short Term Provisions

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Provision for employee benefits		
Provision for salary payable	3,345,737	6,628,963
Other Provisions		
Provision for Income Tax	593,195	593,195
Provision for Fringe Benefit Tax	-	746,713
	593,195	1,339,908
	3,938,932	7,968,871

11. Fixed Assets

A. Tangible Assets

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATIONS				NET BLOCK	
	AS AT 01.04.2012	ADDITION DURING Apr12 to Jun13	SALES /ADJ. DURING Apr12 to Jun13	AS AT 30.06.2013	AS AT 01.04.2012	SALES / ADJ. FOR Apr12 to Jun13	FOR THE PERIOD Apr12 to Jun13	UP TO 30.06.2013	AS AT 30.06.2013	AS AT 31.03.2012
FURNITURE & FIXTURE	27,155,089	-	166,469	26,988,620	22,163,136	158,236	1,427,932	23,432,833	3,555,787	4,991,952
OFFICE EQUIPMENT	11,345,263	-	1,829,072	9,516,191	7,277,315	1,112,291	552,202	6,717,225	2,798,966	4,067,949
AIR CONDITIONER	3,171,282	-	-	3,171,282	1,931,789	-	177,179	2,108,968	1,062,314	1,239,493
ELECTRIC INSTALLATIONS	7,998,125	-	-	7,998,125	5,539,895	-	445,471	5,985,366	2,012,759	2,458,230
COMPUTER	58,956,935	23,430	3,017,370	55,962,995	58,260,894	3,017,370	325,871	55,569,395	393,600	696,042
VEHICLE	3,791,603	-	-	3,791,603	2,791,779	-	134,446	2,926,224	865,379	999,824
SOFTWARE	33,908,472	-	-	33,908,472	33,908,072	-	400	33,908,472	-	400
Total A	146,326,769	23,430	5,012,911	141,337,288	131,872,879	4,287,897	3,063,501	130,648,483	10,688,805	14,453,890
(Previous Year) - A	(146,326,769)	-	-	(146,326,769)	(128,305,432)	-	(3,567,447)	(131,872,878)	(14,453,890)	(18,021,337)

B. Intangible Assets

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	AS AT 01.04.2012	ADDITION DURING Apr12 to Jun13	Amortisation SALES /ADJ. DURING THE Apr12 to Jun13	AS AT 30.06.2013	AS AT 01.04.2012	Amortisation ADJ. FOR Apr12 to Jun13	FOR THE PERIOD Apr12 to Jun13	UP TO 30.06.2013	AS AT 30.06.2013	AS AT 31.03.2012
Courseware Development	2,980,418	-	-	2,980,418	2,252,014	-	728,404	2,980,418	-	728,404
Software Development	10,480,171	-	-	10,480,171	6,986,780	-	3,493,391	10,480,171	-	3,493,391
Total B	13,460,589	-	-	13,460,589	9,238,794	-	4,221,795	13,460,589	-	4,221,795
G.Total (A+B)	159,787,358	23,430	5,012,911	154,797,877	141,111,673	4,287,897	7,285,296	144,109,072	10,688,805	18,675,686
(Previous Year) - (A+B)	(159,787,358)	-	-	(159,787,358)	(133,135,650)	-	(7,976,023)	(141,111,672)	(1,865,685)	(26,651,708)

12. Non-Current Investment

	30.06.2013		31.03.2012	
	No. of shares	Rs.	No. of shares	Rs.
Unquoted - Subsidiary (Sixty percentage holding) in Share of Common Stock of Software Technology Group Inc. (San Jose), USA valued at cost	7,829,533	91,489,204	7,829,533	91,489,204
	<u>7,829,533</u>	<u>91,489,204</u>	<u>7,829,533</u>	<u>91,489,204</u>

13. Deferred tax assets

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Deferred Tax Assets		
-Unabsorbed losses/ depreciation under the income tax act 1961	150,087,433	150,087,433
- Others	2,208,408	2,208,408
Gross deferred tax Assets (A)	<u>152,295,841</u>	<u>152,295,841</u>
Deferred tax liabilities		
Depreciation differences	1,519,421	1,519,421
Other Amortisation	8,968,746	8,968,746
Gross deferred tax assets (B)	<u>10,488,167</u>	<u>10,488,167</u>
Net deferred tax assets (A-B)	<u>141,807,674</u>	<u>141,807,674</u>

The opinion of the Management is not to recognise further deferred tax assets during the period as management feels that deferred tax already created would be sufficient to meet future profits.

14. Inventories (valued at cost)

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Stock of Books (As taken valued and certified by the management)	46,182	46,182
Software Development WIP*	2,238,078	2,238,078
Total	<u>2,284,260</u>	<u>2,284,260</u>

*Software Development WIP represents the software being developed by the company but nearing test run stage as on date.

Mode of Valuation of inventories: refer note 2.1 (c)

15. Trade receivables

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Debts outstanding for a period exceeding six months from the date they are due for payments		
Unsecured, considered good	4,780,269	18,814,886
	<u>(A) 4,780,269</u>	<u>18,814,886</u>
Other receivables		
Unsecured, considered good	-	1,593,109
	<u>(B) -</u>	<u>1,593,109</u>
Doubtful		
	<u>(C) 5,304,380</u>	<u>-</u>
Total (A + B +C)	<u>10,084,649</u>	<u>20,407,995</u>

In the opinion of the management debtors outstanding for more than six months are good and recoverable other than Doubtful debtors.

16. Cash and Cash Equivalents

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Cash and cash equivalents		
Balances with banks:		
On current accounts	4,171	114,859
Cash in hand	445	1,041
	<u>4,616</u>	<u>115,900</u>
Other bank balances:		
Fixed Deposit with Bank including Interest accrued	222,307	837,358
	<u>226,923</u>	<u>953,258</u>

17. Short term Loan & Advances

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
(a) Loans and advances to related parties *		
Unsecured, considered good	153,632	153,632
(b) Security deposits		
Unsecured, considered good	846,790	4,217,344
(c) Loans and advances to employees		
Unsecured, considered good	70,877	4,140,705
(d) Others		
Advances to vendors	7,968,398	8,712,567
Total	<u>9,039,698</u>	<u>17,224,249</u>

* Includes amount due from companies under the same management as defined U/S 370 (IB) of Companies Act 1956

	As at 30.06.13	Maximum Amount Outstanding at any time during the year
Software Technology Group Inc. (USA-San Jose)	153,632	153,632

18. Other Current Assets

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Prepaid exp - Insurance	-	2,881
Balances with government authorities		
Service Tax credit receivable	-	458,624
TDS/Income Tax (Refer Note no. 45)	6,966,067	8,833,785
Total	<u>6,966,067</u>	<u>9,295,290</u>

19. Revenue from operations

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Revenue from operations (Domestic)		
Coaching Fee	3,789,835	3,427,763
Sale of Courseware	9,025	84,450
Technical Know-How/ Licence Fee	-	18,132
Consulting, Software Development/products	-	4,863,717
Revenue from operations	3,798,860	8,394,062

20. Other income

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Interest income	90,914	34,056
Profit on sale / disposal of fixed assets	134,824	-
Other non-operating income	69,515	-
Total	295,253	34,056

21. Materials Consumed

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Books Consumed - Opening Balance	46,182	264,616
Add : Purchases during the period	5,838	79,227
Less : Closing Stock	46,182	46,182
Materials Consumed during the period	5,838	297,661

22. Salaries and other benefits to Employees

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Salaries, wages and other benefits	4,888,097	7,774,176
Contribution to provident and other funds	151,171	265,545
Staff welfare	63,385	196,000
Consultant/Visiting Faculty Charges	227,565	489,970
	5,330,218	8,725,691

23. Administration Expenses

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Postage Telegram & Courier	11,623	94,430
Telephone And Fax	384,965	566,946
Books, Journal & Newspapers	4,675	7,123
Business Promotion	40,775	-
Diesel Expenses	87,490	224,060
Electricity & Water Exp.	349,364	463,866
Freight & Cartage Inward	-	7,400
Filing Fee	2,441	4,207
Insurance Charges	22,369	9,821
Legal And Professional Charges	789,376	757,269
Listing Fee	317,560	202,284
Local Conveyance	390,931	524,909
Office Maintenance	338,451	403,251
Printing & Stationery	66,871	109,131
Rent - Office	2,632,627	3,560,066
Repair & Maintenance	99,106	85,293
Transportation Charges	348,691	686,420
Travelling	480,954	1,921,741
Seminar and Exhibition expenses	39,328	25,009
Watch & Ward Expenses	129,150	310,829
Other Expenses	70,511	66,816
	6,607,258	10,030,871

Payment to auditor

As auditor:		
Audit fees	100,000	250,000
Certification & other fee	50,000	50,000
Reimbursement of expenses	6,240	1,855
	156,240	301,855
TOTAL	6,763,498	10,332,726

24. Finance costs

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Interest Expenses :		
Banks	89,614	95,860
Others	400	316,956
Bank Charges	43,387	135,320
	133,401	548,136

25. Depreciation and amortisation expense

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Depreciation of tangible assets	3,063,501	3,567,447
Amortisation of intangible assets	4,221,795	4,408,576
	<u>7,285,296</u>	<u>7,976,023</u>

26. Other Expenses

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Coaching Fee Reimbursement	3,019	1,572,698
Advertisement	84,436	76,911
Loss on sale of Fixed Assets	378,926	-
Sundry Balances written off (Refer Note no. 43)	7,299,169	-
	<u>7,765,550</u>	<u>1,649,609</u>

27. Extra Ordinary Items

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Employee dues written back (outstanding more than 3 years)	2,637,612	1,128,170
Sundry Creditors written back (outstanding more then 3 years)	8,076,442	-
	<u>10,714,054</u>	<u>1,128,170</u>

*Based on review by the management sundry creditors and employees dues which were outstanding by more than 3 years is written back and to pay when it would be claimed.

