

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**

**CONSOLIDATED ANNUAL REPORT
2015-16**



Ambalal Patel & Co.

Chartered Accountants

Head Office :-

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF M/s. SILVER TOUCH TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. SILVER TOUCH TECHNOLOGIES LIMITED ("the Holding Company") and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit & Loss and Consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated 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:

- In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2016;
- In the case of the consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- In the case of consolidated Cash flow statement, of the cash flows for the year ended on that date.



Other Matters

- (a) Consolidated Financials have been prepared on the basis of consolidating financials of following Three subsidiaries:

Sr. No.	Name of Subsidiary	Country of Inc	Extent of Holding
1	Silver Touch Technologies (UK) Ltd	UK	100%
2	Silver Touch Technologies Inc.	USA	100%

We did not audit the financial statement of above mentioned two overseas wholly owned subsidiaries whose financial statements reflect total assets of Rs.92,15,917 as at 31st March, 2016, total revenues from operations of Rs.3,87,93,822 And net cash inflows amounting to Rs.7,37,735 for the year ended on that date, as considered in the consolidated financial statements.

Financial Statements of one of the subsidiary, Lime Software (UK) Ltd as details of the same not available with management.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements.

- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As acquired by section 143(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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Consolidated financial statements, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors of the Holding Company as on 31st March 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";



g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i There is no pending litigation that may have impact on its financial statements except pending Income Tax appeals as mentioned in CARO and Note 26 to Notes on accounts;
- ii The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii There is no amount to be transferred to Investors Education Protection Fund by the Holding Company.

For AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg. No. : 100305W


CA Ghanshyam P. Jajal
Partner
M.No. 116814

Ahmedabad
30/07/2016



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 holding 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 title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, physical verification of inventory has been conducted by the management at the end of the year in respect of inventory and there are no material discrepancies were noticed.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any unsecured loans to companies & firms listed in the register maintained under section 189 of the Companies Act 2013, except Loan granted to one of its subsidiary, Silvertouch (UK) Ltd amounting to Rs.50,149.
- (iv) According to explanation and information given to us, In respect of loans, investments, guarantees, and security, Company has complied the provisions of section 185 and 186 of the Companies Act, 2013 .
- (v) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 73 and 76 of the companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from public and from the members. No order has been passed by the Company Law Board or the National Company Law Tribunal or by any court or by any other Tribunal with regard to such deposits.
- (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 for any products of the company.
- (vii) (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 2016 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	Demand U/s 143(3)	1,850	Income Tax Tribunal	NIL
AY 2009-10				
Income Tax	Demand U/s 143(3)	13,162,920	Income Tax Tribunal	NIL
AY 2010-11				
Income Tax	Demand U/s 143(3)	11,420	Income Tax Tribunal	NIL
AY 2011-12				
Income Tax	Demand U/s 143(3)	371,180	Income Tax Tribunal	NIL
AY 2012-13				
Income Tax	Demand U/s 143(3)	276,308	CIT (Appeal)	NIL
AY 2013-14				



- (viii) Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the bank.
- (ix) Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans under review.
- (x) 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.
- (xi) Based on our audit procedure and books examined by us, Company has paid managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) Since the company is not Nidhi Company, relevant clause of CARO, 2016 is not applicable to the company;
- (xiii) According to information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the accounting standard 18.
- (xiv) According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and so, company is not required to comply section 42 of the Companies Act, 2013.
- (xv) According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and company has been complied the provisions of section 192 of Companies Act, 2013.
- (xvi) According to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg. No. : 100305W


CA Ghanshyam P. Jajal
Partner
M.No. 116814

Ahmedabad
30/07/2016



INDEPENDENT AUDITORS' REPORT ON INTERNAL FINANCIAL CONTROL

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

- 1 We have audited the internal financial controls over financial reporting of Silver Touch technologies Limited (Holding Company) as at 31st March, 2016 in conjunction with our audit of the Balance Sheet, Statement of Profit & loss, Cash Flow statement & notes forming part of financial statement.

Management's Responsibility for Internal Financial Controls

- 2 Management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required by The Companies Act, 2013 ('the Act').

Auditor's Responsibility

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



Meaning of Internal Financial Controls Over Financial Reporting

6 Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting .

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

Opinion

7 In our opinion, Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg. No. : 100305W


CA Ghanshyam P. Jajal
Partner
M.No. 116814

Ahmedabad
30/07/2016



SILVER TOUCH TECHNOLOGIES LIMITED

CIN-U72200GJ1995PLC024465

CONSOLIDATED BALANCE SHEET AS ON 31st March 2016

Particulars		Note No.	31st March 2016	31st March 2015
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	2		55,950,000	55,950,000
(b) Reserves and surplus	3		327,705,552	302,247,545
2 Non-current liabilities				
(a) Long-term borrowings	4		47,522,871	71,782,912
(b) Deferred tax liabilities (Net)			8,175,984	12,198,215
(c) Other Long term liabilities	5		5,965,010	29,253,823
3 Current liabilities				
(a) Short-term borrowings	6		169,613,725	120,551,407
(b) Trade payables	7		308,563,635	104,561,393
(c) Other current liabilities	8		107,040,832	123,687,102
(d) Short-term provisions	9		38,575,321	31,148,028
TOTAL			1,069,112,929	851,380,425
II. ASSETS				
Non-current assets				
1 (a) Fixed assets	10			
(i) Tangible assets			162,429,407	151,750,707
(ii) Intangible assets			1,720,882	2,673,822
(b) Non-current investments	11		88,561	39,586
(c) Long-term loans and advances	12		25,249,026	26,062,295
(d) Other non-current assets	13		46,573,463	61,993,091
2 Current assets				
(a) Inventories	14		55,857,018	54,500,309
(b) Trade receivables	15		609,272,434	369,725,277
(c) Cash and Bank Balances	16		55,041,296	72,651,512
(d) Short-term loans and advances	17		112,880,843	111,983,827
TOTAL			1,069,112,929	851,380,425
Notes on Accounts	1			

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

For and on behalf of Board of Directors

CA Ghanshyam P. Jajal
PARTNER
M.No. 116814

Vipul Thakkar
Director
DIN - 00169558

Jignesh Patel
Director
DIN - 00170562

Ahmedabad
30/07/2016



Company Secretary

SILVER TOUCH TECHNOLOGIES LIMITED

CIN-U72200GJ1995PLC024465


CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st March 2016

(Amount in ₹)

Particulars		Note No.	2015-16	2014-15
I. Revenue from operations		18		
Sales & Operational Revenue			1,493,636,233	1,220,388,179
<u>Less:</u>				
Service Tax			90,773,071	51,896,144
			1,402,863,162	1,168,492,035
II. Other income		19	8,222,024	11,882,572
III. Total Revenue (I + II)			1,411,085,186	1,180,374,607
IV. Expenses:				
Purchases of Stock-in-Trade & Services		20	722,545,099	683,326,930
Changes in inventories of Stock-in-Trade		21	(1,356,709)	(27,673,385)
Employee benefits expense		22	451,050,061	268,516,464
Finance costs		23	31,525,477	27,743,363
Depreciation and amortization expense			54,867,343	68,791,560
Operations & Other Expenses		24	106,618,068	119,022,856
Total expenses			1,365,249,339	1,139,727,788
V Profit before tax (III- IV)			45,835,847	40,646,818
VI Tax expense:				
(1) Current tax			19,162,318	18,714,232
(2) Deferred tax			(4,004,807)	(4,560,990)
(3) Prior Period Tax Adjustment			50,069	403,929
			15,207,580	14,557,171
VII Profit/(Loss) for the period (V - VI)			30,628,267	26,089,647
VIII Earnings per equity share (Face Value ₹ 10 per share)				
(1) Basic			5.47	4.66
(2) Diluted			5.47	4.66
Notes on Accounts		1		

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

For and on behalf of Board of Directors


CA Ghanshyam P. Jajal
PARTNER
M.No. 116814


Vipul Thakkar
Director
DIN - 00169558


Jignesh Patel
Director
DIN - 00170562

Ahmedabad

30/07/2016




Company Secretary

SILVER TOUCH TECHNOLOGIES LIMITED

CIN-U72200GJ1995PLC024465

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2016

(Amount in ₹.)

