

SILVER TOUCH TECHNOLOGIES LIMITED

REGD. OFFICE

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

AUDITORS

AMBALAL PATEL & CO.

CHARTERED ACCOUNTANTS

**1st Floor, Sapphire Business Centre
Above SBI Vadaj Branch
Usmanpura, Ashram Road
Ahmedabad-380013**

**ANNUAL REPORT
2013-14**

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 20th Annual Report along with the audited accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS:

The following are the financial results of the Company for the year ended 31st March, 2014.

Particulars	Year ended 31st March 2014 (Amount in Lacs)	Year ended 31st March 2013 (Amount in Lacs)
Revenue from Business Operations (Net of Service Tax)	10805.78	8010.04
Other Income	63.80	76.24
Profit/Loss before Dep. And Interest	1320.43	960.76
Less : Interest	142.22	81.30
Less: Depreciation	284.80	196.46
Profit Before Tax	893.41	683.00
Less :Provision for Tax	290.42	221.60
Profit After Tax	602.99	461.40
Less : Prior Period Items/Gratuity of Earlier years	-	-
Profit For the year	602.99	461.40

2. REVIEW OF OPERATIONS AND FUTURE PROSPECTS:

The Company has made total income from business operations of Rs. 10805.77 Lacs during the year under review which shows magnificent revenue in various segments with growth of more than 35% as compared to previous financial year's income. Your company has also earned the net profit of Rs. 602.99 Lacs, which is phenomenal in terms of percentage viz., 31% 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.

5. FINANCE:

During the period under review, the company has modified various credit facilities comprising of Fund Based Limits & Non fund Base Limit from Bank of India in regard to the book Debts & Movable property aggregating total credit facilities of Rs. 2500 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 modified and increased credit facilities comprising of Fund Based Limits & Non fund Based Limit from Bank of India in regard to the Immovable property aggregating total credit facilities **of Rs. 2500 Lacs**. The Company has continued to enjoy various Non Fund based limits and Fund Based Limits to the tune **of Rs. 205 Lacs** from ICICI Bank. Further, the Company has availed aggregating term loan/equipment finance to the tune **of Rs. 114.19 Lacs** from Cisco System Capital (India) Pvt. Ltd (after 31st March, 2014) under the finance arrangement for funding long term technology Infrastructure setup.

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.

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. Along with it, the Company has also established wholly owned subsidiary named Silver Touch Technologies INC in USA w.e.f 01/10/2012 where as the said Company is looking after Services related to the Software(s) and IT related Solutions. 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 both Wholly Owned Subsidiary Companies 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 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. 1412.38 Lacs

Foreign Exchange Expended/Outgo in INR Rs.43.19 Lacs

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief:

- a) in the preparation of the Profit and Loss Statement for the financial year ended 31st March, 2014 and the balance sheet as at that date ("financial statements"), applicable accounting standards have been followed;

- b) appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken 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;
- d) The financial statements for the year ended 31st March, 2014 have been prepared on a going concern basis.

11. BOARD OF DIRECTORS:

The Board of Directors of your Company has various executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Mr. Vipul Thakkar & Mr. Himanshu Jain, Directors of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

12. RE- APPOINTMENT OF INDEPENDENT DIRECTORS:

As per section 149(4) of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, every Public Company having Turnover of Rs. 100.00 Crore or more is required to have at least one-third of the total number of directors as Independent Director. Pursuant to which, it was proposed to appoint/re-appoint Mr. Ronak Sudhirbhai Shah (DIN: 02292044) & Mr. Harivadan Thakar (DIN: 02466067) as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the Forthcoming Annual General Meeting (AGM) of the Company.

Your directors recommend the re-appointment of these directors.

13. AUDITORS:

M/s. Ambalal Patel & Co., Chartered Accountant (Firm Registration No. 100305W), retires at the Conclusion of this Annual General Meeting and is eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Ambalal Patel & Co., Chartered Accountant, as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of Twenty Fifth AGM to be held in the year 2019, subject to ratification of his appointment at every subsequent AGM. The Company has received confirmation that his appointment will be within the limits prescribed under section 141 of the Companies Act, 2013. The Audit Committee of the Board has recommended his re-appointment. The necessary resolution is being placed before the shareholders for approval.

14. 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.

15. RECONSTITUTION OF THE AUDIT COMMITTEE:

During the period under review, the Company has re-constituted the Audit Committee with the change in the constitution of the committee as mentioned hereunder and with the same powers as delegated under earlier Audit Committee to comply with the provisions of Section 178 of the Companies Act, 2013 and Rules made there under.

