

SILVER TOUCH TECHNOLOGIES LIMITED

REGD. OFFICE

**2ND FLOOR, SAFFRON BUILDING,
NR. PANCHVATI CIRCLE,
AMBAWADI
AHMEDABAD: 380 006**

ANNUAL REPORT – 2012-13



**AUDITORS:-
AMBALAL PATEL & CO.
Chartered Accountants
1ST FLOOR,
SAPPHIRE BUSINESS CENTER,
ABOVE SBI VADAJ BRANCH,
USMANPURA,
ASHRAM ROAD,
AHMEDABAD:-380013.
PHONE(079)27556860
(079)27556870
E-mail:apcca1@gmail.com**

DIRECTORS' REPORT

To,
The Members,
SILVER TOUCH TECHNOLOGIES LIMITED,
2nd Floor,
Saffron Building,
Ambawadi,
Near Panchvati Circle,
Ahmedabad – 380 006.

Your Directors have pleasure in presenting 19th Annual Report along with the audited accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS:

The following are the financial results of the Company for the year ended 31st March 2013.

Particulars	Year ended 31st March 2013 (Amount in Lacs)	Year ended 31st March 2012 (Amount in Lacs)
Revenue from Business Operations (Net of Service Tax)	8010.04	6648.43
Other Income	76.24	29.35
Profit/Loss before Dep. And Interest	960.76	649.06
Less : Interest	81.30	82.18
Less: Depreciation	196.46	138.06
Profit Before Tax	683.00	428.82
Less :Provision for Tax	221.60	140.93
Profit After Tax	461.40	324.28
Less : Prior Period Items/Gratuity of Earlier years	-	-
Profit For the year	461.40	324.28

2. REVIEW OF OPERATIONS AND FUTURE PROSPECTS:

The Company has made total income from business operations of Rs. 8010.04 Lacs during the year under review which shows magnificent revenue in various segments with growth of more than 20% as compared to previous financial year's income. Your company has also earned the net profit of Rs. 461.40 lacs, which is phenomenal in terms of percentage viz., 42% higher than the Last year in view of the cost control measures and reduction in finance cost. The Company is expanding its area of sales in international markets and segments with innovative products and software in order to explore and gain both in monetary terms at international levels and in terms of untapped market for company's services. The Company has also focused in the Areas of E-Governance and The Company has also been empanelled with Unique Identification Authority of India (UIDAI). The Focus on the Business of e-Governance shall give the Company a new height. It is the only Company in Gujarat with such candidature. The Company has also been credited with CMMi Level 5 which is of highest of caliber in the field of IT and Related Services. During the year under Review the Company is quite confident to generate more business from the Segment of Government Customer Base.

3. DIVIDEND:

During the year, the interim dividend was paid @ 5% {Re. 0.50 per share) of total paid up capital of the company and Board has put before the members for their approval as final dividend.

4. TRANSFER TO RESERVES:

In accordance with the statutory provisions and Companies (Transfer of Profits to Reserves) Rules, 1975, your Company has transferred a sum of Rs. 50 Lacs to the General Reserve during the year under review.

5. FINANCE:

During the year under review, the company has availed various credit facilities comprising of Fund Based Limits & Non fund Base Limit from Bank of India to the tune of Rs. 400 Lacs, aggregating total credit facilities of Rs. 1500 Lacs to meet the liquidity requirements of the company for the smooth running of the business of the Company against the various securities of the Company. The Company has also availed the Financial Assistance in Form of Fund base and Non Fund base Limit From ICICI Bank as against the Export Book Debts. The Interest Rate for the same shall be beneficial which has resultant effect on the Cost Control.

6. DEPOSITS:

The Company has not accepted any deposits from the public falling within the purview of Section 58A of the Companies Act, 1956 and rules made there under during the year under review.

7. DETAILS OF COMPANY'S SUBSIDIARY

The Company has established its 100% owned subsidiary named Silver Touch Technologies (UK) Ltd in UK w.e.f. 19/11/2007 as a Private Limited Company. The said Company is looking after the Product Line of Customized Software(S) and other related IT Solutions. The Said Company concentrate on the Geographical Segment of European Nations. Further, the Company has decided to take benefit of MCA's circular no. 51/12/2007-CL-III dated 8th February 2011 for exemption in respect of mandatory attachment of balance sheet of subsidiary company U/s 212 of the Companies Act, 1956. The Annual Accounts of the Subsidiary company are available for inspection by any member at the registered office during business hours. The Company will send copies thereof to the shareholders who may, if required, write to the company.

8. INFORMATION OF EMPLOYEES U/S 217 (2A):

No Employee was drawing salary in excess of limit prescribed under Section 217(2A) with Companies Particulars of Employees Rules, 1975, during the year under review.

9. CONSERVATION OF ENERGY TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO U/S 217 (1) (e):

Statement of particulars as per **Form A** under Section 217 (1) (e) is not required to be attached with the report. However, as per **Form B** the Company has not carried out any R & D in specific areas and no expenses have been occurred so far for the same. Though, your Company is making all our efforts to have in-house expertise of technology with cost control plans. During the year under review the foreign exchange earnings and expenses are as under:

Foreign Exchange Earned in INR Rs. 1673.39 Lacs

Foreign Exchange Expended/Outgo in INR Rs.82.76 Lacs

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement contained in sub section (2AA) of section 217 of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the annual accounts for the year ended 31 March, 2013; the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the accounts for the financial year ended on 31st March, 2013 on a going concern basis.

11. BOARD OF DIRECTORS:

Mr. Roank Shah and Mr. Harivadan P Thakar are directors liable to retire by rotation at the ensuing AGM and being eligible, have expressed their willingness to be re-appointed as directors. Your Directors recommend re-appointment of these Directors.

12. AUDITORS:

M/s. Ambalal Patel & Co., Chartered Accountants, Auditors of the Company who retire at the forthcoming AGM are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment.

13. AUDITORS' REPORT:

In the opinion of the directors, the notes to the accounts are self-explanatory and adequately explain the matters, which are dealt with by the auditors.

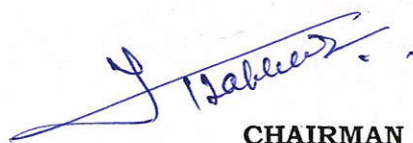
14. ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from the shareholders, financial institutions, bankers and other business constituents and various Government Organizations during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment by all officers and staff for their continued support during the year.