28. Prior Period income & expenses debited to Profit & Loss Account

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
INCOME		
Interest	-	-
	<u>-</u>	<u>-</u>
EXPENDITURE		
Local Conveyance	1,790	815
Rent office	-	62,500
Courseware	-	2,890
Books & Journal	502	3,578
Printing & Stationery	-	132
Staff Welfare/Business Promotion	-	401
Office Maintenance	-	200
Electricity and water charges	-	13,231
	<u>2,292</u>	<u>83,747</u>
Prior Period Items (A-B)	<u>(2,292)</u>	<u>(83,747)</u>

29. (A) Details of provision of Gratuity.

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Present value of the obligation at the end of the period	1,008,327	1,019,870
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	1,008,327	1,019,870
Funded Status	(1,008,327)	(1,019,870)

Summary of membership data at the date of valuation and statistics based thereon:

	30.06.2013	31.03.2012
Number of employees	4	5
Total monthly salary	67,700	97,700
Average Past Service(Years)	14.00	13.00
Average remaining working lives of employees(Years)	12.00	12.00
Average Age(Years)	47.00	46.00

The assumptions employed for the calculations are tabulated:

Period	From 01.04.12 to 30.06.13	From 01.04.11 to 31.03.12
Discount rate	8.75 % per annum	8.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00% p.a. (18 to 58 Years)	2.00% p.a. (18 to 58 Years)

Benefits valued:

Normal Retirement Age	58 Years
Salary	Terminal Basic Salary (Excluding all other Allowances and Perquisites)
Vesting Period	5 Years of service
Benefits on Normal Retirement	15 or 30 days Salary * Number of completed Years of Service, as per rule of the company
Benefit on early exit due to death and disability	As above except that no vesting conditions apply.
Limit	1000000

29. (B) Details of provision of Leave Encashment.

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Present value of the obligation at the end of the period	42,709	50,169
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	42,709	50,169
Funded Status	(42,709)	(50,169)

Summary of membership data at the date of valuation and statistics based thereon:

	30.06.2013	31.03.2012
Number of employees	4	8
Total monthly salary	30,400	83,700
Average Past Service(Years)	9	8
Average remaining working lives of employees(Years)	11	16
Average Age(Years)	47	42
The assumptions employed for the calculations are tabulated:		
Period	From 01.04.12 to 30.06.13	From 01.04.11 to 31.03.12
Discount rate	8.75 % per annum	8.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00% p.a. (18 to 58 Years)	2.00% p.a. (18 to 58 Years)
Benefits valued:		
Normal Retirement Age	58 Years	
Salary	As per rules of the company	
Benefits on Normal Retirement	1/22 * Salary * Number of encashable leaves.	
Benefit on early exit	As above, subject to rules of the company.	
Benefit on death	As above, subject to rules of the company.	

No additional provision is required to be made as per valuation report of actuarial for the year ended 30.06.2013

30. Contingent Liabilities and Commitments

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
-Additional demands raised by the Income Tax Dept which are under appeal	832,030	33,13,732
Demand u/s 143(1) of the Income tax Act. (Rectification u/s 154 of Income tax Act. Filed)	10,223,720	-
- Legal Disputes	1,892,020	4,304,380
ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
(b) Uncalled liability on shares and other investments partly paid.	NIL	NIL

31. Earnings in Foreign Currency on Accrual Basis

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Coaching fees	-	20,252
	-	20,252

32. Stock Statement

	30.06.2013		31.03.2012	
Printed Material	Qty	Value (Rs.)	Qty	Value (Rs.)
Purchase	25	5,838	445	79,227
Sales / Distribution to Students	25	5,838	1,695	297,661
Opening Stock.	234	46,182	1,484	264,616
Closing Stock	234	46,182	234	46,182

33. Related party disclosures

Names of related parties and related party relationship

- (a) Subsidiary
- Software Technology Group Inc, San Jose, California (USA)
- (b) Key Management Personnel or Individuals having control or significant influence
- Mr. Yogesh C Vaidya (Chairman & CEO)
 - Mrs. Prasanna Vaidya
- (c) Relatives of key management personnel
- Mr. Ashish Vaidya
- (d) Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)
- Associated Teckno Plastics Private Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

	Subsidiary (Rs.)	Key Management Personnel or Individuals having control or significant influence (Rs.)	Enterprises owned or significantly influenced by key management personnel or their relatives (Rs.)
Transactions for the year:			
Loan received during the year - Mr.Yogesh Vaidya	-	4,560,146.00	
	-	(422,000.00)	
Loan received during the year - Associated Teckno Plastics Private Ltd.			3,735,000.00
			(20,550,000.00)
Loans repaid during the year - Mr.Yogesh Vaidya	-	15,000.00	
	-	(2,898,200.00)	
Loan repaid during the year - Associated Teckno Plastics Private Ltd.			-
			(79,088.00)
Balances at the year end:			
Mr.Yogesh Vaidya	-	39,685,341.00	
	-	(35,140,195.00)	
Associated Teckno Plastics Private Ltd.			79,879,291.00
			(76,144,291.00)

Note :- Previous year figures are given in Bracket.

34. Segment Reporting

1. Segment Information has been prepared in conformity with accounting policies adopted in preparation and presentation of financial statements of the company.
2. The Company has disclosed business segment as primary segment. The segment has been identified taking into account the nature of services, the different risks and returns, organisation structure and internal reporting system.
3. The Company is mainly engaged in the Business of imparting Software training (Training) and Software development (Consulting) and accordingly Training and Consulting have been identified as primary segments.
4. Segment revenue, Segment results, Segment assets, Segment liabilities includes respective amounts identifiable to segment and also includes amounts allocated on reasonable basis. The expenses which are not attributable to or allocated on reasonable basis to business segment are shown as unallocated corporate expenses.
5. Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
6. Segmental Information
 - (i) Information about business segment (Primary)

Particulars	Training	Products and Consulting	Consolidated
Revenue			
External Revenue from operation	3,798,860	-	3,798,860
	(3,530,345)	(4,863,717)	(8,394,062)
Other Income	-	-	-
	-	-	-
Segment Revenue	3,798,860	-	3,798,860
	(3,530,345)	(4,863,717)	(8,394,062)
Results			
Segment Result	(2,922,812)	(5,517,454)	(8,440,267)
	{{(10365550)}}	{{(2318832)}}	{{(12684383)}}
[Profit/(Loss)]			
Unallocated Corporate Expenses			(4,199,511)
			{{(6858544)}}
operating profit			(12,639,778)
			{{(19543226)}}
Financial Charges			(133,401)
			{{(548136)}}
Unallocated Other Income			295,253
			(34,056)
Net Profit/ (Loss) for the year before Tax			(12,477,925)
			{{(20057305)}}
Less : Provision for Taxation			
Deferred Income Tax			(nil)
Net Profit/(loss) after taxation			(12,477,925)
			{{(20057305)}}
Other Information			
Assets			
Segment Assets	13,721,761	15,125,514	28,847,275
	(28,474,214)	(27,545,067)	(56,019,281)
unallocated corporate Assets			3,477,059
			(3,987,669)
Total			32,324,334
			(60,006,950)
Liabilities			
Segment Liabilities	16,169,100	8,949,577	25,118,677
	(31,845,300)	(15,229,369)	(47,074,669)
unallocated corporate liabilities			6,542,649
			(8,953,056)
Total			31,661,326
			(56,027,725)

Particulars	Training	Products and Consulting	Consolidated
Capital Expenditure during the year			
- Fixed Assets	-	-	-
	(nil)	(nil)	(nil)
- Expenditure incurred for Courseware/software development	-	-	-
	(nil)	(nil)	(nil)
Depreciation during the year	2,419,526	552,290	2,971,816
	(3,051,968)	(442,090)	(3,494,058)
Unallocated Depreciation during the year			91,685
			(73,388)
Amortisation during the year	728,404	3,493,391	4,221,795
	(915,186)	(3,493,390)	(4,408,576)
Total Assets Excludes :			
Investments			91,489,204
			(91,489,204)
Advance Tax/TDS/Demand			6,966,067
			(8,833,785)
Net Deferred Tax Assets			141,807,675
			(141,807,674)
Total Liabilities Excludes :			
Secured Loans			352,246
			(606,401)
Unsecured Loans			136,648,906
			(129,100,760)

Note :- Previous year figures are given in Bracket.