The Audit Committee shall consist of:

- | | |
|-------------------------|----------|
| 1. Mr. Harivadan Thakar | Chairman |
| 2. Mr. Ronak Shah | Member |
| 3. Mr. Vipul Thakkar | Member |

15. RECONSTITUTION OF THE AUDIT COMMITTEE:

During the period under review, the Company has re-constituted the Audit Committee with the change in the constitution of the committee as mentioned hereunder and with the same powers as delegated under earlier Audit Committee to comply with the provisions of Section 178 of the Companies Act, 2013 and Rules made there under.

The Audit Committee shall consist of:

- | | |
|-------------------------|----------|
| 1. Mr. Harivadan Thakar | Chairman |
| 2. Mr. Ronak Shah | Member |
| 3. Mr. Vipul Thakkar | Member |

16. RECONSTITUTION OF THE REMUNERATION & NOMINATION COMMITTEE:

During the period under review, the Company has re-constituted the Remuneration Committee with the name Nomination and Remuneration Committee, with change in the constitution of the committee as mentioned hereunder and with the same powers as delegated under Remuneration Committee to comply with the provisions of Section 178 of the Companies Act, 2013 and Rules made there under.

The Nomination and Remuneration Committee shall consist of:

- | | |
|-------------------------|----------|
| 1. Mr. Harivadan Thakar | Chairman |
| 2. Mr. Ronak Shah | Member |
| 3. Mr. Vipul Thakkar | Member |

Further the remuneration & the perquisites will be paid to all the KMP's as per the remuneration policy of the Company.

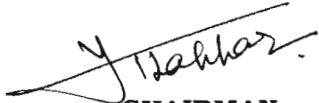
17. ACKNOWLEDGEMENT:

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

DATE: 30.06.2014

FOR AND ON BEHALF OF THE BOARD


CHAIRMAN
DIN: 00169558



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
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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
M/s. SILVER TOUCH TECHNOLOGIES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. SILVER TOUCH TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit & Loss for the year then ended, the cash flow statement for the year ended on that date annexed thereto, 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.

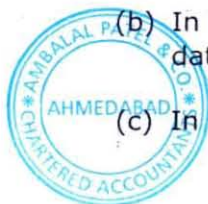
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 31st March 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of Cash flow statement, of the cash flows for the year ended on that date.



Emphasis of Matter

We draw attention to Note 38 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. 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 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, 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 Reg. No. : 100305W


CA Ghanshyam P. Jajal
Partner
M.No. 116814

Ahmedabad
30/06/2014



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (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.

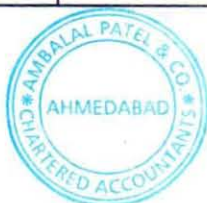
Particulars	No. of Parties	Max Amount O/s (₹)	Closing Balance (₹)
Loan Taken	4	2,80,86,393	1,05,75,092

- (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 procedures commensurate with the size of company and nature of its business with regard to purchase of fixed assets, raw-materials and consumable stores 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 during the year to Rs.5,00,000/- or more 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.
- (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 2014 for a period exceeding six months from the date they became payable.
- (b) On the basis of our examination of the documents and records, there are disputed amount pending in respect of any statutory dues.

Name of the Statute	Nature of Dues	Disputed	Forum where dispute is pending	Net Demand Amount (₹)
		Amount (₹)		
Income Tax	Penalty U/s 271(1)(c)	3,09,457	Income Tax Tribunal	3,09,457
AY 2007-08				
Income Tax	Demand U/s 143(3)	1,850	Income Tax Tribunal	1,850
AY 2009-10				
Income Tax	Demand U/s 143(3)	30,310	Income Tax Tribunal	30,310
AY 2010-11				
Income Tax	Demand U/s 143(3)	11,420	CIT (Appeal)	11,420
AY 2011-12				



- (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 a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of the clause (xiii) of paragraph 4 of the order are not applicable.
- (xiv) In our opinion, the company is not dealing in or trading in, securities, debentures and other investments. Accordingly, the provisions of the clause (xiv) of paragraph 4 of the order are not applicable.
- (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 others from any banks or financial institution.
- (xvi) In our opinion the term loans have been applied for the purpose for which there were raised.
- (xvii) 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.
- (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.
- (xix) On the basis of the records and documents examined by us, the Company has not issued any secured 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 Reg. No. : 100305W