PLACE: AHMEDABAD

FOR AND ON BEHALF OF THE BOARD

DATE: 18/08/2013



CHAIRMAN



Ambalal Patel & Co.
Chartered Accountants

Head Office :-
1st Floor, Sapphire Business Centre,
Above SBI Vadaj Branch, Usmanpura,
Ashram Road, Ahmedabad-380013.
Tel. : (079) 27556860, 27556870
Fax : 30087880
E-mail : apcca1@gmail.com
Web Site : www.apcca.com

Branch Office :-
G/42, Sardar Patel Complex,
Nr. Sardar Chowk,
Unjha -384170.
Tel. : (02767) 253655
E-mail : apccaunjha@gmail.com

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SILVER TOUCH TECHNOLOGIES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Silver Touch Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). The 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 Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by managements, 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

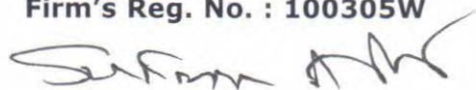
Emphasis of Matter

We draw attention to Note 40 of the financial statements stating that the Company has made provision for Gratuity payable to Employees without Actuarial Valuation which is mandatory in nature as per Accounting Standard – 15 "Employee Benefits". Provision is made on the basis of Management estimation of liability. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. In compliance with provision for 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. As acquired by section 227(3) of the Act, we report that:
 - a. We have obtain 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 account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, *except for the matter specified in Emphasis of Matter paragraph regarding provision of Gratuity as per Accounting Standard – 15 "Employee Benefits"*;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, Ambalal Patel & Co.
Chartered Accountants
Firm's Reg. No. : 100305W



CA SAURIN A. PATEL
Partner
M.No. : 46786

Place: Ahmedabad
Date : 18.08.2013



ANNEXURE TO THE AUDITOR'S REPORT

A statement on the matters specified in paragraphs 4 and 5 of the Companies— (Auditor's Report) (Amendment) Order, 2004.

- (i) (a) The company has maintained proper records showing particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern.
- (ii) (a) As explained to us, physical verification has been conducted by the Management at the end of the year in respect of inventory.
- (b) The procedures explained to us, which are followed by the management for such physical verification of the inventories are in our opinion, reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the inventory records of the company, we are of the opinion that the company is maintaining proper records of its inventory. No material discrepancies were noticed on physical verification of the inventory as compared to book records.
- (iii) (a) According to the information and explanation given to us, the Company has not granted unsecured loans to companies & firms listed in the register maintained under section 301 of the Companies Act 1956. Accordingly, relevant provisions of clause (iii) are not applicable to company.
- (e) According to the information and explanation given to us, the company has taken unsecured loans from the parties listed in the register maintained under section 301 of the Companies Act, 1956.

Particulars	No. of Parties	Max Amount O/s (₹)	Closing Balance (₹)
Loan Taken	4	2,54,16,295	1,03,41,393

- (f) The rate of interest and other terms and conditions on which loans obtained from the parties listed in the register maintained U/s 301 of the Companies Act, 1956 are in our opinion not prima facie prejudicial to the interest of the company.
- (g) As per the information and explanation given to us, loans obtained by the company during the year have been repaid as stipulated along with interest thereon, wherever applicable.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of company and nature of its business with regard to purchase of fixed assets, stock in trade and with regard to sale of goods.



- (v) (a) On the basis of the audit procedure performed by us, and according to the information, explanation and representations given to us, we are of the opinion that, the transaction in which directors were interested and which were required to be entered in the register maintained under section 301 of the Companies Act 1956, have been so entered.
- (b) As explained to us, in respect of transactions of purchase and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating amounting to Rs.5,00,000/- or more during the year in value in respect of each party have been made at prices which are reasonable having regard to prevailing market price.
- (vi) The Company has not accepted any deposits from Public except from directors and Share Holders and hence the provision of section 58A and 58AA of the Act and rules framed there under are not applicable to the Company.
- (vii) The company has no independent internal audit department/agency as such but its control procedures ensure reasonable internal checking of its financial and other records. The same can be considered commensurate with the size of the company and the nature of its business.
- (viii) Central Government has not prescribed for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanation given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income-tax and Sales-Tax outstanding as at 31st March, 2013 for a period exceeding six months from the date they became payable.
- (b) According to the information and explanation given to us and the books and records examined by us, there are disputed amount pending in respect of following statutory dues:

Name of the Statute	Nature of Dues	Disputed Amount (₹)	Forum where dispute is pending	Net Demand Amount (₹)
Income Tax AY 2007-08	Penalty U/s 271(1)(c)	3,09,457	Income Tax Tribunal	3,09,457
Income Tax AY 2009-10	Demand U/s 143(3)	1,850	Income Tax Tribunal	1,850
Income Tax AY 2010-11	Demand U/s 143(3)	1,32,62,920	CIT(Appeal)	1,32,62,920

- (x) The Company has neither accumulated losses at the end of the financial year nor has incurred cash losses, both, in the financial year under report and in the immediately preceding financial year.



- (xi) In our opinion and according to the explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
- (xii) As explained to us the company has not granted any loans on the basis of the security by way of pledge of shares, debentures or any other securities.
- (xiii) In our opinion, the company is not chit fund company and accordingly, the provisions of the clause 4 (xiii) (a), (b), (c) & (d) of Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in shares, security and debentures and accordingly, the provisions of the clause 4 (xiv) of Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xv) According to the information and explanation given to us and representation made by the management, the company has not given any guarantee for loans taken by the directors of the company from banks/financial institution.
- (xvi) According to the information and explanation given to us and an overall examination of the balance sheet of the Company, that no short term funds is used for the long term purpose.
- (xvii) In our opinion the term loans have been applied for the purpose for which there were raised.
- (xviii) The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act 1956 and hence provision of Companies (Auditor's Report) (Amendment) Order, 2004 is not applicable to company.
- (xix) On the basis of the records and documents examined by us, the company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the company, has been noticed or reported by the company during the year.