(ii) Information about geographical segment (Secondary)

Sales Revenue By Geographical Market

	For The Period Ended 30.06.13	For The Year Ended 31.03.12
India	3,798,860	8,394,062
U. S. A.	-	-
Total	3,798,860	8,394,062

35. Earning Per Share (EPS)

The numerators and Denominators used to calculate the Basic & Diluted Earning per Equity Shares

		30.06.2013 (Rs.)	31.03.2012 (Rs.)
Profit/(Loss) After Tax		Rs. (12,477,925)	(20,057,304)
Profit/ (Loss) Attributable to Equity shareholders (numerator)	(A)	Rs. (12,477,925)	(20,057,304)
Fully paid up equity share of Rs. 10/- each		No. 14,834,240	14,834,240
Partly paid up equity share of Rs. 10/- each		No. 2,900	2,900
Weighted Average Basic Equity Share for the purpose of EPS (Denominator)	(B)	No. 14,835,690	14,835,690
Dilutive effect of proposed preferential allotment by converting unsecured loan of AKM Systems (P) Ltd.		No. -	-
Weighted Average diluted Equity Share for the purpose of EPS (Denominator)	(C)	No. 14,835,690	14,835,690
Nominal value of per Equity Share		Rs. 10.00	10.00
Basic Earning per Share	(A/B)	Rs. (0.84)	(1.35)
Diluted Earning per Share	(A/C)	Rs. (0.84)	(1.35)

- 36 As per information available with the Management, the dues payable to enterprises covered under "The Micro, small and Medium Enterprises Development Act, 2006" as at 30.06.2013 is Rs. Nil.
- 37 The Balances of Sundry Debtors, Creditors and other parties including loans and advances and inoperative bank accounts are subject to confirmation.
- 38 In the opinion of the Management, Investments, Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and the provisions for all known liabilities have been made and are adequate.
- 39 As per management there are no assets which need to be impaired at the period end.
- 40 The previous year figures are of twelve months and current period figures are of fifteen months and are therefore not comparable.
- 41 The Statutory dues payable as on 30.06.2013 of Rs. 2,04,09,043/- includes Service tax Rs. 148.88 Lacs, TDS of Rs. 39.81 Lacs, PF of Rs. 8.44 Lacs & ESI of Rs. 6.96 Lacs
- 42 The company has yet to file their Service Tax & TDS returns.
- 43 The board has represented that the Sundry balances to the tune of Rs. 72.99 Lacs were outstanding by more than 3 years and are not recoverable, therefore the same are written off as bad debts. Similarly the board has also considered the recovery of Sundry Debtors of Rs. 53.04 Lacs doubtful.
- 44 Extra ordinary items of Rs. 107.14 Lacs represents written back of old credit balances, which were outstanding by more than 3 years. The board of directors has decided to written back and the same are barred by time limitation.
- 45 The management has represented that it has been in the process to recover the excess Income tax/TDS of Rs.69.66 Lacs from the Income Tax department.

As per Our Report of even date attached

For H.K. Batra & Associates

Chartered Accountants

Firm's Registration No.: 009889N

H.K. Batra

Partner

M.No. 88790

Date: August 13, 2013

Place: Gurgaon

For and on behalf of the board

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

Subsidiary's Statement

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 30TH JUNE 2013

1	Name of Subsidiary Company	Software Technology Group Inc
2	Financial year of the Subsidiary Company ended on	30.06.2013
3	Number of Shares in the Subsidiary held on the above date	78,29,533
4	Percentage of holding (Equity)	60%
5	Percentage of holding (Preference)	NIL
6	Net aggregate amount of Profits/(Losses) of the Subsidiary for the above financial Year so far as they concern the members of the company.	
a	Dealt with in the Accounts of the Company for the Period ended 30th June 2013	NIL
b	Not dealt with in the Accounts of the Company for the Year ended 30th June 2013	NIL
7	Net aggregate amount of Profits/(Losses) For previous financial years of the Subsidiary, since it became the holding company's subsidiary as far as it concerns members of the Company.	
a	Dealt with in the Accounts of the Company for the period ended 30th June 2013	NIL
b	Not dealt with in the Accounts of the Company for the Period ended 30th June 2013	(Rs. 55.38 lacs) (Equivalent to US \$ 92,550)
8	Change in the interest of the Company between the end of the financial year of the Subsidiary Company and of the Company's Financial Year for the Period ended 30th June 2013	NIL
9	Material changes between the end of the Financial year of the Subsidiary Company and the Company's for the Period ended 30th June 2013	NIL

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates
Chartered Accountants
Firm's Registration No.: 009889N

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

H.K. Batra
Partner
M.No. 88790
Date: August 13, 2013
Place: Gurgaon

AUDITOR'S REPORT OF THE CONSOLIDATED STATEMENTS

To the Members of Software Technology Group International Ltd

We have audited the accompanying Consolidated financial statements of M/s Software Technology Group International Ltd. ('the company') which comprise the Balance Sheet as at June 30, 2013 (15 month period), and the Statement of Consolidated Profit and Loss and Consolidated Cash Flow Statement for the period from 1st April 2012 to 30th June 2013 (15 months period), and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We have not audited the financial statements of the Subsidiary Company, the financial statements of subsidiary company has been audited by M/s Satyendra Mrinal & Associates, Chartered Accountants, BH-441, Ground floor, Shalimar Bagh, Delhi-110088. The management has furnished us the audited financial statement of subsidiary company for consolidation. Further, our opinion is based solely on the report of financial information pertaining to the subsidiary company of other auditor.

OPINION

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

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at June 30, 2013;
- b) in the case of the Statement of Consolidated Profit and Loss, of the Loss for the period ended on that date; and
- c) in the case of consolidated Cash Flow Statement, of the cash flows of the period ended on that date.

For H.K. BATRA & Associates

Chartered Accountants

FRN: 009889N

Place : New Delhi

Date : 13.08.2013

(H. K. BATRA)

Partner

M. No: 088790

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2013

Particulars	Note No.	As at 30 June, 2013 (Rs.)	As at 31 March, 2012 (Rs.)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	148,356,900	148,356,900
(b) Reserves and surplus	4	(49,970,292)	(33,578,077)
		98,386,608	114,778,823
2 Minority Interest		5,264,161	3,257,204
3 Non-current liabilities			
(a) Long-term borrowings	5	249,394,551	225,835,071
(b) Other long-term liabilities	6	520,000	1,545,000
(c) Long-term provisions	7	1,196,691	1,221,395
		251,111,242	228,601,466
4 Current liabilities			
(a) Trade payables	8	309,338	2,928,317
(b) Other current liabilities	9	25,928,381	42,562,582
(c) Short term provisions	10	3,938,932	7,968,871
		30,176,651	53,459,770
TOTAL		384,938,663	400,097,263
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		10,688,806	14,453,891
(ii) Intangible assets under development		83,592,963	90,825,193
(b) Deferred tax assets (net)	12	141,807,674	141,807,674
		236,089,443	247,086,758
2 Current assets			
(a) Inventories	13	2,284,260	2,284,260
(b) Trade receivables	14	111,482,673	107,131,750
(c) Cash and cash equivalents	15	226,923	953,258
(d) Short-term loans and advances	16	9,338,897	17,480,147
(e) Other assets	17	25,516,467	25,161,090
		148,849,220	153,010,505
TOTAL		384,938,663	400,097,263

Significant accounting policies

1&2

Note: The notes referred to above form an integral part of these financial statements.

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates
Chartered Accountants
Firm's Registration No.: 009889N

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

H.K. Batra
Partner
M.No. 88790
Date: August 13, 2013
Place: Gurgaon

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2013

Particulars	Note No.	Period ended 30th June, 2013 (Rs.)	Year ended 31st March, 2012 (Rs.)
Income			
Revenue from Operations	18	3,798,860	8,394,062
Other income	19	295,253	34,056
Total revenue		4,094,113	8,428,118
Expenses			
Materials Consumed	20	5,838	297,661
Salaries and other benefits	21	5,330,218	8,725,691
Administration Expenses	22	6,763,498	10,332,726
Finance costs	23	133,401	548,136
Depreciation and amortisation expense	24	7,285,296	8,976,897
Other Expenses	25	11,679,840	1,649,609
Total		31,198,091	30,530,720
Profit before exceptional and extra-ordinary items and tax		(27,103,977)	(22,102,601)
Extra Ordinary Items (Refer Note 44)	26	10,714,054	1,128,170
Profit before Prior Period and tax		(16,389,923)	(20,974,431)
Prior period Items	27	(2,292)	(83,747)
Profit / (loss) before taxation		(16,392,215)	(21,058,178)
Tax expense			
Current Tax		-	-
Deferred tax charge / (credit)		-	-
Total tax expense		-	-
Profit for the year		(16,392,215)	(21,058,178)
Earnings per share			
Basic [Nominal value of shares Rs 10/- (Previous year Rs 10/-)]		(1.10)	(1.42)
Diluted [Nominal value of shares Rs 10/- (Previous year Rs 10/-)]		(1.10)	(1.42)
Weighted average number of shares outstanding		14,837,140	14,837,140

Significant accounting policies

1&2

Note: The notes referred to above form an integral part of these financial statements.

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates
Chartered Accountants
Firm's Registration No.: 009889N

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

H.K. Batra
Partner
M.No. 88790
Date: August 13, 2013
Place: Gurgaon

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2013

Particulars	Period ended 30th June, 2013 (Rs.)	Year ended 31st March, 2012 (Rs.)
Cash Flow From Operations		
Profit/(Loss) for the period Before Provision for Taxation & Extra Ordinary Items	(16,392,215)	(21,058,179)
Add/ (less):		
Miscellaneous Expenditure	4,221,795	4,408,576
Depreciation	3,063,501	4,568,321
Translation Adjustment on Fixed Assets	661,862	436,974
Net Loss/(Profit) on Sale of assets	244,101	-
Interest Paid	90,014	412,816
Interest Income	(90,914)	(34,056)
Operating Profit Before Working Capital Change	(8,201,856)	(11,265,548)
Change in Working Capital		
Decrease/(Increase) in Inventories	-	218,434
Decrease/(Increase) in Sundry Debtors	(4,350,923)	8,107,611
Decrease/(Increase) in Loans and Advances	5,918,156	(5,202,038)
Increase/(Decrease) in Current Liabilities	(20,297,647)	(4,899,667)
Provision For Salaries & Benefits	(3,307,930)	(2,257,523)
Net Advance Tax / TDS Refund / (Paid)	1,121,005	2,096,318
Net Cash Flow from Operating Activities (A)	(29,119,196)	(13,202,413)
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(23,430)	-
Sale / Adjustments of Fixed Assets	480,913	-
Interest Income on Fixed Deposits etc	90,914	34,056
Net Cash Flow From Investing Activities (B)	548,397	34,056
Cash Flow from Financing Activities		
Increase/(Decrease) in Minority Interest	2,006,957	374,363
Increase/(Decrease) in share Capital	-	12,371,400
Increase/(Decrease) in Reserve & Surplus	-	-
Increase/(Decrease) in Share Warrants	-	-
Increase/(Decrease) in unsecured loan	23,813,634	1,863,985
Interest Paid	(90,014)	(412,816)
Net Cash Flow From Financing Activities (C)	25,730,577	14,196,932
Net Increase/(decrease) in cash and cash equivalent (A+B+C)	(2,840,221)	1,028,575
Cash and Cash Equivalents at the beginning of the Year	160,380	(868,195)
Cash and Cash Equivalents at the close of the Year	(2,679,842)	160,380

Note : FDR amounting to Rs.2,22,307/- (Previous period Rs. 8,03,302/-) has been pledged with bank as margin against Bank Guarantee

Note: The notes referred to above form an integral part of these financial statements.