CA Ghanshyam P. Jajal
Partner
M.No. 116814

Ahmedabad
30/06/2014



SILVER TOUCH TECHNOLOGIES LIMITED

CIN-U72200GJ1995PLC024465

BALANCE SHEET AS ON 31st March 2014

Particulars		Note No.	31st March 2014	31st March 2013
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital		2	5,59,50,000	5,59,50,000
(b) Reserves and surplus		3	28,28,74,331	22,65,75,828
2 Non-current liabilities				
(a) Long-term borrowings		4	1,30,25,763	1,32,69,474
(b) Deferred tax liabilities (Net)			1,82,41,118	1,07,98,937
(c) Other Long term liabilities		5	3,30,62,800	2,32,57,000
3 Current liabilities				
(a) Short-term borrowings		6	11,14,71,751	3,72,70,316
(b) Trade payables		7	12,56,30,912	8,86,18,860
(c) Other current liabilities		8	6,71,00,861	4,93,39,054
(d) Short-term provisions		9	6,06,72,641	3,99,27,132
TOTAL			76,80,30,177	54,50,06,601
II. ASSETS				
Non-current assets				
1 (a) Fixed assets		10		
(i) Tangible assets			19,83,42,768	14,18,99,397
(ii) Intangible assets			31,89,715	32,70,396
(b) Non-current investments		11	85,946	85,946
(c) Long-term loans and advances		12	1,95,14,578	2,61,98,184
2 Current assets				
(a) Inventories		13	2,68,26,924	3,45,88,689
(b) Trade receivables		14	33,62,44,947	19,78,41,877
(c) Cash and Bank Balances		15	5,51,35,787	4,82,42,340
(d) Short-term loans and advances		16	12,86,89,512	9,28,79,771
TOTAL			76,80,30,177	54,50,06,601
Notes on Accounts		1		

As per our report of even date
For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. : 100305W

CA Ghanshyam P. Jajal
PARTNER
M.No. 116814

Ahmedabad
30/06/2014



For and on behalf of Board of Directors

Vipul Thakkar
Director
DIN - 00169558

Jignesh Patel
Director
DIN - 00170562

Company Secretary

SILVER TOUCH TECHNOLOGIES LIMITED

CIN-U72200GJ1995PLC024465

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st March 2014

(Amount in ₹)

Particulars		Note No.	2013-14	2012-13
I. Revenue from operations		17		
Sales & Operational Revenue			1,13,70,74,023	83,05,93,509
<u>Less:</u>				
Service Tax			5,64,96,254	2,95,89,794
			1,08,05,77,769	80,10,03,715
II. Other income		18	63,79,696	76,24,067
III. Total Revenue (I + II)			1,08,69,57,465	80,86,27,782
IV. Expenses:				
Purchases of Stock-in-Trade		19	49,06,43,603	44,41,83,233
Changes in inventories of Stock-in-Trade		20	77,61,765	(1,81,22,790)
Employee benefits expense		21	23,21,22,356	18,85,68,619
Finance costs		22	1,42,21,824	81,30,025
Depreciation and amortization expense			2,84,79,605	1,96,45,557
Operations & Other Expenses		23	22,43,86,895	9,79,22,686
Total expenses			99,76,16,047	74,03,27,330
V Profit before tax (III- IV)			8,93,41,418	6,83,00,451
VI Tax expense:				
(1) Current tax			2,16,00,000	1,91,00,000
(2) Deferred tax			74,42,181	30,60,361
			2,90,42,181	2,21,60,361
VII Profit/(Loss) for the period (V+VI-VII)			6,02,99,238	4,61,40,090
VIII Earnings per equity share (Face Value ₹ 10 per share)				
(1) Basic			10.78	8.25
(2) Diluted			10.78	8.25
Notes on Accounts		1		

As per our report of even date
For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. : 100305W

CA Ghanshyam P. Jajal
PARTNER
M.No. 116814

Ahmedabad
30/06/2014



For and on behalf of Board of Directors

Vipul Thakkar
Director
DIN - 00169558

Jignesh Patel
Director
DIN - 00170562

Company Secretary

SILVER TOUCH TECHNOLOGIES LIMITED
CIN-U72200GJ1995PLC024465
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2014

(Amount in ₹.)