For, Ambalal Patel & Co.
Chartered Accountants
Firm's Reg. No. : 100305W


CA SAURIN A. PATEL
Partner
M.No. : 46786

Place: Ahmedabad
Date : 18.08.2013



SILVER TOUCH TECHNOLOGIES LIMITED

BALANCE SHEET AS ON 31st March, 2013

Particulars	Note No.	31st March, 2013	31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	5,59,50,000	5,59,50,000
(b) Reserves and surplus	3	22,65,75,828	18,44,14,861
2 Non-current liabilities			
(a) Long-term borrowings	4	1,32,69,474	1,37,87,972
(b) Deferred tax liabilities (Net)		1,07,98,937	77,38,576
(c) Other Long term liabilities	5	2,32,57,000	37,35,000
3 Current liabilities			
(a) Short-term borrowings	6	3,72,70,316	3,43,13,458
(b) Trade payables	7	9,25,70,393	9,46,52,981
(c) Other current liabilities	8	4,53,87,521	3,29,47,320
(d) Short-term provisions	9	3,99,27,132	2,39,15,427
TOTAL		54,50,06,601	45,14,55,596
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	10		
(i) Tangible assets		14,18,99,397	10,50,16,720
(ii) Intangible assets		32,70,396	38,86,208
(b) Non-current investments	11	85,946	85,946
(c) Long-term loans and advances	12	2,61,98,184	2,17,30,338
2 Current assets			
(a) Inventories	13	3,45,88,689	1,64,65,898
(b) Trade receivables	14	19,78,41,878	22,27,39,805
(c) Cash and Bank Balances	15	4,82,42,340	2,12,09,311
(d) Short-term loans and advances	16	9,28,79,771	6,03,21,370
TOTAL		54,50,06,601	45,14,55,596
Notes on Accounts	1		

As per our report of even date
Ambalal Patel & Co.
 Chartered Accountants
 Firm Reg. No. 100305W

For and on behalf of Board of Directors

CA Saurin A. Patel
 Partner
 M.No.:46786

Managing Director

Whole time Director

Ahmedabad
August 18, 2013

Company Secretary



SILVER TOUCH TECHNOLOGIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2013

(Amount in ₹)

Particulars	Note No.	2012-13	2011-12
I. Revenue from operations	17		
Sales & Operational Revenue		83,05,93,509	68,09,26,557
Less:			
Service Tax		2,95,89,794	1,60,83,393
		80,10,03,715	66,48,43,164
II. Other income	18	76,24,067	29,34,524
III. Total Revenue (I + II)		80,86,27,782	66,77,77,688
IV. Expenses:			
Purchases of Stock-in-Trade	19	44,41,83,233	38,71,62,135
Changes in inventories of Stock-in-Trade	20	(1,81,22,790)	(17,55,560)
Employee benefits expense	21	18,85,68,619	15,99,05,646
Finance costs	22	81,30,025	82,17,732
Depreciation and amortization expense		1,96,45,557	1,38,06,278
Operations & Other Expenses	23	9,79,22,686	5,75,59,470
Total expenses		74,03,27,330	62,48,95,700
V Profit before tax (III- IV)		6,83,00,451	4,28,81,987
VI Prior Period Items			
MAT Credit Entitlement of Earlier Years			36,38,204
VII Tax expense:			
(1) Current tax		1,91,00,000	1,45,00,000
(2) Deferred tax		30,60,361	(4,07,408)
(3) Prior Period Tax Adjustment		-	-
		2,21,60,361	1,40,92,592
VIII Profit/(Loss) for the period (V+VI-VII)		4,61,40,090	3,24,27,599
IX Earnings per equity share (Face Value ₹ 10 per share)			
(1) Basic		8.25	5.80
(2) Dilluted		8.25	5.80
Notes on Accounts	1		

As per our report of even date
Ambalal Patel & Co.
Chartered Accountants
Firm Reg. No. 100305W

Saurin A. Patel

CA Saurin A. Patel
Partner
M.No.:46786

Ahmedabad
August 18, 2013

For and on behalf of Board of Directors

J. K. Shah

Managing Director

J. K. Shah

Whole time Director

Chaput

Company Secretary



SILVER TOUCH TECHNOLOGIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2013

(Amount in ₹.)

PARTICULARS	2012-13	2011-12
A. Cash inflow/(outflow) from the operating activities		
Net profit Before Tax and Prior Period Adjustments	6,83,00,451	4,28,81,987
Adjustments for:		
Depreciation	1,96,45,557	1,38,06,277
Interest paid	57,23,015	82,17,732
Interest Income	(26,85,295)	(2,32,304)
Provision of Gratuity payable	23,44,235	10,52,542
Preliminary Expenses written off		1,55,200
Loss on sale of Assets	84,030	-
Dividend received	-	-
	2,51,11,542	2,29,99,447
Operating Profit before working capital changes	9,34,11,993	6,58,81,434
Adjustment for (Increase)/Decrease in Working Capital :		
Inventories	(1,81,22,790)	(17,55,560)
Receivables	2,48,97,928	76,04,715
Direct Tax paid	(1,43,64,262)	(1,31,09,232)
Other Taxes paid	-	-
Loans & Advances	(2,80,94,518)	(1,51,48,079)
Current Liabilities & Provisions	1,03,57,613	(17,41,791)
	(2,53,26,030)	(2,41,49,946)
Net cash inflow/(outflow) from operating activities (A)	6,80,85,963	4,17,31,488
B. Cash inflow/(outflow) from investing		
Dividend Received	-	-
Investments	-	-
Purchase of Assets	(5,71,66,251)	(2,34,57,645)
Sale of Fixed Assets	4,42,000	-
Net cash inflow/(outflow) from Investing activity (B)	(5,67,24,251)	(2,34,57,645)
C. Cash inflow/(outflow) from financing activity		
Secured Loans Availed/(Paid)	56,95,571	(10,64,379)
Unsecured Loans Availed/(Paid)	1,62,64,789	78,56,595
Interest Income	26,85,295	2,32,304
Interest Paid	(57,23,015)	(82,17,732)
Interim Dividend and Tax thereon	(32,51,323)	(60,59,931)
Net cash inflow/(outflow) from Financing activity (C)	1,56,71,317	(72,53,143)
Net Cash changes in cash and cash equivalent (A+B+C)	2,70,33,029	1,10,20,700
Cash & Cash Equivalent at the beginning of the Period	2,12,09,311	1,01,88,611
Cash & Cash Equivalent at the end of the Period	4,82,42,340	2,12,09,311
Net Increase in cash and cash equivalent	2,70,33,029	1,10,20,700

Note:

1. The Cash Flow Statement has been prepared under the Indirect Method as set out in AS-3 on Cash Flow Statement notified by Companies(Accounting Standards)Rules, 2006.

2. Figures in bracket represent Outflow of cash.

As Per our report of even date

For, AMBALAL PATEL & Co.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100305W

SAURIN A. PATEL
PARTNER
M.No.: 46786

Ahmedabad
August 18, 2013.



For and on behalf of Board of Directors

Managing Director

Whole time Director

Company Secretary

SILVER TOUCH TECHNOLOGIES LTD.