PARTICULARS	2015-16		2014-15	
A. Cash inflow/(outflow) from the operating activities				
Net profit before Tax and Prior Period Adjustments		45,835,847		40,640,854
Adjustments for:				
Depreciation	54,867,343		68,791,560	
Interest paid	22,332,743		19,700,881	
Interest Income	(6,264,656)		(4,908,137)	
Provision of Gratuity payable	2,351,262		4,251,802	
(Profit)/Loss on sale of Assets	(6,037,710)		(6,037,710)	
Provision for CSR Donation	1,100,000	68,348,982		81,798,396
Operating Profit before working capital changes		114,184,828		122,439,250
Adjustment for (Increase)/Decrease in Working Capital :				
Inventories	(1,356,709)		(27,673,385)	
Receivables	(239,547,156)		(31,630,733)	
Direct Tax paid	(3,340,667)		(25,467,260)	
Other Non Current Asset	15,419,628		(61,993,091)	
Loans & Advances	(21,509,853)		(18,036,422)	
Current Liabilities & Provisions	187,355,971	(62,978,786)	33,453,808	(131,347,083)
Net cash inflow/(outflow) from operating activities (A)		51,206,043		(8,907,833)
Cash inflow/(outflow) from investing activity				
Investments	(48,975)		11,500	
Purchase of Assets	(49,042,400)		(27,817,299)	
Sale of Fixed Assets	-		9,041,429	
Net cash inflow/(outflow) from investing activity (B)		(49,091,375)		(18,764,370)
C. Cash inflow/(outflow) from financing activity				
Secured Loans Availed/(Paid)	31,763,226		53,750,924	
Unsecured Loans Availed/(Paid)	(30,249,762)		10,276,904	
Interest Income	6,264,656		4,908,137	
Interest Paid	(22,332,743)		(19,700,881)	
Interim Dividend and Tax thereon	(5,170,261)		(6,424,937)	
Net cash inflow/(outflow) from Financing activity (C)		(19,724,883)		42,810,147
Net Cash changes in cash and cash equivalent (A+B+C)		(17,610,215)		15,137,944
Cash & Cash Equivalent at the beginning of the Period		72,651,512		57,513,568
Cash & Cash Equivalent at the end of the Period		55,041,296		72,651,512
Net Increase in cash and cash equivalent		(17,610,215)		15,137,944

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

CA Ghanashyam
PARTNER
M.No. 116814

Ahmedabad
30/07/2016



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. 2015-16)

Notes forming Part of accounts:

Note 1 SIGNIFICANT

i) Basis Of Accounting :

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis of accounting. The company is a Large Company as defined in the general instruction in respect of accounting standards notified under the Companies Act, 2013. Accordingly, the company has complied with the accounting standards as applicable to a Large Company.

ii) Principles of consolidation :

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

Financials for following Subsidiaries have been consolidated in attached consolidated financial statements:

Sr. No.	Name of Subsidiary /JV	Country	Extent of Holding
1	Silver Touch Technologies (UK) Ltd	UK	100
2	Silver Touch Technologies Inc	USA	100

iii) 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)

iv) Fixed assets & Depreciation :

Fixed Assets are stated at cost less accumulated depreciation.

In case of Holding company, depreciation is provided on fixed assets used during the year as per Straight Line Method on the basis of useful life of assets and residual value as specified in schedule II of the Companies Act, 2013 except on few assets, where different life has been estimated by the management. Till last year, the company was providing depreciation as per Straight Line Method at rates prescribed in Schedule XIV of the Companies Act, 1956. In case of subsidiary companies, depreciation has been provided as per respective laws prevailing in country of incorporation.

Depreciation on additions or sale/discard of asset is being provided on pro-rata basis from the date on which such asset is ready to be put to use to date of sale/discard.

v) Inventories :

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

vi) 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.

vii) Revenue Recognition :

Revenue from the sale of equipment / computers are recognised upon delivery, which is when title passes to the customer. Sales are stated net of returns, & Sales Tax/VAT.

Revenue from sale of software licences are recognised upon delivery.

Revenue from service contracts are recognised when services are rendered and related costs are incurred.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)

viii) Employee Benefits :

Gratuity

The company does not have any defined benefit scheme for its employees. 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. Company obtained actuarial valuation report to arrive at the amount of provision required for Gratuity. However, as far as employees of subsidiary companies are concerned the same are not included in Actuary Valuation report taken by Holding Company.

Provident Fund & ESI Scheme

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 does not have any other scheme of short term or long term retirement benefits.

ix) Leases :

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

x) 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.

xi) 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.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)

xii) 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.

xiii) 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.

xiv) 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.

xv) General :

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



NOTE 2 SHARE CAPITAL

Particulars	31/03/2016		31/03/2015	
	Number	Amount(In ₹)	Number	Amount(In ₹)
Authorised				
Equity Shares of ₹ 10 each	8,000,000	80,000,000	8,000,000	80,000,000
Issued				
Equity Shares of ₹ 10 each	5,595,000	55,950,000	5,595,000	55,950,000
Subscribed & Paid up				
Equity Shares of ₹ 10 each	5,595,000	55,950,000	5,595,000	55,950,000
Total	5,595,000	55,950,000	5,595,000	55,950,000

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

Particulars	31/03/2016		31/03/2015	
	Number	Amount(In ₹)	Number	Amount(In ₹)
Shares outstanding at the beginning of the year	5,595,000	55,950,000	5,595,000	55,950,000
Shares Issued during the year	-	-	-	-
(Shares bought back during the year)	-	-	-	-
Shares outstanding at the end of the year	5,595,000	55,950,000	5,595,000	55,950,000