PARTICULARS	2013-14		2012-13	
A. Cash inflow/(outflow) from the operating activities				
Net profit before Tax and Prior Period Adjustments		8,93,41,418		6,83,00,451
Adjustments for:				
Depreciation	2,84,79,605		1,96,45,557	
Interest paid	1,02,19,420		57,23,015	
Interest Income	(28,05,827)		(26,85,295)	
Provision of Gratuity payable	26,37,686		23,44,235	
Preliminary Expenses written off	-		-	
Loss on sale of Assets	-		84,030	
Dividend received	-	3,85,30,884	-	2,51,11,542
Operating Profit before working capital changes		12,78,72,302		9,34,11,993
Adjustment for (Increase)/Decrease in Working Capital :				
Inventories	77,61,765		(1,81,22,790)	
Receivables	(13,84,03,070)		2,48,97,928	
Direct Tax paid	(2,67,97,761)		(1,43,64,262)	
Other Taxes paid	-		-	
Loans & Advances	(58,42,161)		(2,80,94,518)	
Current Liabilities & Provisions	5,47,73,858	(10,85,07,369)	1,03,57,613	(2,53,26,030)
Net cash inflow/(outflow) from operating activities (A)		1,93,64,933		6,80,85,963
B. Cash inflow/(outflow) from investing activity				
Dividend Received	-		-	
Investments	-		-	
Purchase of Assets	(8,55,70,092)		(5,71,66,251)	
Sale of Fixed Assets	-		4,42,000	
Net cash inflow/(outflow) from investing activity (B)		(8,55,70,092)		(5,67,24,251)
C. Cash inflow/(outflow) from financing activity				
Secured Loans Availed/(Paid)	7,28,72,284		56,95,571	
Unsecured Loans Availed/(Paid)	1,08,91,241		1,62,64,789	
Interest Income	28,05,827		26,85,295	
Interest Paid	(1,02,19,420)		(57,23,015)	
Interim Dividend and Tax thereon	(32,51,325)		(32,51,323)	
Net cash inflow/(outflow) from Financing activity (C)		7,30,98,606		1,56,71,317
Net Cash changes in cash and cash equivalent (A+B+C)		68,93,447		2,70,33,029
Cash & Cash Equivalent at the beginning of the Period		4,82,42,340		2,12,09,311
Cash & Cash Equivalent at the end of the Period		5,51,35,787		4,82,42,340
Net Increase in cash and cash equivalent		68,93,447		2,70,33,029

Note :

- 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.
- Figures in bracket represent Outflow of cash.

As Per our report of even date

For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. : 100305W

CA Ghanshyam P. Jajal
PARTNER
M.No. 116814

Ahmedabad
30/06/2014



For and on behalf of Board of Directors

Vipul Thakkar
Director
DIN - 00169558

Jignesh Patel
Director
DIN - 00170562

Company Secretary

SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

Notes forming Part of accounts:

Note 1 SIGNIFICANT ACCOUNTING POLICIES

i) 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.

ii) 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.

iii) 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.

iv) Inventories :

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

v) 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

vi) 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.

vii) 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.

viii) 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.

ix) 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.

x) 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

xi) Foreign Currency Transactions :

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.

xii) Preliminary Expenses :

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

xiii) 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.

xiv) General :

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



NOTE 2 SHARE CAPITAL

Particulars	31/03/2014		31/03/2013	
	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	31/03/2014		31/03/2013	
	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

Details of share holders holding more than 5% shares

Name of Equity Share Holders	No. of shares & %age of Holding			
	31/03/2014		31/03/2013	
	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	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
a. Revaluation Reserve		
Opening Balance	3,93,58,446	4,00,86,245
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	(7,27,798)	(7,27,799)
Closing Balance	3,86,30,648	3,93,58,446
b. General Reserve		
Opening Balance	3,00,00,000	2,50,00,000
(+) Current Year Transfer	50,00,000	50,00,000
(-) Written Back in Current Year	-	-
Closing Balance	3,50,00,000	3,00,00,000
c. Surplus		
Profit & Loss A/c		
Opening balance	15,72,17,382	11,93,28,616
Add:		
Net Profit/(Net Loss) For the current year	6,02,99,238	4,61,40,090
Transfer from Reserves	-	-
(Less):		
Proposed/Interim Dividends	(27,97,501)	(27,97,501)
Tax on Proposed/Interim Dividends	(4,75,435)	(4,53,824)
Transfer to Reserves	(50,00,000)	(50,00,000)
Closing Balance	20,92,43,683	15,72,17,382
Total	28,28,74,331	22,65,75,828



NOTE 4 LONG TERM BORROWINGS

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 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)	19,52,133	22,75,060
BOI Car Loan Acct 200460510000143- Renault Scala (Secured by Hypothication of Scala Car) (Repayable in 60 Monthly Installment)	3,87,180	5,11,860
BOI Car Loan Acct- 200460510000148 -Maruti Cargo (Secured by Hypothication of Maruti Carqo) (Repayable in 59 Monthly Installment)	1,11,358	1,41,161
	24,50,671	29,28,081
Unsecured		
(a) Loans and advances from related parties		
From Directors	1,05,75,092	1,03,41,393
Total	1,30,25,763	1,32,69,474

NOTE 5 OTHER LONG TERM LIABILITIES

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 Amount(In ₹)
(a) Others		
Student Fees Deposites	11,50,000	11,25,000
E-Mitra (Refundable SD)	1,76,12,800	1,34,82,000
UID (Refundable SD)	1,43,00,000	86,50,000
Total	3,30,62,800	2,32,57,000