NOTES ON ACCOUNTS

Note 1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements are prepared on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof. The company is a Large Company as defined in the general instruction in respect of accounting standards noticed under the Companies Act, 1956. Accordingly, the company has complied with the accounting standards as applicable to a Large Company.

b) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) FIXED ASSETS & DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation except in case of office buildings and godowns which are stated at revalued amounts as per valuation reports by independent government approved valuer. Depreciation is provided on fixed assets used during the year as per Straight Line Method at the rate specified in schedule XIV of the Companies Act, 1956 on pro rata basis from the date assets put to use. The company does not provide depreciation on the assets which are in use but Net Block of which are 5% or less of its original value.

d) INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. The cost is ascertained using FIFO method.



e) INVESTMENTS

Investments are classified as Current Investments and non-current Investments. The investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current Investments are stated at lower of cost and net realizable value. A provision for diminution is made to recognize a decline, other than temporary, in the value of Non-current Investments.

f) REVENUE RECOGNITION

Sales are recognized based on passage of title to goods which generally coincides with dispatch. Sales are stated net of returns, & Sales Tax/VAT. Revenue from sale of software licenses are recognised upon delivery where there is no customisation required. Revenue from export sales are recognized when Income for annual maintenance and other job charges are accounted for at the time of billing.

g) EMPLOYEE BENEFITS

The company does not have any defined benefit scheme for its employees. The contribution to Provident Fund & Employees State Insurance Scheme is provided for and payments in respect thereof are made to relevant authorities on actual basis which is charged to Statement of profit and loss. The company makes provision for the gratuity for the current financial year by debiting the same as an expense under the head Payments made to personnel. The company does not have any other scheme of short term or long term retirement benefits.

h) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss.

i) EARNING PER SHARE

The company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.



j) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

k) FOREIGN CURRENCY TRANSACTION

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions taken place. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise. Company maintains EEFC Account with Bank of India. Periodically, at the time of conversion of foreign currency from EEFC Account to INR, company takes into consideration the bank rate prevailing on that particular day and exchange difference, if any, arises are recognized as income or expense in the statement of profit & loss.

l) PRELIMINARY EXPENSES

Preliminary expenses are being amortized over a period of five years.

m) TAXES ON INCOME

Provision for tax is made for both current and deferred taxes. Current tax is provided on the Taxable income using the applicable tax rates and tax laws. Deferred tax liabilities arising on account on timing differences, which is capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted.

n) GENERAL

Accounting policies not specifically referred to are consistent with generally accepted accounting policies.



NOTE 2 SHARE CAPITAL

Particulars	31/03/2013		31/03/2012	
	Number	Amount(In ₹)	Number	Amount(In ₹)
Authorised				
Equity Shares of ₹ 10 each	80,00,000	8,00,00,000	80,00,000	8,00,00,000
Issued				
Equity Shares of ₹ 10 each	55,95,000	5,59,50,000	55,95,000	5,59,50,000
Subscribed & Paid up				
Equity Shares of ₹ 10 each	55,95,000	5,59,50,000	55,95,000	5,59,50,000
Total	55,95,000	5,59,50,000	55,95,000	5,59,50,000

Reconciliation of Shares outstanding at the beginning and at the end of the year

Particulars	31/03/2013		31/03/2012	
	Number	Amount(In ₹)	Number	Amount(In ₹)
Shares outstanding at the beginning of the year	55,95,000	5,59,50,000	55,95,000	5,59,50,000
Shares Issued during the year	-	-	-	-
(Shares bought back during the year)	-	-	-	-
Shares outstanding at the end of the year	55,95,000	5,59,50,000	55,95,000	5,59,50,000

Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date

Particulars	Aggregate No. of Shares of last 5 years	
	31/03/2013	31/03/2012
Equity Shares :		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares	-	15,75,000
Shares bought back	-	-

Details of share holders holding more than 5% shares

	No. of shares & %age of Holding			
	31/03/2013		31/03/2012	
Name of Equity Share Holders	Number of Shares	%age of Holding	Number of Shares	%age of Holding
Vipul Haridas Thakkar	18,18,755	32.51%	18,18,755	32.51%
Jignesh Amrutlal Patel	18,01,855	32.20%	18,01,855	32.20%
Minesh Vinodchandra Doshi	9,63,290	17.22%	9,63,290	17.22%
Palak Vinukant Shah	3,92,600	7.02%	3,92,600	7.02%

NOTE 3 RESERVES & SURPLUS

Particulars	31/03/2013	31/03/2012
	Amount(In ₹)	Amount(In ₹)
a. Revaluation Reserve		
Opening Balance	4,00,86,245	4,08,10,611
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	(7,27,799)	(7,24,366)
Closing Balance	3,93,58,446	4,00,86,245
b.General Reserve		
Opening Balance	2,50,00,000	2,00,00,000
(+) Current Year Transfer	50,00,000	50,00,000
(-) Written Back in Current Year	-	-
Closing Balance	3,00,00,000	2,50,00,000
c. Surplus		
Profit & Loss A/c		
Opening balance	11,93,28,616	9,51,51,641
Add:		
Net Profit/(Net Loss) For the current year	4,61,40,090	3,24,27,599
Transfer from Reserves	-	-
(Less):		
Proposed/Interim Dividends	(27,97,501)	(27,96,800)
Tax on Proposed/Interim Dividends	(4,53,824)	(4,53,824)
Transfer to Reserves	(50,00,000)	(50,00,000)
Closing Balance	15,72,17,382	11,93,28,616
Total	22,65,75,828	18,44,14,861



NOTE 4 LONG TERM BORROWINGS

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Secured		
(a) Term loans		
From Banks		
SBI Car Loan Acct-Mercedes Benz (Secured by Hypothication of Mercedes Benz Car) (Repayable in 84 Monthly Installment)	22,75,060	-
BOI Car Loan Acct 200460510000143- Renault Scala (Secured by Hypothication of Scala Car) (Repayable in 60 Monthly Installment)	5,11,860	-
BOI Car Loan Acct- 200460510000148 -Maruti Cargo (Secured by Hypothication of Maruti Carqo) (Repayable in 59 Monthly Installment)	1,41,161	-
	29,28,081	-
Unsecured		
(a) Loans and advances from related parties		
From Directors	1,03,41,393	1,37,87,972
Total	1,32,69,474	1,37,87,972

NOTE 5 OTHER LONG TERM LIABILITIES

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
(a) Others		
Student Fees Deposites	11,25,000	11,00,000
E-Mitra (Refundable SD)	1,34,82,000	26,35,000
UID (Refundable SD)	86,50,000	-
Total	2,32,57,000	37,35,000