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates

Chartered Accountants

Firm's Registration No.: 009889N

H.K. Batra

Partner

M.No. 88790

Date: August 13, 2013

Place: Gurgaon

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

Notes to financial statements for the period ended 30th June 2013**1 Corporate information**

Software Technology Group International Ltd. (hereinafter referred to as 'the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of Software Consulting and Training.

2 Basis of Accounting

The financial statements are prepared in accordance with Indian Generally Accepted Accounting principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI"), the provisions of the Companies Act, 1956, and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Management evaluates all recently issued or revised accounting standards on an ongoing basis.

2.1 Summary of significant accounting policies**a) Basis of preparation of Consolidated Financial Statements**

The Consolidated financial statements have been prepared and presented in accordance with Accounting Standard 21 "Consolidation of Financial Statements" issued by the Institute of Chartered Accountant of India.

b) Principles of Consolidation

The consolidated financial statements comprises the financial statements of Software Technology Group International Ltd. (Parent Company) and all of its subsidiary companies where the parent company has more than one half of the voting power of an enterprise where the parent company controls the composition of Board of directors or the governing body. The consolidated Financial statements have been prepared on the following basis:

- (i) The financial statements of the parent company and its subsidiary companies have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra transactions and resulting unrealised profit, arrived on estimated basis. Unrealised losses resulting from Intra group have also been eliminated except to the extent that recoverable value of the related asset is lower than their cost to the group.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.
- (iii) The excess of cost to the parent company of its investment in the subsidiary over its portion of equity in the the respective dates on which investment in the subsidiary was made is recognised in the Consolidated Financial Statements as Goodwill. The parent company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the Financial Statements of the subsidiary as on the date of investment and if financial statements of the as on the date of parent company's Investments are not available then the financial statements of that subsidiary immediately preceding period adjusted for the effect of significant Transactions.
- (iv) The excess of parent company's portion in the equity of subsidiary company over the parent Companies' investment in the subsidiary at the respective date on which Investment in subsidiary company was made, is treated as Capital Reserve.
- (v) Minority interest in the net assets of consolidated subsidiaries consist of:
The amount of equity attributable to the minorities at the date on which investment in a subsidiary is made, and
The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.
- (vi) Minority interests share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- (vii) Translation of Financial Statement of Foreign Subsidiaries :

All the figures of assets, liabilities, revenue and expenses of subsidiary which are stated in relevant foreign currency terms in its separate Financial Statement are converted into Indian rupees at the average exchange rate prevailing as at close of the accounting period, for consolidation purpose.

Net Exchange difference resulting from consolidation are transferred to the Foreign Exchange Reserve on Consolidation Contingent liabilities are translated at exchange rates prevailing at the close of accounting period.

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates.

d) Valuation-Fixed Assets and Inventory

- (i) Fixed assets are normally accounted for on cost basis including the cost of installation where incurred. Expenditure on regular staff, which might be occasionally engaged for installation work, is charged to revenue.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(ii) Inventory:-

- (i) Stock of books are valued at cost based on First-in First-out method.
- (ii) Softwares under development & intended for sale and not ready for use before the year end, are valued at cost as Software Work-in-Progress

e) Depreciation and Amortisation

- (a) Normal Depreciation on all the fixed assets is provided on Straight Line Method at the rates prescribed in schedule -XIV to the Companies Act, 1956.
- (b) Depreciation on additions/ deletions to Fixed Assets is provided on prorata basis from/to date of additions/deletions
- (c) In case of financial period consist of the year less/more than a normal year of 12 months then depreciation is provided for that particular period.
- (d) In case of courseware/software developed and capitalised, the same is written off over a period of 3 years, considering the estimated economic life of the product.

f) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

g) Investments

Long-term Investments, are valued at their acquisition cost. Any decline in the value of said investment other than the temporary decline is recognised and charged to Profit & Loss Account.

h) Revenue Recognition

- a. (i) In case of own centres income from coaching fee is recognised to the extent of course/programme delivered to students. Income from courseware is recognised on the basis of courseware supplied to the students/clients.
- (ii) In Case of domestic licence centres, the income is recognised on the basis of collections received from licensee against course fee. Income from courseware is recognised on the basis of courseware supplied to the licence centre.
- b. Income from Technical Know How/ Licence Fees are recognised on the basis of Agreement/MOU entered subject to realisation of the income.
- c. In respect of Software Development/Products and Consultancy activities, the revenue is recognised on dispatch/ delivery of the concerned goods/services by adopting percentage completion method wherever required.

i) Public Issue Expenses and Pre-Operative Expenses

Public issue expenditure and pre-operative expenses incurred on further issue of Share Capital are written off over a period of ten years on prorata basis.

j) Foreign Currency Transactions

Transactions in foreign currency are booked at pre-determined rate and all monetary assets and liabilities in foreign currency are restated at the year end.

Gain / Loss arising out of fluctuations on realisation / payment or restatement , except those identifiable to acquisition of fixed assets & Investment are charged /credited to Profit & Loss Account.

k) Employees' / Retirement Benefits

- All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan.
- In addition, some employees of the Company are covered under the employees' state insurance schemes
- The Company's contributions to above schemes are expensed in the Profit and Loss Account.
- Liability on account of Gratuity and Leave Encashment of Employees is provided on accrual basis.

l) Taxation

Income tax expenses are accrued in accordance with Accounting Standard -22 " Accounting for Taxes on Income, issued by The Institute of Chartered Accountants of India, which includes current taxes and deferred taxes. Deferred income tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to extent, there is a reasonable certainty that sufficient future taxable income will be available. Such Deferred tax Assets and Liabilities are measured at each Balance Sheet date & the carrying value of the same are adjusted for recognising the change in the value of each such deferred tax Asset and Liability.

m) Borrowing Cost

Interest and other costs in connection with the borrowing of funds to the extent related/attribution to the acquisition/ construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

n) Provision and Contingencies

The Company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a Contingent Liability is made when there is a possible obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) Segment reporting

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Earnings per share

Basic earning per share (EPS) is calculated by dividing the net profit after tax for the year (including the post-tax effect of extraordinary items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

q) Provisions

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

r) Cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

2.2 (a) The List of Subsidiary Company Considered in Consolidated Financial Statements is as under :

Name of the Subsidiary Company	Country of Incorporation	Parent Company's holding in subsidiary as at	Financial Period ended on
Software Technology Group Inc.	USA	60%	30.06.2013

2.2 (b) The financial statements of parent company and its subsidiary considered for the purpose of consolidation consists of following accounting year:

Name of the Subsidiary Company	Current Period	Previous Year
Software Technology Group Inc.	From 01.04.2012 to 30.06.2013	From 01.04.2011 to 31.03.2012

2.2 (c) The Financial Statements of the above foreign subsidiary Company has been audited by the other Auditor instead of its local auditor

3. Share capital

	30.06.2013	31.03.2012
Authorised		
2,00,00,000 (Previous year same) Equity shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed & paid-up		
14837140 (Previous year 1,48,37,140) Equity shares of Rs.10/- each	148,371,400	148,371,400
Less: Calls in arrears 2900 Equity shares @ Rs. 5/- each	14,500	14,500
Total subscribed & paid-up share capital	148,356,900	148,356,900

The Company has only one class of equity shares having a par value of Rs. 10 per share. All shares have equal rights with respect to voting rights and dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity shares	30.06.2013		31.03.2012	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	14,837,140	148,371,400	13,600,000	136,000,000
Add: Fresh Issue	-	-	1,237,140	12,371,400
At the end of the year	14,837,140	148,371,400	14,837,140	148,371,400

(b) Detail of shareholders holding more than 5% shares in the Company

	30.06.2013		31.03.2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10/- each fully paid				
Mr. Yogesh Chandra Vaidya	3,711,250	25.01%	3,662,265	24.68%
Associated Tekno Plastics Pvt Ltd	1,857,885	12.52%	1,807,885	12.52%
AKM Systems Pvt Ltd*	1,237,140	8.34%	1,237,140	8.34%
Bits Limited	1,000,000	6.74%	1,000,000	6.74%

4. Reserves and surplus

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Securities Premium account (As per the last financial statement)	282,402,180	282,402,180
Warrant Forfeited A/c	2,990,000	2,990,000
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last financial statements	(318,970,257)	(297,912,078)
Profit/ (loss) for the year	(16,392,215)	(21,058,178)
Net surplus/ (deficit) in the statement of profit and loss	(335,362,472)	(318,970,257)
Total reserves and surplus	(49,970,292)	(33,578,077)

5. Long-term borrowings

	Non Current Portion		Current Maturities	
	30.06.2013 (Rs.)	31.03.2012 (Rs.)	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Secured Loan				
Car finance loans from banks (secured)*	352,246	606,401	205,946	180,716
	<u>352,246</u>	<u>606,401</u>	<u>205,946</u>	<u>180,716</u>
Unsecured Loans				
Directors	129,576,087	113,210,165	-	-
Others**	119,466,218	112,018,505	-	-
	<u>249,042,305</u>	<u>225,228,670</u>	<u>-</u>	<u>-</u>
Total	<u>249,394,551</u>	<u>225,835,071</u>	<u>-</u>	<u>-</u>

Current Maturities Amount disclosed under the head "other current liabilities" (refer note 9)

** Others includes loan taken from Associated Teckno Plastic Pvt Ltd (company under the same management) during the period for Rs.37,35,000/-.

Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security

Term Loan amounting to Rs.558192 (March 31, 2012: Rs. 606401) is secured against hypothecation of vehicles financed by them.

Terms of Repayment

Repayable in 60 equated monthly installments commencing from December, 2010. Last installment due in November, 2015.

6. Other Long-term liabilities

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Securities from Customers	520,000	1,545,000
Total	<u>520,000</u>	<u>1,545,000</u>

7. Provisions

	Long term 30.06.2013 (Rs.)	31.03.2012 (Rs.)
Provision for employee benefits		
Provision for gratuity	1,094,126	1,094,126
Provision for leave encashment	102,565	127,269
	<u>1,196,691</u>	<u>1,221,395</u>

8. Current liabilities

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Trade payables	309,338	2,928,317
	<u>309,338</u>	<u>2,928,317</u>

9. Other Current liabilities

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Sundry Creditors	2,290,346	9,928,729
Advance from customer	300,000	392,976
Securities deposit received	-	150,000
Due to Employees	2,237,633	7,875,673
Expenses payable	485,413	1,145,971
Bank Overdraft	-	5,762
Statutory dues payable (refer note 41)	20,409,043	22,882,755
Current maturities of long term borrowings (refer note 5)	205,946	180,716
	<u>25,928,381</u>	<u>42,562,582</u>

10. Short Term Provisions

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Provision for employee benefits		
Provision for salary payable	3,345,737	6,628,963
Other Provisions		
Provision for Income Tax	593,195	593,195
Provision for Fringe Benefit Tax	-	746,713
	<u>593,195</u>	<u>1,339,908</u>
	<u>3,938,932</u>	<u>7,968,871</u>

11. Fixed Assets
A. Tangible Assets

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	AS AT	Addition	Sales /Adj.	Translation	As At	AS AT	Sales /	For The	Translation	Up To	As At	As At
	01.04.2012	During	During	Adjustment	30.06.2013	01.04.2012	Adj. For	Period	Adjustment	30.06.2013	30.06.2013	31.03.2012
		Apr12 to Jun13	Apr12 to Jun13				Apr12 to Jun13					
FURNITURE & FIXTURE	28,038,423	-	166,469	-	27,871,954	22,967,763	158,236	1,427,932	-	24,237,459	3,634,495	5,070,660
OFFICE EQUIPMENT	25,787,185	-	1,829,072	-	23,958,113	21,771,184	1,112,291	552,202	-	21,211,094	2,747,019	4,016,001
AIR CONDITIONER	3,171,282	-	-	-	3,171,282	1,958,795	-	177,179	-	2,135,974	1,035,308	1,212,487
ELECTRIC INSTALLATIONS	7,998,125	-	-	-	7,998,125	5,539,895	445,471	-	-	5,985,366	2,012,759	2,458,230
COMPUTER	59,020,143	23,430	3,017,370	-	56,026,203	58,323,856	3,017,370	325,871	-	55,632,356	393,846	696,287
VEHICLE	3,791,603	-	-	-	3,791,603	2,791,779	-	134,446	-	2,926,224	865,379	999,824
SOFTWARE	33,908,472	-	-	-	33,908,472	33,908,072	-	400	-	33,908,472	-	400
TOTAL	161,715,233	23,430	5,012,911	-	156,725,751	147,261,342	4,287,897	3,063,501	-	146,036,946	10,688,806	14,453,891

B. Intangible Assets

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	AS AT	Addition	Amortisation/	Translation	As At	AS AT	Amortisation/	For The	Translation	Up To	As At	As At
	01.04.2012	During	ADJ.	Adjustment	30.06.2013	01.04.2012	ADJ.	Period	Adjustment	30.06.2013	30.06.2013	31.03.2012
		Apr12 to Jun13	DURING THE Apr12 to Jun13				DURING THE Apr12 to Jun13					
Goodwill *	86,603,398	-	-	(3,010,435)	83,592,963	-	-	-	-	-	83,592,963	86,603,398
Courseware Development	2,980,418	-	-	-	2,980,418	2,252,014	-	728,404	-	2,980,418	-	728,404
Software Development	10,480,171	-	-	-	10,480,171	6,986,780	-	3,493,391	-	10,480,171	-	3,493,391
Total B	100,063,987	-	-	(3,010,435)	97,053,552	9,238,794	-	4,221,795	-	13,460,589	83,592,963	90,825,193
Total A+B	261,779,219	23,430	5,012,911	(3,010,435)	253,779,303	156,500,136	4,287,897	7,285,296	-	159,497,535	94,281,768	105,279,084

* Adjustment made to reflect goodwill as per Consolidation procedure.

12 Deferred tax assets

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Deferred Tax Assets		
- Unabsorbed losses/ depreciation under the income tax act 1961	150,087,433	150,087,433
- Others	2,208,408	2,208,408
Gross deferred tax Assets (A)	152,295,841	152,295,841
Deferred tax liabilities		
Depreciation differences	1,519,421	1,519,421
Other Amortisation	8,968,746	8,968,746
Gross deferred tax assets (B)	10,488,167	10,488,167
Net deferred tax assets (A-B)	141,807,674	141,807,674
The opinion of the Management is not to recognise further deferred tax assets during the period as management feels that deferred tax already created would be sufficient to meet future profits.		

13. Inventories (valued at cost)

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Stock of Books (As taken valued and certified by the management)	46,182	46,182
Software Development WIP	2,238,078	2,238,078
Total	2,284,260	2,284,260

Mode of Valuation of inventories: refer note 2.1 (e)

14. Trade receivables

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Debts outstanding for a period exceeding six months from the date they are due for payments		
Unsecured, considered good	106,178,294	105,538,642
(A)	106,178,294	105,538,642
Other receivables		
Unsecured, considered good	-	1,593,109
(B)	-	1,593,109
Doubtful	5,304,380	-
(C)		
Total (A + B+C)	111,482,673	107,131,750

15. Cash and Cash Equivalents

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Cash and cash equivalents		
Balances with banks:		
On current accounts	4,171	114,859
Cash on hand	445	1,041
	<u>4,616</u>	<u>115,900</u>
Other bank balances:		
Fixed Deposit with Bank including Interest accrued	222,307	837,358
	<u>226,923</u>	<u>953,258</u>

16. Short term Loan & Advances

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
(a) Loans and advances to related parties *		
Unsecured, considered good	153,632	153,632
(b) Security deposits		
Unsecured, considered good	846,790	4,217,344
(c) Loans and advances to employees		
Unsecured, considered good	370,077	4,396,605
(d) Others		
Advances to vendors	7,968,398	8,712,567
Total	<u>9,338,897</u>	<u>17,480,147</u>

* Includes amount due from companies under the same management as defined U/S 370 (IB) of Companies Act 1956

	As at 30.06.13	Maximum Amount Outstanding at any time during the year
Software Technology Group Inc.(USA-San Jose)	153,632	153,632

17. Other Assets

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Online test delivery	18,550,400	15,865,800
Prepaid exp - Insurance	-	2,881
Balances with government authorities		
Service Tax credit receivable	-	458,624
TDS/Income Tax (Refer Note 45)	6,966,067	8,833,785
Total	<u>25,516,467</u>	<u>25,161,090</u>

18. Revenue from operations

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Revenue from operations (Domestic)		
Coaching Fee	3,789,835	3,427,763
Sale of Courseware	9,025	84,450
Technical Know-How/ Licence Fee	-	18,132
Consulting, Software Development/products	-	4,863,717
Revenue from operations	<u>3,798,860</u>	<u>8,394,062</u>

19. Other income

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Interest income	90,914	34,056
Profit on sale / disposal of fixed assets	134,824	-
Other non-operating income	69,515	-
Total	<u>295,253</u>	<u>34,056</u>

20. Materials Consumed

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Books Consumed - Opening Balance	46,182	264,616
Add : Purchases during the year	5,838	79,227
Less : Closing Stock	46,182	46,182
Materials Consumed during the year	<u>5,838</u>	<u>297,661</u>

21. Salaries and other benefits to Employees

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Salaries, wages and other benefits	4,888,097	7,774,176
Contribution to provident and other funds	151,171	265,545
Staff welfare	63,385	196,000
Consultant/Visiting Faculty Charges	227,565	489,970
	<u>5,330,218</u>	<u>8,725,691</u>

22. Administration Expenses

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Postage Telegram & Courier	11,623	94,430
Telephone And Fax	384,965	566,946
Books, Journal & Newspapers	4,675	7,123
Business Promotion	40,775	-
Diesel Expenses	87,490	224,060
Electricity & Water Exp.	349,364	463,866
Freight & Cartage Inward	-	7,400
Filing Fee	2,441	4,207
Insurance Charges	22,369	9,821
Legal And Professional Charges	789,376	757,269
Listing Fee	317,560	202,284
Local Conveyance	390,931	524,909
Office Maintenance	338,451	403,251
Printing & Stationery	66,871	109,131
Rent - Office	2,632,627	3,560,066
Repair & Maintenance	99,106	85,293
Transportation Charges	348,691	686,420
Travelling	480,954	1,921,741
Seminar and Exhibition expenses	39,328	25,009
Watch & Ward Expenses	129,150	310,829
Other Expenses	70,511	66,816
	6,607,258	10,030,871
Payment to auditor		
As auditor:		
Audit fees	100,000	250,000
Certification & other fees	50,000	50,000
Reimbursement of expenses	6,240	1,855
	156,240	301,855
TOTAL	6,763,498	10,332,726

23. Finance costs

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Interest Expenses :		
Banks	89,614	95,860
Others	400	316,956
Bank Charges	43,387	135,320
	133,401	548,136

24. Depreciation and amortisation expense

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Depreciation of tangible assets	3,063,501	4,568,321
Amortisation of intangible assets	4,221,795	4,408,576
	7,285,296	8,976,897

25. Other Expenses

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Coaching Fee Reimbursement	3,019	1,572,698
Advertisement	84,436	76,911
Loss on sale of Fixed Assets	378,926	-
Sundry Balances written off	11,213,459	-
	11,679,840	1,649,609

26. Extra Ordinary Items

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Employee dues written back (outstanding more than 3 years)	2,637,612	1,128,170
Sundry Creditors written back (outstanding more then 3 years)	8,076,442	-
	10,714,054	1,128,170

*Based on review by the management sundry creditors and employees dues which were outstanding by more than 3 years is written back and to pay when it would be claimed.