NOTE 6 SHORT TERM BORROWINGS

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 Amount(In ₹)
Secured		
(a) Loans repayable on demand		
From Banks		
ICICI BANK - USD - B.D. A/c. (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)	-	20,59,477
Bank Of India No.28 (Sec. against Hypo. Of Stock)	7,99,36,810	3,50,21,457
Bank Of India No.35 (Sec. against Hypo. Of Stock)	2,79,94,813	-
Bank Of India No.29 (Sec. against Hypo. Of Debts) (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)	24,99,019	14
	11,04,30,642	3,70,80,948
Unsecured		
(a) Loans repayable on demand		
From Banks		
BOI A/C no: 664820110000110 (Jaipur Branch)	10,41,110	1,89,368
	10,41,110	1,89,368
Total	11,14,71,751	3,72,70,316



NOTE 7 TRADE PAYABLES

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
Due to Micro, Small & medium Enterprises		
Due to Others	12,56,30,912	8,86,18,860
Total	12,56,30,912	8,86,18,860

NOTE 8 OTHER CURRENT LIABILITIES

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
(a) Current maturities of long-term debt		
SBI Car Loan Acct-Mercedes Benz	6,06,984	6,06,984
BOI Car Loan Acct 200460510000143- Renault Scala	1,93,992	1,93,992
BOI Car Loan Acct- 200460510000148 -Maruti Carqo	52,260	52,260
(b) Other payables		
Creditors for Expenses	2,12,64,402	81,97,100
Advance from Customer	25,19,056	88,55,434
Other Dues	1,91,44,328	1,73,72,293
Staff Dues	8,90,844	8,77,348
Government Dues	2,24,28,995	1,31,83,643
Total	6,71,00,861	4,93,39,054

NOTE 9 SHORT TERM PROVISIONS

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
(a) Provision for employee benefits		
Gratuity (Unfunded)	1,18,30,849	91,93,163
(b) Others		
Provision for Taxation	4,83,66,357	3,02,80,145
Provision for Tax on Interim Dividend	4,75,435	4,53,824
Total	6,06,72,641	3,99,27,132



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

NOTE 10 FIXED ASSET

Fixed Assets	Gross Block						Accumulated Depreciation					Net Block	
	Balance as at 01/04/2013	Additions	(Disposals)	Acquired through business combinations	Addition / (Deduction) due to Capital Reduction/Revaluations/ (Impairments)	Balance as at 31/03/2014	Balance as at 01/04/2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31/03/2014	Balance as at 31/03/2014	Balance as at 31/03/2013
a Tangible Assets													
Buildings	5.69.80.086	-	-	-	-	5.69.80.086	62.79.080	2.00.978	7.27.798	-	72.07.856	4.97.72.230	5.07.01.006
Plant and Equipment	13.12.88.135	7.95.39.280	-	-	-	21.08.27.416	6.24.15.179	2.55.16.805	-	-	8.79.31.984	12.28.95.432	6.88.72.956
Furniture and Fixtures	1.63.61.020	40.84.034	-	-	-	2.04.45.054	41.57.230	8.23.892	-	-	49.81.122	1.54.63.932	1.22.03.790
Vehicles	70.57.849	27.200	-	-	-	70.85.049	15.80.815	6.45.569	-	-	22.26.384	48.58.665	54.77.034
Office equipment	59.08.955	10.08.217	-	-	-	69.17.172	12.64.344	3.00.318	-	-	15.64.662	53.52.510	46.44.610
Total(a)	21,75,96,045	8,46,58,731	-	-	-	30,22,54,776	7,56,96,648	2,74,87,562	7,27,798	-	10,39,12,008	19,83,42,768	14,18,99,397
b Intangible Assets													
Computer software	60,21,725	9,11,361	-	-	-	69,33,086	27,51,328	9,92,043	-	-	37,43,371	31,89,715	32,70,396
Total(b)	60,21,725	9,11,361	-	-	-	69,33,086	27,51,328	9,92,043	-	-	37,43,371	31,89,715	32,70,396
Total (a+b)	22,36,17,769	8,55,70,092	-	-	-	30,91,87,862	7,84,47,976	2,84,79,605	7,27,798	-	10,76,55,379	20,15,32,483	14,51,69,793
Previous Years' Figures	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



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

NOTE 11 NON CURRENT INVESTMENT

	Particulars	31/03/2014	31/03/2013
		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 dimunition in the value of Investments	-	-
	Total	85,946	85,946