NOTE 6 SHORT TERM BORROWINGS

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Secured		
(a) Loans repayable on demand		
From Banks		
ICICI BANK - GBP - B.D. A/c.	-	17,61,294
ICICI BANK - USD - B.D. A/c.	20,59,477	38,54,815
(The working capital facility from ICICI Bank is in the form of Foreign Bill Discounting/Purchasing and is secured by Equitable Mortgage of property situated at B-2, Soham Avenue, Vastrapur, Ahmedabad and exclusive charge by way hypothication of export receivable of company)		
Bank Of India No.28 (Sec. against Hypo. Of Stock)	3,50,21,457	2,86,97,349
Bank Of India No.29 (Sec. against Hypo. Of Debts)	14	-
(The working capital facilities from Bank of India are secured by first charge by way of hypothication on all the inventories and book debts of the company and further secured by personal guarantee of four directors of the company to secure all the facilities of Bank of India)		
	3,70,80,948	3,43,13,458
Unsecured		
(a) Loans repayable on demand		
From Banks		
BOI A/C no: 664820110000110 (Jaipur Branch)	1,89,368	-
	1,89,368	-
Total	3,72,70,316	3,43,13,458



NOTE 7 TRADE PAYABLES

Particulars	31/03/2013	31/03/2012
	Amount(In ₹)	Amount(In ₹)
Due to Micro, Small & medium Enterprises		
Due to Others	9,25,70,393	9,46,52,981
Total	9,25,70,393	9,46,52,981

NOTE 8 OTHER CURRENT LIABILITIES

Particulars	31/03/2013	31/03/2012
	Amount(In ₹)	Amount(In ₹)
(a) Current maturities of long-term debt		
SBI Car Loan Acct-Mercedes Benz	6,06,984	-
BOI Car Loan Acct 200460510000143- Renault Scala	1,93,992	-
BOI Car Loan Acct- 200460510000148 -Maruti Carqo	52,260	-
(b) Other payables		
Creditors for Expenses	42,45,567	50,08,856
Advance from Customer	88,55,434	64,82,296
Other Dues	1,73,72,293	1,34,03,519
Staff Dues	8,77,348	53,120
Government Dues	1,31,83,643	79,99,531
Total	4,53,87,521	3,29,47,320

NOTE 9 SHORT TERM PROVISIONS

Particulars	31/03/2013	31/03/2012
	Amount(In ₹)	Amount(In ₹)
(a) Provision for employee benefits		
Gratuity (Unfunded)	91,93,163	68,48,928
(b) Others		
Provision for Taxation	3,02,80,145	1,66,12,677
Provision for Proposed Dividend	-	-
Provision for Tax on Interim Dividend	4,53,824	4,53,822
Total	3,99,27,132	2,39,15,427



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NOTE 10 FIXED ASSET

	Fixed Assets	Gross Block					Accumulated Depreciation					Net Block		
		Balance as at 01/04/2012	Additions	(Disposals)	Acquired through business combinations	Addition / (Deduction) due to Capital Reduction/Revalu- ations/ (Impairments)	Balance as at 31/03/2013	Balance as at 01/04/2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31/03/2013	Balance as at 31/03/2013	Balance as at 31/03/2012
a	Tangible Assets													
	Buildings	5,69,80,086	-	-	-	-	5,69,80,086	53,50,304	2,00,978	7,27,798	-	62,79,080	5,07,01,006	5,16,29,782
	Plant and Equipment	8,24,36,760	4,88,53,912	(2,536)	-	-	13,12,88,135	4,55,59,294	1,68,55,885	-	-	6,24,15,179	6,88,72,956	3,68,77,466
	Furniture and Fixtures	1,46,10,676	17,50,344	-	-	-	1,63,61,020	34,11,794	7,45,436	-	-	41,57,230	1,22,03,790	1,11,98,882
	Vehicles	29,08,536	53,29,313	(11,80,000)	-	-	70,57,849	16,39,345	5,95,440	-	(6,53,970)	15,80,815	54,77,034	12,69,191
	Office equipment	50,12,475	9,03,230	(6,750)	-	-	59,08,955	9,71,076	2,93,268	-	-	12,64,344	46,44,610	40,41,398
	Total(a)	16,19,48,533	5,68,36,799	(11,89,286)	-	-	21,75,96,045	5,69,31,613	1,86,91,007	7,27,798	-6,53,970	7,56,96,648	14,18,99,397	10,58,16,720
b	Intangible Assets													
	Computer software	56,82,986	3,41,403	(2,665)	-	-	60,21,725	17,96,778	9,54,550	-	-	27,51,328	32,70,396	38,86,208
	Total(b)	56,82,986	3,41,403	(2,665)	-	-	60,21,725	17,96,778	9,54,550	-	-	27,51,328	32,70,396	38,86,208
	Total (a+b)	16,76,31,519	5,71,78,202	(11,91,951)	-	-	22,36,17,769	5,87,28,591	1,96,45,557	7,27,798	-6,53,970	7,84,47,976	14,51,69,793	10,89,02,928
	Previous Years' Figures	14,41,73,874	2,34,57,645	-	-	-	16,76,31,519	4,41,97,948	1,38,06,277	7,24,366	-	5,87,28,591	10,89,02,928	9,99,75,926



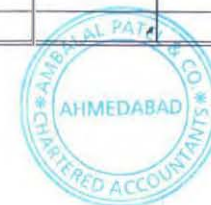
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NOTE 11 NON CURRENT INVESTMENT

	Particulars	31/03/2013	31/03/2012
		Amount(In ₹)	Amount(In ₹)
A	Other Investments		
	(a) Investment in Equity instruments	58,426	58,426
	(b) Other non-current investments	27,520	27,520
	Grand Total (A + B)	85,946	85,946
	Less : Provision for diminution in the value of Investments	-	-
	Total	85,946	85,946

Particulars	2012-13	2011-12
	Amount(In ₹)	Amount(In ₹)
Aggregate amount of quoted investments (Market value of ₹ 25788 (Previous Year ₹ 24695))	11,500	11,500
Aggregate amount of unquoted investments	46,926	46,926