27. Prior Period income & expenses debited to Profit & Loss Account

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
INCOME		
Interest	-	-
	A	
Local Conveyance	1,790	815
Rent office	-	62,500
Courseware	-	2,890
Books & Journal	502	3,578
Printing & Stationery	-	132
Staff Welfare/Business Promotion	-	401
Electricity & water exp	-	13,231
Office Maintenance	-	200
	B	
	2,292	83,747
Total	(A-B)	
	(2,292)	(83,747)

28. (A) Details of provision of Gratuity.

As per Accounting Standard 15 'Employee benefits', the disclosures as defined in the Accounting Standard are given below:

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Present value of the obligation at the end of the period	1,008,327	1,019,870
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	1,008,327	1,019,870
Funded Status	(1,008,327)	(1,019,870)

Summary of membership data at the date of valuation and statistics based thereon:

	30.06.2013	31.03.2012
Number of employees	4	5
Total monthly salary	67,700	97,700
Average Past Service(Years)	14.00	13.00
Average remaining working lives of employees(Years)	12.00	12.00
Average Age(Years)	47.00	46.00

The assumptions employed for the calculations are tabulated:

Period	From 01.04.12 to 30.06.13	From 01.04.11 to 31.03.12
Discount rate	8.75 % per annum	8.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00% p.a. (18 to 58 Years)	2.00% p.a. (18 to 58 Years)
Benefits valued:		
Normal Retirement Age	58 Years	
Salary	Terminal Basic Salary (Excluding all other Allowances and Perquisites)	
Vesting Period	5 Years of service	
Benefits on Normal Retirement	15 or 30 days Salary * Number of completed Years of Service, as per rule of the company	
Benefit on early exit due to death and disability	As above except that no vesting conditions apply.	
Limit	1000000	

28. (B) Details of provision of Leave Encashment.

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Present value of the obligation at the end of the period	42,709	50,169
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	42,709	50,169
Funded Status	(42,709)	(50,169)

Summary of membership data at the date of valuation and statistics based thereon:

	30.06.2013	31.03.2012
Number of employees	4	8
Total monthly salary	30,400	83,700
Average Past Service(Years)	9	8
Average remaining working lives of employees(Years)	11	16
Average Age(Years)	47	42

The assumptions employed for the calculations are tabulated:

Period	From 01.04.12 to 30.06.13	From 01.04.11 to 31.03.12
Discount rate	8.75 % per annum	8.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00% p.a. (18 to 58 Years)	2.00% p.a. (18 to 58 Years)
Benefits valued:		
Normal Retirement Age	58 Years	
Salary	As per rules of the company	
Benefits on Normal Retirement	1/22 * Salary * Number of encashable leaves.	
Benefit on early exit	As above, subject to rules of the company.	
Benefit on death	As above, subject to rules of the company.	

No additional provision is required to be made as per provision for the period ended 30.06.2013

29. Contingent Liabilities and Commitments

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
-Additional demands raised by the Income Tax Dept which are under appeal	832,030	33,13,732
Demand u/s 143(1) of the Income tax Act. (Rectification u/s 154 of Income tax Act. Filed)	10,223,720	-
- Legal Disputes	1,892,020	4,304,380
	-	-
COMMITMENTS		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
(b) Uncalled liability on shares and other investments partly paid.	NIL	NIL

30. Earnings in Foreign Currency on Accrual Basis

	30.06.2013 (Rs.)	31.03.2012 (Rs.)
Coaching fees	-	20,252
	-	20,252

31. Stock Statement

	30.06.2013		31.03.2012	
Printed Material	Qty	Value (Rs.)	Qty	Value (Rs.)
Purchase	25	5,838	445	79,227
Sales / Distribution to Students	25	5,838	1,695	297,661
Opening Stock.	234	46,182	1,484	264,616
Closing Stock	234	46,182	234	46,182

32. Related party disclosures

Names of related parties and related party relationship

- (a) Subsidiary
 - Software Technology Group Inc, San Jose, California (USA)
- (b) Key Management Personnel or Individuals having control or significant influence
 - Mr. Yogesh C Vaidya (Chairman & CEO)
 - Mrs. Prasanna Vaidya
- (c) Relatives of key management personnel
 - Mr. Ashish Vaidya
- (d) Enterprises owned or significantly influenced by key management personnel or their relatives (either individually or with others)
 - Associated Teckno Plastics Private Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Key Management Personnel or Individuals having control or significant influence (Rs.)	Enterprises owned or significantly influenced by key management personnel or their relatives (Rs.)
Transactions for the year:		
Loan received during the year - Mr. Yogesh Vaidya	4,560,146.00 (422,000.00)	
Loan received during the year - Associated Teckno Plastics Pvt Ltd		3,735,000.00 (20,550,000.00)
Loans repaid during the year - Mr. Yogesh Vaidya	15,000.00 (2,898,200.00)	
Loan repaid during the year - Associated Teckno Plastics Pvt Ltd		- (79,088.00)
Balances at the year end:		
Mr. Yogesh Vaidya	121,366,087.00 (105,000,165.00)	
Associated Teckno Plastics Pvt Ltd	79,879,291.00 (76,144,291.00)	
	-	

Note :- Previous year figures are given in Bracket.

33. Segment Reporting

1. Segment Information has been prepared in conformity with accounting policies adopted in preparation and presentation of financial statements of the company.
2. The Company has disclosed business segment as primary segment. The segment has been identified taking into account the nature of services, the different risks and returns, organisation structure and internal reporting system.
3. The Company is mainly engaged in the Business of imparting Software training (Training) and Software development (Consulting) and accordingly Training and Consulting have been identified as primary segments.
4. Segment revenue, Segment results, Segment assets, Segment liabilities includes respective amounts identifiable to segment and also includes amounts allocated on reasonable basis. The expenses which are not attributable to or allocated on reasonable basis to business segment are shown as unallocated corporate expenses.
5. Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
6. Segmental Information
 - (i) Information about business segment (Primary)

Particulars	Training	Products and Consulting	Consolidated
Revenue			
External Revenue from operation	3,798,860	-	3,798,860
	(3,530,345)	(4,863,717)	(8,394,062)
Segment Revenue	3,798,860	-	3,798,860
	(3,530,345)	(4,863,717)	(8,394,062)
Results			
Segment Result	(2,922,812)	(9,431,744)	(12,354,557)
	((10365550))	((3319706))	((13685256))
[Profit/(Loss)]			
Unallocated Corporate Expenses			(4,199,511)
			((6858844))
operating profit			(16,554,068)
			((20544100))
Financial Charges			(133,401)
			((548136))
Unallocated Other Income			295,253
			(34,056)
Net Profit/ (Loss) for the year before Tax			(16,392,215)
			((21058178))
Less : Provision for Taxation			
Deferred Income Tax			-
			(Nil)
Net Profit/(loss) after taxation			(16,392,215)
			((21058178))
Other Information			
Assets			
Segment Assets	13,721,761	135,373,139	149,094,900
	(28,474,214)	(130,390,523)	(158,864,737)
unallocated corporate Assets			3,477,059
			(3,987,669)
Total			152,571,959
			(162,852,406)
Liabilities			
Segment Liabilities	16,169,100	9,181,594	25,350,693
	(31,845,300)	(15,427,808)	(47,273,108)
unallocated corporate liabilities			6,542,649
			(8,953,056)
Total			31,893,342
			(56,226,164)
Capital Expenditure during the year			
- Fixed Assets	-	-	-
	(nil)	(nil)	(nil)
- Expenditure incurred for Courseware/software development	-	-	-
	(nil)	(nil)	(nil)
Depreciation during the year	2,419,526	552,290	2,971,816
	(3,051,968)	(1,442,964)	(4,494,932)
Unallocated Depreciation during the year			91,685
			(73,388)
Amortisation during the year	728,404	3,493,391	4,221,795
	(915,186)	(3,493,390)	(4,408,576)
Total Assets Excludes :			
Advance Tax/TDS/Demand			6,966,067
			(8,833,785)
Net Deferred Tax Assets			141,807,674
			(141,807,674)
Total Liabilities Excludes :			
Secured Loans			352,246
			(606,401)
Unsecured Loans			249,042,305
			(225,228,671)

Note :- Previous year figures are given in Bracket.