Particulars	2013-14	2012-13
	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 (₹)
			2013-14	2012-13			2013-14	2012-13	
1	2	3	4	5	6	7	8	9	10
(a)	Investment in Equity Instruments								
	Share of Patni Computers Limited	Other	50	50	Quoted	Fully paid			11,500
	Share of Drive in Ch Association	Other	-	-	Unquoted	Fully paid			100
	Share of Nutan Nag. Shah bank	Other	-	-	Unquoted	Fully paid			440
	Silvertouch Technology (UK) Ltd	Subsidiary	500	500	Unquoted	Fully paid	100%		40,824
	Silvertouch Technology B.V. The Netherlan	JV	100	100	Unquoted	Fully paid	50%		5,562
	Total								58,426
(b)	Other non-current investments								
	Investment in Gold	Other	-	-	Unquoted	--N.A.--			27,520
	Total								27,520
	Total								85,946



NOTE 12 LONG TERM LOANS & ADVANCES

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 Amount(In ₹)
a. Security Deposits		
Unsecured, considered good	1,94,81,713	2,61,65,319
c. Loans and advances to related parties		
Unsecured, considered good		
Private Company in which director is a member or director	32,865	32,865
Total	1,95,14,578	2,61,98,184

NOTE 13 INVENTORIES

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 Amount(In ₹)
a. Stock in Trade	2,68,26,924	3,45,88,689
Total	2,68,26,924	3,45,88,689

NOTE 14 TRADE RECEIVABLES

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 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	8,01,51,719	3,60,48,986
Unsecured, considered doubtful	-	1,32,51,466
	8,01,51,719	4,93,00,452
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	25,60,93,228	14,85,41,425
Unsecured, considered doubtful	-	-
	25,60,93,228	14,85,41,425
Total	33,62,44,947	19,78,41,877

Trade Receivable stated above include debts due by:

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 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	11,29,750	26,84,690
Total	11,29,750	26,84,690

NOTE 15 CASH & BANK BALANCES

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 Amount(In ₹)
a. Cash & Cash Equivalants		
i) Cash on hand	28,56,761	33,89,140
b. Other Bank balances		
Bank Balances	1,10,47,595	1,58,95,925
Bank Deposits		
Deposits with less than 12 months maturity	3,42,78,447	2,87,77,999
Deposits with more than 12 months maturity	69,52,984	1,79,275
(This includes ₹ 3,12,31,431/- (Previous Year ₹ 2,89,57,274) as security against guarantees & ₹ 1,00,00,000/- (Previous Year ₹ Nil) as security against borrowings)		
Total	5,51,35,787	4,82,42,340



NOTE 16 SHORT TERM LOANS & ADVANCES

Particulars	31/03/2014 Amount(In ₹)	31/03/2013 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	8,52,01,697	5,35,36,526
Advance to Staff	45,00,916	35,82,042
Advance to Supplier	2,33,30,334	2,59,02,214
Others	1,54,43,096	98,08,840
	12,84,76,043	9,28,29,622
Total	12,85,26,192	9,28,79,771



NOTE 17 REVENUE FROM OPERATION

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
Sale of products	49,62,69,291	44,29,77,088
Sale of services	63,79,68,167	38,42,94,365
Other operating revenues	28,36,565	33,22,056
Total Sales	1,13,70,74,023	83,05,93,509
Net Sales	1,13,70,74,023	83,05,93,509
Less:		
Service Tax	5,64,96,254	2,95,89,794
Total	1,08,05,77,769	80,10,03,715

NOTE 18 OTHER INCOME

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
Interest Income	28,05,827	26,85,295
Other non-operating income	35,73,869	49,38,771
TOTAL	63,79,696	76,24,067

NOTE 19 PURCHASES OF STOCK-IN-TRADE

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
Purchase of products	50,14,04,555	45,55,57,841
Less: Transferred to Fixed Assets from Opening Stock	10,32,411	6,54,362
Discount	97,28,541	1,07,20,246
TOTAL	49,06,43,603	44,41,83,233

NOTE 20 CHANGES IN INVENTORIES OF STOCK IN TRADE

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
Opening Stock	3,45,88,689	1,64,65,898
Less: Closing Stock	2,68,26,924	3,45,88,689
TOTAL	77,61,765	(1,81,22,790)

NOTE 21 EMPLOYEE BENEFITS EXPENSE

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
(a) Salaries and incentives	19,47,63,384	15,73,01,934
(b) Contributions to -		
(i) Provident fund & ESIC	3,53,704	3,28,735
(c) Provisions for Gratuity	26,37,686	23,44,235
(d) Staff welfare expenses	93,159	26,625
(e) Salaries to Contractual Employees	3,42,74,423	2,85,67,090
TOTAL	23,21,22,356	18,85,68,619