A. Details of Other Investments										
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)	
			2012-13	2011-12			2012-13	2011-12	2012-13	2011-12
1	2	3	4	5	6	7	8	9	10	11
(a)	Investment in Equity Instruments									
	Share of Patni Computers Limited	Other	50	50	Quoted	Fully paid			11,500	11,500
	Share of Drive in Ch Association	Other	-	-	Unquoted	Fully paid			100	100
	Share of Nutan Naq. Shah bank	Other	-	-	Unquoted	Fully paid			440	440
	Silvertouch Technology (UK) Ltd	Subsidiary	500	500	Unquoted	Fully paid	100%	100%	40,824	40,824
	Silvertouch Technology B.V. The Netherlands	JV	100	100	Unquoted	Fully paid	50%	50%	5,562	5,562
	Total								58,426	58,426
(b)	Other non-current investments									
	Investment in Gold	Other	-	-	Unquoted	--N.A.--			27,520	27,520
	Total								27,520	27,520
	Total								85,946	85,946



NOTE 12 LONG TERM LOANS & ADVANCES

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
a. Security Deposits		
Unsecured, considered good	2,61,65,319	2,17,30,338
c. Loans and advances to related parties		
Unsecured, considered good		
Private Company in which director is a member or director	32,865	-
Total	2,61,	2,17,30,3

NOTE 13 INVENTORIES

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
a. Stock in Trade	3,45,88,689	1,64,65,898
Total	3,	1,

NOTE 14 TRADE RECEIVABLES

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	3,60,48,986	3,53,03,458
Unsecured, considered doubtful	1,32,51,466	1,48,97,010
	4,93,00,452	5,02,00,469
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	14,85,41,425	17,25,39,337
Unsecured, considered doubtful	-	-
	14,85,41,425	17,25,39,337
Total	19,78,	22,2 ,

Trade Receivable stated above include debts due by:

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member or director	26,75,315	80,39,860
Total	26,7	80,39,860

NOTE 15 CASH & BANK BALANCES

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
a. Cash & Cash Equivalants		
i) Cash on hand	33,89,140	34,01,227
b. Other Bank balances		
Bank Balances	1,58,95,925	33,79,071
Bank Deposits		
Deposits with less than 12 months maturity	2,85,94,064	1,38,38,802
Deposits with more than 12 months maturity	3,63,210	5,90,210
(This includes ₹ 21.55,000/- as security against borrowings & ₹ 2.68.02.274/- as security against guarantees)		
Total	4,	2,1



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NOTE 16 SHORT TERM LOANS & ADVANCES

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
a. Loans and advances to related parties		
Unsecured, considered good		
Directors		
Other officers of the Company		
Firm in which director is a partner		
Private Company in which director is a member or director	50,149	50,149
	50,149	50,149
b. Others		
Unsecured, considered good		
Balance with Government	5,35,36,526	3,93,95,276
Advance to Staff	35,82,042	28,94,349
Advance to Supplier	2,59,02,214	1,03,31,764
Others	98,08,840	76,49,832
	9,28,29,622	6,02,71,221
Total	9,28,79,771	6,03,21,370



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2012-13)

NOTE 17 REVENUE FROM OPERATION

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Sale of products	44,29,77,088	39,77,89,607
Sale of services	38,42,94,365	27,50,76,255
Other operating revenues	33,22,056	80,60,695
Total Sales	83,05,93,509	68,09,26,557
Less:		
Service Tax	2,95,89,794	1,60,83,393
Excise duty	-	-
Total	80,10,03,715	66,48,43,164

NOTE 18 OTHER INCOME

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Interest Income	26,85,295	2,32,304
Other non-operating income	49,38,771	27,02,220
TOTAL	76,24,067	29,34,524

NOTE 19 PURCHASES OF STOCK-IN-TRADE

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Purchase of products	45,55,57,841	39,39,65,410
ADD : Inter Unit Purchase	-	-
Less: Rate Difference	-	-
Transferred to Fixed Assets from Opening Stock	6,54,362	6,20,423
Discount	1,07,20,246	61,82,852
TOTAL	44,41,83,233	38,71,62,135

NOTE 20 CHANGES IN INVENTORIES OF STOCK IN TRADE

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Opening Stock	1,64,65,898	1,47,10,338
Less: Closing Stock	3,45,88,689	1,64,65,898
TOTAL	(1,81,22,790)	(17,55,560)

NOTE 21 EMPLOYEE BENEFITS EXPENSE

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
(a) Salaries and incentives	15,73,01,934	13,72,54,957
(b) Contributions to -		
(i) Provident fund & ESIC	3,28,735	3,41,278
(c) Provisions for Gratuity	23,44,235	10,52,542
(d) Staff welfare expenses	26,625	47,060
(e) Salaries to Contractual Employees	2,85,67,090	2,12,09,809
TOTAL	18,85,68,619	15,99,05,646



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2012-13)

NOTE 22 FINANCE COSTS

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Interest expense	57,23,015	49,56,261
Other borrowing costs	24,07,010	32,61,471
TOTAL	81,30,025	82,17,732

NOTE 23 OPERATIONS & OTHER EXPENSES

Particulars	31/03/2013 Amount(In ₹)	31/03/2012 Amount(In ₹)
Power & Fuel	32,08,457	28,35,040
Rent	42,69,679	33,38,670
Repairs to buildings	3,14,482	2,92,078
Insurance	3,62,029	2,44,547
Rates and taxes, excluding taxes on income	11,26,730	11,95,422
Net loss on foreign currency transaction and translation	4,53,307	1,33,785
Payment to Auditors	4,77,860	3,50,000
Project Expenses	5,71,98,958	2,00,91,817
Miscellaneous expenses	3,05,11,184	2,90,78,112
TOTAL	9,79,22,686	5,75,59,470



Note 24. CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account and not provided for ₹. Nil. (previous year ₹ Nil).

Note 25. CONTINGENT LIABILITIES

a) There are contingent liability of the company as under:

(Amount in ₹)

Bank Guarantee	Current Year	Previous Year
Bank of India	7,74,24,991	5,05,82,414/-
ICICI Bank	96,28,201	52,58,125/-

The above bank guarantees are issued by Bank of India against 20% margin and ICICI bank against 15% margin in the form of Bank FD.

b) Income tax Demand

(Amount in ₹)

Particulars	Current Year	Previous Year
Penalty u/s 271(1)(c) (AY 2007-08)	3,09,457	3,09,457
U/s 143(3) (AY 2009-10)	1,850	-
U/s 143(3) (AY 2010-11) *	1,31,62,920	-

* The said demand is pending at CIT (Appeal) Level as on 31st March, 2013. Management is hopeful for favorable order from Department.

c) Company has given Corporate guaranty of ₹ NIL (Previous year ₹ 8,40,00,000/-) for loans taken by the directors of the Company.

Note 26. Pursuant to Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in process of compiling relevant information from its suppliers about their coverage under the said act. Since the relevant information is not readily available, no disclosures have been made in the accounts.