(vii) Information about Geographical Segment (Secondary)

A. Sales revenues by geographic markets

	For the period ended 30.06.2013	For the year ended 31.03.2012
India	3,798,860	8,394,062
USA	-	-
Others	-	-
Total	3,798,860	8,394,062

B. Analysis of assets by Geography

	For the period ended 30.06.2013	For the year ended 31.03.2012
India	32,324,334	60,006,950
USA	120,247,625	102,845,456
Others	-	-
Total	152,571,959	162,852,406

C. Cost of tangible and intangible(including Misc Exp) fixed assets acquired by Geography

	For the period ended 30.06.2013	For the year ended 31.03.2012
India	-	-
USA	-	-
Others	-	-
Total	-	-

34. Earning Per Share (EPS)

The numerators and Denominators used to calculate the Basic & Diluted Earning per Equity Shares

			30.06.2013 (Rs.)	31.03.2012 (Rs.)
Profit/(Loss) After Tax		Rs.	(16,392,215)	(21,058,179)
Profit/ (Loss) Attributable to Equity shareholders (numerator)	(A)	Rs.	(16,392,215)	(21,058,179)
Fully paid up equity share of Rs. 10/- each		No.	14,834,240	14,834,240
Partly paid up equity share of Rs. 10/- each		No.	2,900	2,900
Weighted Average Basic Equity Share for the purpose of EPS (Denominator)	(B)	No.	14,835,690	14,835,690
Dilutive effect of proposed preferential allotment by converting unsecured loan of AKM Systems (P) Ltd.		No.	-	-
Weighted Average diluted Equity Share for the purpose of EPS (Denominator)	(C)	No.	14,835,690	14,835,690
Nominal value of per Equity Share		Rs.	10.00	10.00
Basic Earning per Share	(A/B)	Rs.	(1.10)	(1.42)
Diluted Earning per Share	(A/C)	Rs.	(1.10)	(1.42)

- 35 As per information available with the Management, the dues payable to enterprises covered under "The Micro, small and Medium Enterprises Development Act, 2006" as at 30.06.2013 is Rs. Nil.
- 36 The Balances of Sundry Debtors, Creditors and other parties including loans and advances and inoperative bank accounts are subject to confirmation.
- 37 In the opinion of the Management, Investments, Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and the provisions for all known liabilities have been made and are adequate.
- 38 As per management there are no assets which need to be impaired at the year end.
- 39 The previous year figures are of twelve months and current period figures are of fifteen months and are therefore not comparable.
- 41 The Statutory dues payable as on 30.06.2013 of Rs. 2,04,09,043/- includes Service tax Rs. 148.88 Lacs, TDS of Rs. 39.81 Lacs, PF of Rs. 8.44 Lacs & ESI of Rs. 6.96 Lacs
- 42 The company has yet to file their Service Tax & TDS returns.
- 43 The board has represented that the Sundry balances to the tune of Rs.72.99 Lacs were outstanding by more than 3 years and are not recoverable, therefore the same are written off as bed debts. Similarly the board has also considered the recovery of Sundry Debtors of Rs. 53.04 Lacs doubtful.
- 44 Extra ordinary items of Rs. 107.14 Lacs represents written back of old credit balances, which were outstanding by more than 3 years. The board of directors has decided to written back and the same are barred by time limitation.
- 45 The management has represented that it has been in the process to recover the excess Income tax/TDS of Rs.69.66 Lacs from the Income Tax department.

As per Our Report of even date attached

For and on behalf of the board

For H.K. Batra & Associates

Chartered Accountants

Firm's Registration No.: 009889N

Yogesh Vaidya
Chairman & CEO (DIN 01185242)

Mahesh Chander Shrivastava
Director (DIN 05307377)

H.K. Batra

Partner

M.No. 88790

Date: August 13,2013

Place: Gurgaon

SOFTWARE TECHNOLOGY GROUP INC., SAN JOSE, CALIFORNIA, U.S.A
DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting their Annual Report together with the audited financial statements of the Company for the year ended June 30, 2013.

BUSINESS OF THE COMPANY

The Company has been engaged in the business of Project consulting, Design Development and Implementation of customized Software application and Consultancy for the last thirteen years. During 2000-01, the holding company had acquired a majority stake in this company by acquiring 60% stake.

COUNTRY OF INCORPORATION

The company was incorporated in San Jose under U.S. laws.

DIVIDEND

No Dividend has been proposed in view of inadequacy of profits of the company.

RESULTS

The company's loss for the period stands at US \$ nil as against loss of US \$ 19556 of previous year and the Directors purpose that this may be carried forward.

FUTURE PROSPECTS

In views of the improved trend of investments in IT Infrastructure, company is expected to show growth in its consulting revenue and profits in future.

BOARD OF DIRECTORS

Mr. Yogesh Vaidya, Mr. Arjun Raman & Mr. Ashish Vaidya are the Directors of the company.

AUDITORS

M/s Satyendra Mrinal & Associates, Chartered Accountants are the Auditors of the Company.

ACKNOWLEDGMENT

Your Directors wish to thank the Govt. Authorities, Bankers and Shareholders for their Co-operation and assistance extended to the Company.

YOGESH VAIDYA
CHAIRMAN

Auditor's Report

The Members of Software Technology Group Inc., San Jose, California, USA

1. We have audited the attached Balance Sheet of Software Technology Group Inc. California, USA as at 30th June, 2013 and the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, We enclose in the annexure a statement on the matter specified in paragraph 4 and 5 of the said order.
Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and Profit Loss Account referred to in this Report comply with the Accounting Standards referred to in Section 211(3C) of The Companies Act 1956.
 - e) On the basis of written representations received from the directors as on 30th June, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30th, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956
 - f) in our opinion and to best of our information and according to the Explanations given to us, the said accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at June 30th, 2013; and
 - ii. in so far as it relates to the Profit and Loss Account, of the Loss of the Company for the period ended on that date.

for Satyendra Mrinal & Associates
Chartered Accountants
FRN. 017068N

Place : New Delhi
Date : August 9, 2013

Satyendra Kumar Jain
Partner
M.No. 086103

Annexure to the Auditor's Report referred to in paragraph 3 of our report of even date.

1. The company does not have any fixed assets the clause is not applicable.
2. The Company does not hold any stocks and therefore the comments on the physical verification, procedures followed for such verification, reconciliation and valuation of such stock does not arise.
3. a) The Company has not granted any loans to companies firms or other Parties listed in the register maintained under Section 301 of the Companies Act, 1956.
b) The Company has not taken Unsecured Loan from Companies, Firms or other Parties covered in the Register maintained under section 301 of the Act.
4. The clause is not applicable since there are no purchases of inventory and fixed assets as well as sale of goods during the period covered by our audit.
5. The clause is not applicable since the company did not carry any business during the period.
6. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public.
7. In our opinion the company has an internal audit system which in our opinion is commensurate with its size and nature of its business.
8. As per information and explanation given to us the maintenance of cost record has not been prescribed in the case of the company.
9. a) The company is generally regular in depositing statutory dues with the authorities.
b) According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, custom Duty, Excise duty, and cess were in arrears as at 30th June, 2013 for a period of more than six months from the date they became payable.
c) There are no disputed taxes mentioned in clause (b) above which have not been deposited.
10. The company has accumulated losses at the end of the period under review \$ 92,550 (Rs.55,38,192/-) and has no incurred cash loss during the period covered by our Audit and also in the immediately preceding period.
11. In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution or bank.
12. The company has not granted any loans and advances on the basis of any security by way of pledge of shares, debentures and other securities and therefore the question of maintenance of documents and records in respect thereof does not arise.
13. The company is not a chit fund, nidhi/mutual benefit fund/society.
14. The company is not dealing in shares and securities.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to us the Company has not taken any term loan.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company we report that no funds raised on short-term basis have been used for long term investments. No long term funds have been used to finance short term assets except permanent working capital.
18. In our opinion the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies act, 1956.
19. The company has no debentures.
20. The company has not raised any money from public issues during the period.
21. According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the course of our audit.

for Satyendra Mrinal & Associates
Chartered Accountants
FRN. 017068N

Place : New Delhi
Date : August 9, 2013

Satyendra Kumar Jain
Partner
M.No. 086103

Software Technology Group Inc. , San Jose, California

BALANCE SHEET AS AT 30TH JUNE, 2013

	Notes	As at 30th June 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June 2013 (Rs.)	As at 31st Mar, 2012 (Rs.)
A EQUITY AND LIABILITIES					
1 Shareholders Funds					
(a) Share capital	2	219,927	219,927	13,160,402	11,255,839
(b) Reserve & surplus	3	(92,550)	(92,550)	(5,538,192)	(4,736,732)
2 Non-current liabilities					
(a) Long-term borrowings	4	1,878,232	1,878,232	112,393,399	96,127,910
(b) Other long-term liabilities	5	3,877	3,877	232,016	198,439
3 Current liabilities		-	-	-	-
Total		<u>2,009,486</u>	<u>2,009,486</u>	<u>120,247,625</u>	<u>102,845,456</u>
B Assets					
1 Non-current assets					
Fixed assets - Tangible Assets	6	-	-	-	-
2 Current assets					
(a) Trade receivables	7	1,694,486	1,694,486	101,398,025	86,723,756
(b) Short-term loans and advances	8	5,000	5,000	299,200	255,900
(c) Other Current Assets	9	310,000	310,000	18,550,400	15,865,800
Total		<u>2,009,486</u>	<u>2,009,486</u>	<u>120,247,625</u>	<u>102,845,456</u>
Summary of significant accounting policies	1				
The accompanying notes are an integral part of the financial statements					

As per Our Report of even date attached

For and on behalf of the board

for Satyendra Mrinal & Associates

Chartered Accountants

FRN. 017068N

Yogesh Vaidya

Chairman

Satyendra Kumar Jain

Partner

M.No. 086103

Date: August 09, 2013

Place: New Delhi

Software Technology Group Inc. , San Jose, California
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE , 2013

	Note	Period ended 30th June, 2013 (USD)	Year ended 31st Mar, 2012 (USD)	Period ended 30th June, 2013 (Rupees)	Year ended 31st Mar, 2012 (Rupees)
Income					
Revenue from operation		-	-	-	-
Other Income		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditure					
Salaries & other benefits		-	-	-	-
Administration & other expenses		-	-	-	-
Financial charges		-	-	-	-
Advertisement expenses		-	-	-	-
Depreciation		-	19,556	-	1,000,874
		<u>-</u>	<u>19,556</u>	<u>-</u>	<u>1,000,874</u>
Profit/(Loss) before taxation		-	(19,556)	-	(1,000,874)
Profit/ (Loss) after taxation		-	(19,556)	-	(1,000,874)
Balance brought forward		(92,550)	(72,994)	(5,538,192)	(3,735,858)
 Balance carried forward to the Balance Sheet		 (92,550)	 (92,550)	 (5,538,192)	 (4,736,732)
 Basic and diluted earning per share		 -	 (0.00)	 -	 (0.08)
Number of shares considered for calculating basic and diluted earning per share		 13,049,220	 13,049,220	 13,049,220	 13,049,220

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per Our Report of even date attached

For and on behalf of the board

for Satyendra Mrinal & Associates
Chartered Accountants
FRN. 017068N

Yogesh Vaidya
Chairman

Satyendra Kumar Jain
Partner

M.No. 086103

Date: August 09, 2013

Place: New Delhi

Software Technology Group Inc. , San Jose, California

Note 1: Significant accounting policies:

1. SYSTEM OF ACCOUNTING

Except otherwise indicated:

- The company adopts the accrual concept in the preparation of the accounts.
- All expenditure and income are accounted for under the natural heads of accounts.