NOTE 22 FINANCE COSTS

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
Interest expense	1,02,19,420	57,23,015
Other borrowing costs	40,02,404	24,07,010
TOTAL	1,42,21,824	81,30,025

NOTE 23 OPERATIONS & OTHER EXPENSES

Particulars	31/03/2014	31/03/2013
	Amount(In ₹)	Amount(In ₹)
Power & Fuel	34,31,987	32,08,457
Rent	54,86,004	42,69,679
Repairs to buildings	3,28,570	3,14,482
Insurance	2,43,915	3,62,029
Rates and taxes, excluding taxes on income	15,28,696	11,26,730
Net loss on foreign currency transaction and translation	-	4,53,307
Bad Debts	1,31,84,833	-
Payment to Auditors	4,75,000	4,77,860
Project Expenses	16,78,07,189	5,71,98,958
Miscellaneous expenses	3,19,00,702	3,05,11,184
TOTAL	22,43,86,895	9,79,22,686



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

Note 24 Capital Commitments

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	10,21,16,306	7,74,24,991
ICICI Bank	1,20,37,655	96,28,201

The above bank guarantees are issued by Bank of India against 15% 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	1,850
U/s 143(3) (AY 2010-11)	30,310	1,31,62,920
U/s 143(3) (AY 2011-12)	11,420	-

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 ₹)

	Current Year	Previous Year
Statutory Auditors		
- As Auditors	2,40,000	2,40,000
- Tax Audit Matters	25,000	25,000
- Taxation Matters	1,32,000	1,32,000
- Company Law Matters	30,000	30,000
- Others (Incl. Service Tax)	48,000	50,860
Total	4,75,000	4,77,860

Note 28 Earning per share as required by Accounting Standard AS-20 as issued by the The Institute of Chartered Accountants of India.

Description	Current Year	Previous Year
Profit After Tax (₹)	6,02,99,238	4,61,40,090
Profit Attributable to Ordinary Share Holders (₹)	6,02,99,238	4,61,40,090
Weighted Average No. of Equity Shares	55,95,000	55,95,000
Basic & Diluted Earning Per Share (₹)*	10.78	8.25
Nominal Value of share (₹)	10.00	10.00

* The company has no dilutive instruments during the year ended 31/03/2014. As such Dilutive Earning Per share equals to Basic Earnings Per Share.



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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 Profit & Loss Account.

Deferred tax working:

Particulars	Amount (in ₹)		
	As on 01/04/2013	Charge/ (Credit) during the year to P & L A/c	As on 31/03/2014
Deferred tax (Assets) / Liabilities on account of depreciation	1,37,81,660	82,97,978	2,20,79,638
Deferred tax (Assets) / Liabilities on account of Gratuity, etc	(29,82,722)	(8,55,797)	(38,38,519)
Net Deferred tax (Assets)/ liabilities	1,07,98,938	74,42,181	1,82,41,119

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) 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

B) Transaction with related parties

Amount (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
Sales of Goods / Services	1,02,03,251	2,49,14,001	-	-	-	-	87,154	15,71,092
(Purchase) / Sales of Assets	-	-	-	-	-	-	-	-
Rent & other Expenses paid	-	-	-	-	-	-	-	-
Interest Received/ (Paid)	-	-	(24,81,889)	(25,50,110)	-	-	-	-
Dividend Received / (paid)	-	-	(24,88,250)	(24,88,250)	(3,09,250)	(3,09,250)	-	-
Remunerations	-	-	1,00,87,400	1,22,20,800	-	-	-	-
Hire Charges paid	-	-	-	-	-	-	-	-
Lease Rent Paid	-	-	-	-	(4,20,000)	(4,20,000)	1,68,000	1,68,000
Outstanding Balance at the year end								
Loans & Advance (incl. interest)	50,149	50,149	-	-	-	-	-	76,612
Deposit Received	-	-	1,05,75,092	1,03,41,393	-	-	-	-
Debtors	8,26,000	8,93,750	-	-	-	-	10,37,684	-
Creditors	-	-	-	-	-	-	-	2,62,80,763



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

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

		Amount (in ₹)	
	Particulars	Current Year	Previous Year
A	Expenditure in Foreign currency on account of		
	i) Foreign Traveling	3,68,586	15,09,256
	ii) Exhibition/Promotion Exp	2,86,646	Nil
	iii) Salary	35,06,186	25,08,925
B	Value of imported raw materials, spare parts and components	1,57,238	42,55,770
C	Amount remitted in foreign currency during the		
	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 Services	14,12,37,561	16,73,39,073
	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:

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 ₹ 7,27,798 (Previous year ₹ 7,27,798) 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)**Note 34 Mat Credit Entitlement**

During the year, company has utilized MAT credit amounting to ₹ 35,09,108/- (Previous Year ₹ 54,32,532/-) 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	64,98,605
2010-11	35,38,204
Total	1,83,85,171
Credit Utilized (FY 2011-12)	(58,87,323)
Credit Utilized (FY 2012-13)	(54,16,317)
Credit Utilized (FY 2013-14)	(35,30,003)
Net MAT Credit	35,51,528

Note 35 Revenue from operations

Particulars	Current Year	Previous Year
1) Sale of Computers Computer Parts, License, Software etc.	49,62,69,291	44,29,77,087
2) Sale of Services Software Development, AMC Charges & Other Services	58,14,71,913	35,47,04,571
3) Other Operating Revenue	28,36,565	33,22,056
Total Revenue from Operations	1,08,05,77,769	80,10,03,715

Note 36 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

(A) Primary Disclosures (Geographical by Customers)

Particulars	Geographical Segments		TOTAL
	India	Outside India	
Revenue	93,93,40,208 <i>(63,36,64,642)</i>	14,12,37,561 <i>(16,73,39,073)</i>	1,08,05,77,769 <i>(80,10,03,715)</i>
Result	9,05,02,111 <i>(2,60,96,187)</i>	1,63,75,033 <i>(6,51,64,017)</i>	10,68,77,144 <i>(9,12,60,204)</i>
Unallocable Expenses			2,39,15,421 <i>(3,05,83,819)</i>
Other Income			63,79,696 <i>(76,24,067)</i>
Profit Before Tax			8,93,41,419 <i>(6,83,00,451)</i>
Tax Expense			2,90,42,181 <i>(2,21,60,361)</i>
Profit for the year			6,02,99,238 <i>(4,61,40,090)</i>
Segment Assets	59,17,40,529 <i>(40,82,58,787)</i>	10,70,06,586 <i>(9,07,48,723)</i>	69,87,47,115 <i>(49,90,07,510)</i>
Unallocated Assets			6,92,83,062 <i>(4,59,99,091)</i>
TOTAL Assets			76,80,30,177 <i>(54,50,06,601)</i>
Segment Liabilities	59,44,16,116 <i>(41,27,24,972)</i>	10,70,06,586 <i>(9,07,48,723)</i>	70,14,22,702 <i>(50,34,73,695)</i>
Unallocated Liabilities			6,66,07,475 <i>(4,15,32,906)</i>
TOTAL Liabilities			76,80,30,177 <i>(54,50,06,601)</i>

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

- 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2013-14)

- 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 ₹ 26,37,686/- (Previous Year ₹ 23,44,235/-) 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

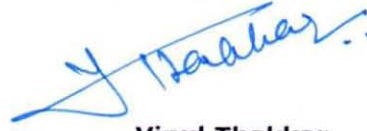
**For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS**
Firm Reg. No. : 100305W

CA Ghanshyam P. Jajal
PARTNER
M.No. 116814

Ahmedabad
30/06/2014



For SILVER TOUCH TECHNOLOGIES LIMITED



Vipul Thakkar
Director
DIN - 00169558



Jignesh Patel
Director
DIN - 00170562


Company Secretary

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 mercantile 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 2014 is ₹ 28,56,761/- which has been physically verified by us.
- 8 Outstanding Balance of debtors, Loans and Advances, Sundry creditors etc. as on 31st March 2014 are recoverable/payable as per the prevailing practice 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 amount pending in respect of the statutory dues as at 31st March 2014 for a period exceeding six months from the date they become payable. And there is no disputed amount pending in respect of the statutory dues.
- 11 The company does not owe any sum to any Small Scale Industries Undertaking.
- 12 The company has not defaulted in repayment of dues to financial institutions and banks.
- 13 The company has not given any guarantee for loans by others from any banks or financial institutions.
- 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 2014 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.

Ahmedabad
30/06/2014

For, SILVER TOUCH TECHNOLOGIES LIMITED

Director

(Vipul Thakkar)

(DIN - 00169558)

Director

(Jignesh Patel)

(DIN - 00170562)


To

AMBALAL PATEL & CO.
Ahmedabad

This is to certify that the none of the directors of the company is disqualified as on 31st March 2014 from being appointed as director in terms of sub-section (1) of the Section 274 of the Companies Act, 1956.

Ahmedabad
30/06/2014

For, SILVER TOUCH TECHNOLOGIES LIMITED

Director 
(Vipul Thakkar) (DIN - 00169558)

Director 
(Jignesh Patel) (DIN - 00170562)