Note 27. Auditor's Remuneration

(Amount in ₹)

	2012-13	2011-12
Statutory Auditors		
- As Auditors	2,40,000	2,40,000
- Tax Audit Matters	25,000	25,000
- Taxation & Consultancy	1,32,000	25,000
- Company Law Matters	30,000	-
- Others (incl. Service Tax)	50,860	60,000
Total	4,77,860	3,50,000



Note 28. EARNING PER SHARE

(Amount in ₹)

Description	Current Year	Previous Year
Profit After Tax (₹)	4,61,40,090	2,87,89,396
MAT credit entitlement of Earlier years(₹)	-	36,38,204
Profit Attributable to Ordinary Share Holders (₹)	4,61,40,090	3,24,27,600
Weighted Average No. of Equity Shares	55,95,000	55,95,000
Basic & Diluted Earnings Per Share * (₹)	8.25	5.80
Nominal Value of share (₹)	10	10

* The company has no dilutive instruments during the year ended March 31, 2013. As such Dilutive Earning Per share equals to Basic Earnings Per Share.

Note 29. In compliance with the accounting standard-22 relating to "Accounting for taxes on Income" the deferred tax liability of current year is debited to statement of Profit & Loss.

Deferred tax working:

(Amount in ₹)

DESCRIPTION	As on 01.04.2012	Addition during the year	As on 31.03.2013
Deferred tax (Assets) / Liabilities on account of depreciation	99,60,711	38,20,948	1,37,81,660
Deferred tax (Assets) / Liabilities on account of Gratuity, etc	(22,22,135)	(7,60,587)	(29,82,722)
Net Deferred tax liabilities / (Assets)	77,38,576	30,60,361	1,07,98,938

Note 30. Related party disclosure as required by Accounting Standard -18 issued by the Institute of Chartered Accountants of India.

A) List Of Related parties & Relationships**a) Subsidiaries, Fellow Subsidiaries, And Associates****a) Subsidiaries**

- 1) Silvertouch Technology (UK) Ltd
- 2) Silvertouch Technologies Inc.

b) Fellow Subsidiary - None**c) Associates - None**

b) Key Management Personnel

- 1) Vipul H. Thakkar
- 2) Minesh V. Doshi
- 3) Jignesh A. Patel
- 4) Palak V. Shah
- 5) Himanshu Jain

c) Relatives of Key Management Personnel

- 1) Kajal V. Thakkar
- 2) Jolly J. Patel
- 3) Zankhana Shah
- 4) Varsha Doshi
- 5) Haridas Thakkar
- 6) Amrutlal Patel
- 7) Manjulaben Patel

d) Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year :

- 1) Silvertouch Infotech Limited
- 2) Semaphore Infotech Private Limited
- 3) Silvertouch Technologies B.V.

B) Transaction with related parties**(Amt in ₹.)**

Description	Subsidiaries, Fellow Subsidiaries, and Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprises Controlled by Key management Personnel and their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/ Services	-	-	-	-	-	-	14,39,10,927	9,96,80,943
Sales of Goods / Services	2,96,68,175	3,25,80,314	-	-	-	-	15,71,092	4,34,659
(Purchase) / Sales of Assets	-	-	-	-	-	-	-	-
Rent & other Expenses (paid)/Recd	-	-	-	-	-	-	-	-
Interest Received/(Paid)	-	-	(25,50,110)	(12,24,424)	-	-	-	-
Dividend Received/(paid)	-	-	(24,88,250)	(49,76,500)	(3,09,250)	(6,18,500)	-	-
Remuneration	-	-	1,22,20,800	1,13,62,200	-	-	-	-
Hire Charges paid	-	-	-	-	-	-	-	-
Lease Rent Received / (Paid)	-	-	-	-	(8,77,542)	(8,55,750)	1,68,000	1,68,000
Outstanding Balance at the year end								
Loans & Advance (incl. interest)	50,149	50,149	-	-	-	-	76,612	68,942
Deposit Received	-	-	1,03,41,393	1,37,87,972	-	-	-	-
Debtors	8,93,750	64,99,234	-	-	-	-	-	10,76,597
Creditors	-	-	-	-	-	-	2,62,80,763	1,09,84,739



Note 31. Additional information pursuant to the provisions of Schedule VI to the Companies Act, 1956:

(Amount in ₹)			
3	Particulars	2012-13	2011-12
A	Expenditure in Foreign currency on account of		
	i) Foreign Traveling	15,09,256	7,22,683
	ii) Exhibition/Promotion Exp	-	-
	iii) Salary	25,08,925	23,66,009
B	Value of imported raw materials, spare parts and components	42,55,770	34,00,630
C	Amount remitted in foreign currency during the year		
	i) Dividend	Nil	Nil
	ii) No. of non-resident share holders	Nil	Nil
	iii) No. of shares held by non-residents	Nil	Nil
D	Earning in Foreign Exchange		
	i) Export of Goods/Services	16,73,39,073	14,76,62,330
	ii) Others	Nil	Nil

Note 32. REVALUATION OF FIXED ASSETS:

As on 31.03.2011 the company has revalued the office buildings and Godown Building on the basis of the Valuation report dated 31.03.2011 given by Government Registered Valuer Shri Shailesh Khandwala. As per the valuation report, the details of historical cost and revalued amounts are as under:

(Amount in ₹)				
Sr No	Detail of Fixed Assets	Historical Cost	Net WDV as on 31.03.2011 before Revaluation	Substituted /Revalued Amount
1	Office Building 210	5,00,500	4,03,851	15,50,000
2	Office Building Semaphore	80,669	71,468	14,55,000
3	Office Building -1	4,33,700	3,22,135	43,75,000
4	Office Building Saffron	91,43,774	86,42,613	3,55,00,000
5	Office Building 505 Saffron	16,57,246	16,14,906	42,40,000
6	Godown Building	5,13,980	4,54,416	52,00,000

• Depreciation on revaluation of assets amounting to ₹ 7,27,799 (Previous year ₹ 7,24,366) is charged against depreciation reserve and only net depreciation is charged to Profit & Loss account.



Note 33. IMPAIRMENT OF FIXED ASSETS

In accordance with the Accounting Standard (AS-28) on 'Impairment of Assets' notified by Companies (Accounting Standards) Rules, 2006, the company has reassessed its fixed assets and is of the view that no further impairment/reversal is considered to be necessary in view of its expected realizable value.

Note 34. MAT CREDIT ENTITLEMENT

During the year, the company has accounted for the MAT credit entitlement of earlier years amounting to ₹ Nil (Previous Year ₹ 36,38,204).