2. VALUATION

- Fixed assets are normally accounted for on cost basis including the cost of installation where incurred. Expenditure on regular staff, which might be occasionally engaged for installation work, is charged to revenue.
- Inventory:-
Stock of books are valued at cost based on First-in First-out method.

3. FIXED ASSET & DEPRECIATION

- Normal Depreciation on all the fixed assets is provided on Straight Line Method based on estimated useful life of the relevant Fixed Assets as decided by the management.
- Depreciation on additions/deletions to Fixed Assets is provided on pro-rata basis from/to date of addition/deletion.
- In case of financial year consist of the period less/more than a normal period of 12 months then depreciation is provided for that particular period.
- In case of courseware/software developed or purchased, the same is written off in the year of purchase.

4. REVENUE RECOGNITION

- Income from coaching fee is recognized over the period of course program actual delivery & execution basis.
 - In respect of Software and Consultancy activities, the revenue arises and is recognised on dispatch/ delivery of the concerned goods/ services on percentage completion method.
- In the opinion of the board the current assets, loans and advances have a value on realization in the Ordinary course of business, at least equal to the aggregate amount as shown in the Balance Sheet.
 - No provision for Income Tax has been made due to Accumulated Previous Years' Losses.
 - The company has been engaged in only one type of activity i.e. Consulting.
 - All the Figures of Assets, Liabilities, revenue and expenses which are stated in foreign currency are converted into Indian rupees at the average exchange rate prevailing as at close of the accounting year.

Notes to financial statements for the period ended 30th June, 2013

Note 2: Share capital

	As at 30th June, 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
Authorised				
20,000,000 (previous year same)	-	-	-	-
shares of common stock, no par value				
Issued, subscribed & paid up				
13,049,220 (previous Year Same)	219,927	219,927	13,160,402	11,255,839
shares of common stock, of USD 0.01685 (approx.) each, paid up.				
of the above shares 7,829,533(Previous year Same)				
Shares of common stock, held by Software Technology Group International Ltd., India, the holding Company	219,927	219,927	13,160,402	11,255,839

Note 3 : Reserve & Surplus

	As at 30th June, 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
Balance as per the last financial statements	(92,550)	(72,994)	(5,538,192)	(3,735,857)
Profit/ (loss) for the year	-	(19,556)	-	(1,000,874)
Net surplus/ (deficit) in the statement of profit and loss	(92,550)	(92,550)	(5,538,192)	(4,736,732)

Note 4 : Long terms borrowings

	As at 30th June, 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
From Directors(unsecured)	1,364,986	1,364,986	81,680,746	69,859,970
From Others	513,246	513,246	30,712,653	26,267,940
	1,878,232	1,878,232	112,393,399	96,127,910

Note 5: Other Current Liabilities

	As at 30th June, 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
Sundry creditors	3,877	3,877	232,016	198,439
	3,877	3,877	232,016	198,439

Note 6: Fixed Assets - Tangible.

	As at 1st Apr, 2012 (USD)	Additions during the period (USD)	As at 30th June, 2013 (USD)	As at 1st Apr, 2012 (Rupees)	Additions during the period (Rupees)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
Gross block							
Office Equipment	282,179	-	282,179	14,441,922	-	14,441,922	14,441,922
Computers	1,235	-	1,235	63,207	-	63,207	63,207
Furniture & Fixtures	17,259	-	17,259	883,334	-	883,334	883,334
	300,673	-	300,673	15,388,463	-	15,388,463	15,388,463
Previous year	300,673	-	300,673	13,473,174	-	15,388,463	13,473,174
Accumulated depreciation							
Office Equipment	282,179	-	282,179	14,441,922	-	14,441,921	14,441,921
Computers	1,235	-	1,235	63,207	-	63,207	63,207
Furniture & Fixtures	17,259	-	17,259	883,334	-	883,334	883,334
	300,673	-	300,673	15,388,463	-	15,388,463	15,388,463
Previous year	281,117	19,556	300,673	12,596,871	1,000,874	15,388,463	12,596,871
Net block	-	-	-	-	-	-	-
Previous year	19,556	(19,556)	-	876,303	-	-	876,303

Note 7: Trade Receivable

	As at 30th June, 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
(Unsecured, considered good)				
Debts outstanding for a period exceeding six months	1,694,486	1,694,486	101,398,025	86,723,756
Other debts	-	-	-	-
	1,694,486	1,694,486	101,398,025	86,723,756

Note 8: Short term loan & advances

	As at 30th June, 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
(Unsecured - considered good)				
Advances receivable in cash or in kind or for value to be received*	5,000	5,000	299,200	255,900
	5,000	5,000	299,200	255,900

Note 9: Other current assets

	As at 30th June, 2013 (USD)	As at 31st Mar, 2012 (USD)	As at 30th June, 2013 (Rupees)	As at 31st Mar, 2012 (Rupees)
Other assets (Online Test delivery)	310,000	310,000	18,550,400	15,865,800
	310,000	310,000	18,550,400	15,865,800

Note 10. Related parties:

(A) Related parties where control exists

i) Software Technology Group International Ltd., ultimate holding company.

ii) **Key Management Personnel**

Mr. Y.C. Vaidya

Mr. Ashish Vaidya

iii) **Enterprises over which person under above items A(iii) have significant influence**

Associated Techno Plastic Pvt. Ltd., New Delhi

Y.P. Associates Pvt. Ltd., New Delhi

Vaidya Associates Pvt. Ltd., New Delhi

Bay Resources and Technology Corporation, USA

B) Detail of transaction relating to persons referred to in items (A) above during the period ended 30th June, 2013 as follows:

Nature of Transaction	Holding Company	Fellow Subsidiaries	Key Management personnel	(Amounts in USD) Enterprises over which person under above items A(iii) have significant influence
1. Outstanding bal. included in current Assets	- (-)	- (-)	- (-)	1,324,486 (1,324,486)
2. Outstanding bal. included in current Liabilities	3,877 (3,877)	- (-)	- (-)	- (-)
3. Loan/advances dues as at the end of the year	- (-)	- (-)	1,364,986 (1,364,986)	453,246 (453,246)
4. Closing Investment in equity	- (-)	- (-)	- (-)	- (-)

Previous Year figures have shown in () .

5. Since office equipments are in obselete condition, the remaining value in books for the same has been charged fully.

6. The previous year's figures are of Eighteen months and the current period figures are of twelve months and are therefore not comparable.

As per Our Report of even date attached

For and on behalf of the board

for Satyendra Mrinal & Associates
Chartered Accountants
FRN. 017068N

Yogesh Vaidya
Chairman

Satyendra Kumar Jain
Partner
M.No. 086103
Date: August 09, 2013
Place: New Delhi

SOFTWARE TECHNOLOGY GROUP INTERNATIONAL LIMITED

Regd. Office : Leve 2, Elegance, Mathura Road, Jasola, New Delhi - 1100 025

20th Annual General Meeting to be held on Thursday the 24th October, 2013 at 11:30am
at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 100 003.



ATTENDANCE SLIP

Registered Folio No. :(or)

*Demat Account No. :D.P. id. No.....

Name & Address of Shareholder (s)

I/We certify that I am/We Member/s Proxy of the Company holdingShares and hereby record my/our persence at the
20th **ANNUAL GENERAL MEETING** of the Company at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003 at 11:30 am on Thursday the
24th Day of October, 2013.

Signature of Member/s/Proxy

A Member or his duly appointed Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.

Name of the Proxy in Block Letters

(I case a Proxy attends the meeting)

*Those who hold Shares in Demat Form quote their Demat Account No. and Depository Participany (D.P.) Id. Number.

REGISTRATION COUNTER WILL BE OPEN FROM 11:00 AM TILL THE START OF ANNUAL GENERAL MEETING.

NO GIFT WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING

SOFTWARE TECHNOLOGY GROUP INTERNATIONAL LIMITED

Regd. Office : Level 2, Elegance, Mathura Road, Jasola, New Delhi - 110 025

20th Annual General Meeting to be held on Thursday the 24th October, 2013 at 11:30am
at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi 100 003.



PROXY FORM

I/We.....ifbeing a Member/ Member(s) of Software Technology Group International Ltd. hereby
appoint.....of.....falling him/herof
.....as my/our Institutional Area, Lodhi Road, New Delhi-110 003 at 11:30 am on Thursday, the 24th Day of October, 2013 and at any
adjournment thereof.

In witness whereof

I/We have signed of thisday of2013

Registerd Folio No.:(or)

*Demat Account No.:D.P. Id. No.:

**Affix
₹ 1/-
Revenue
Stamp**

Signatures

No. of Shares.....

Member intending to appoint a Proxy should complete the Proxy and deposit it at the Company's Registered Office, at least 48 hours before the meeting.

*Those who hold Share in Demat Form must quote their Demat Account No. and Depository participant (D.P) Id. Number.

A Proxy cannot speak at the meeting or vote on a show of hands.