Further, during the year, company has utilized MAT credit amounting to ₹ 58,32,532 (Previous Year ₹ 58,87,323) out of accumulated MAT credit of earlier years.

Details of MAT credit accounted in accounts are as under :

(Amount in ₹)	
Financial Year	Amount of MAT Credit
2007-08	34,22,305
2008-09	49,26,057
2009-10	63,98,605
2010-11	36,38,204
Total	1,83,85,171
Credit Utilized (FY 2011-12)	(58,87,323)
Credit Utilized (FY 2012-13)	(54,32,532)
Net MAT Credit	70,65,316

Note 35. SEGMENT REPORTING

The company's Business Segment is 'Computers & IT Services' and it has no other primary reportable segments. Geographical revenues are segregated based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognized. Customer relationships are driven based on the location of the respective clients. Company's business activities outside India are spread mainly in United Kingdom, USA, Australia, France & The Netherlands. Hence, there are two reportable segment of company viz., Domestic & Exports.



(A)- Primary Disclosures (Geographical by Customers)**(Amount in ₹)**

Particulars	Geographical Segments		TOTAL
	India	Outside India	
Revenue	63,36,64,642 (51,71,80,834)	16,73,39,073 (14,76,62,330)	80,10,03,715 (66,48,43,164)
Segment Result	2,60,96,187 (1,82,99,591)	6,51,64,017 (5,16,49,755)	9,12,60,204 (6,99,49,346)
Unallocable Expense			3,05,83,819 (3,00,01,882)
Other Income			76,24,067 (29,34,524)
MAT Credit of earlier years			- (36,38,204)
Tax Expense			2,21,60,361 (1,40,92,592)
Profit for the year			4,61,40,090 (3,24,27,599)
Segment Assets	40,82,58,787 (33,97,94,428)	9,07,48,723 (7,45,93,807)	49,90,07,510 (41,43,88,235)
Unallocable Asstes			4,59,99,091 (3,70,67,361)
TOTAL Assets			54,50,06,601 (45,14,55,596)
Segment Liabilities	41,27,24,972 (35,20,56,714)	9,07,48,723 (7,45,93,807)	50,34,73,695 (42,66,50,521)
Unallocable Liabilities			4,15,32,906 (2,48,05,075)
TOTAL Liabilities			54,50,06,601 (45,14,55,596)

* Figures in brackets in *Italics* font indicates previous years' figures.

- i) The company has disclosed Geographical Segments as the primary segment.
Segments have been identified taking into account the nature of the products, differential risks and returns, the organizational structure and internal-reporting system. The company's operations predominantly relate to Computer & IT Services.



Note 36. Revenue from operations

Particulars--	2012-13	2011-12
1) Sale of Computers Computer Parts, License, Software etc.	44,29,77,088	39,77,89,607
2) Sale of Services Software Development, AMC Charges & Other Services	35,47,04,571	25,89,92,862
3) Other Operating Revenue	33,22,056	80,60,695
Total Revenue from Operations	80,10,03,715	66,48,43,164

Note 37. Balances of Secured Loans, unsecured loans, Debtors, Creditors for goods, creditors for expenses, loans and advances and advance from customers are subject to confirmation.

Note 38. Company has made provision for Gratuity of ₹ 23,44,235/- (Previous Year ₹ 10,52,542/-) on basis of management's estimation without Actuarial valuation. Actuarial valuation may differ from actual provision made in books of account.

Note 39. No Provision for doubtful debts has been made in the books of accounts.

Note 40. Previous year figures are regrouped and rearranged wherever necessary to compare with current year figures.

Note 41. Figures are rounded off to the nearest rupee.

Signatories to Note 1 to 41.

For Ambalal Patel & Co.
Chartered Accountants
Firm Reg. No. 100305W



(CA Saurin A. Patel)
Partner
M.No.:46786

For Silver Touch Technologies Ltd.



Managing Director / Whole time Director



Company Secretary

August 18, 2013
Ahmedabad



To
AMBALAL PATEL & CO.
AHMEDABAD
F.Y.:2012-13

THIS IS TO CERTIFY THAT

- 1 The Fixed assets have been physically verified at the end of the year in accordance with the policy of the company, and no material discrepancies were noticed during physical verification of the fixed assets.
- 2 Looking to the size and nature and volume of inventory handled it is not possible to keep proper tract and valuation of each of its items, however the management has control over the movement of inventory and no discrepancy was found during the year.
- 3 The valuation of the Inventories is fair and proper in accordance with the normally accepted accounting principles and the basis for valuation of the inventory is same as in the preceding year.
- 4 All the expenses incurred are exclusively in connection with and for the business and no personal or capital expenditure is debited to profit & loss account.
- 5 Method of accounting employed in the previous year is mecentile basis. There is no change in the method of accounting employed during the year.
- 6 No fraud on or by the company has been noticed or reported during the year .
- 7 Cash on hand as on 31st March, 2013 is ₹ 33,89,140/- which has been physically verified by us.
- 8 Outstanding Balance of debtors, Loans and Advances, Sundry creditors etc. as on 31st March, 2013 are recoverable/payable as per the prevailing practise of the business.
- 9 The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of the products of the company.
- 10 There is no undisputed amout pending in respect of the statutory dues as at 31st March, 2013 for a period exceeding six months from the date they become payable. And there is no disputed amout pending in respect of the statutory dues.
- 11 The company does not owe any sum to any Small Scale Industries Understaking.
- 12 The company has not defaulted in repayment of dues to financial instutions and banks.
- 13 The company has not given any guarantee for loans by others from any banks or financial institutions. And the company has not any contingent liabilites outstanding.
- 14 The company has complied with all the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 in the preparation and presentation of the accounts for the year ended 31st March, 2013 wherever applicable.
- 15 The company has complied with other Misc laws like PF Act, ESI Act, Service Tax Act, VAT Act, Central Excise Act and Customs Act, wherever applicable.

Place: Ahmedabad
Date: August 18, 2013

For, SILVER TOUCH TECHNOLOGIES LIMITED


DIRECTOR


DIRECTOR

To

**AMBALAL PATEL & CO.
AHMEDABAD**

This is to certify that the none of the directors of the company is disqualified as on 31st March, 2013 from being appointed as director in terms of sub-section (1) of the Section 274 of the Companies Act,1956.

**Place: Ahmedabad
Date : August 18, 2013**

For, SILVER TOUCH TECHNOLOGIES LIMITED


DIRECTOR


DIRECTOR