Details of share holders holding more than 5% shares

Name of Equity Share Holders	No. of shares & %age of Holding			
	31/03/2015		31/03/2014	
	Number of Shares	%age of Holding	Number of Shares	%age of Holding
Vi Aridas Thakkar	1,818,755	32.51%	1,818,755	32.51%
Jignesh Amrutlal Patel	1,801,855	32.20%	1,801,855	32.20%
Minesh Vinodchandra Doshi	963,290	17.22%	963,290	17.22%
Palak Vinukant Shah	392,600	7.02%	392,600	7.02%

NOTE 3 RESERVES & SURPLUS

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
a. Revaluation Reserve		
Opening Balance	38,630,648	38,630,648
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	38,630,648	38,630,648
b.General Reserve		
Opening Balance	40,000,000	35,000,000
(+) Current Year Transfer	5,000,000	5,000,000
(-) Written Back in Current Year	-	-
Closing Balance	45,000,000	40,000,000
c. Surplus		
Profit & Loss A/c		
Opening balance	223,616,897	212,032,840
Add:		
Net Profit/(Net Loss) For the current year	30,628,267	26,089,647
Transfer from Reserves	-	-
(Less):		
Proposed/Interim Dividends	(4,600,756)	(5,908,327)
Depreciation Transitional Entry	-	(3,121,827)
Tax on Proposed/Interim Dividends	(569,505)	(475,436)
Transfer to Reserves	(5,000,000)	(5,000,000)
Closing Balance	244,074,904	223,616,897
Total	327,705,552	302,247,545



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)

NOTE 4 LONG TERM BORROWINGS

Particulars	31/03/2016 Amount(In ₹)	31/03/2015 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)	1,196,115	1,597,960
BOI Car Loan Acct 200460510000143- Renault Scala (Secured by Hypothication of Scala Car) (Repayable in 60 Monthly Installment)	93,134	248,512
BOI Car Loan Acct- 200460510000148 -Maruti Cargo (Secured by Hypothication of Maruti Cargo) (Repayable in 59 Monthly Installment)	39,053	77,613
SBI Car Loan Acct-Honda City (Secured by Hypothication of Honda City) (Repayable in 84 Monthly Installment)	487,219	579,022
SBI Car Loan Maruti Wagon-R (Secured by Hypothication of Wagon R) (Repayable in 84 Monthly Installment)	200,511	237,185
SBI Car Loan Acct-Honda Mobilio (Secured by Hypothication of Honda Mobilio) (Repayable in 84 Monthly Installment)	535,193	624,936
Bank Of India A/c. No.35 (Secured by Hypothication of Items Purchased out of the Loan) (Repayable in 36 Monthly Installment)	-	6,060,928
SBI Car Loan Acct-Grand i10 (Secured by Hypothication of Grand I10) (Repayable in 84 Monthly Installment)	284,615	-
From Others		
Loan from CISCO Finance (Secured by Hypothication of Computers, Network Equipments etc. purchased out of the Loan) (Repayable in 18 Quarterly Installment:s)	6,360,121	7,953,261
(b) Long term maturities of finance lease obligations		
Finance Lease From Cisco Finance	19,585,777	28,701,413
	28,781,738	46,080,830
Unsecured		
(a) Loans and advances from related parties		
From Directors	10,347,767	12,351,024
(b) Other loans and advances		
Loan from CISCO Finance	8,393,366	13,351,058
	18,741,133	25,702,082
Total	47,522,871	71,782,912

NOTE 5 OTHER LONG TERM LIABILITIES

Particulars	31/03/2016 Amount(In ₹)	31/03/2015 Amount(In ₹)
(a) Others		
Student Fees Deposites	700,000	850,000
E-Mitra (Refundable SD)	2,940,000	17,440,800
Other Deposites	-	273,023
UID (Refundable SD)	1,400,000	10,690,000
Staff Deposites	925,010	-
Total	5,965,010	29,253,823



NOTE 6 SHORT TERM BORROWINGS

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Secured		
(a) Loans repayable on demand		
From Banks		
Bank Of India No.28 (Sec. against Hypo. Of Stock)	169,613,724	120,551,406
Bank Of India No.29 (Sec. against Hypo. Of Debts)	1	1
(The working capital facilities from Bank of India are secured by first charge by way of hypothecation 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)		
Total	169,613,725	120,551,407

NOTE 7 TRADE PAYABLES

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Due to Micro, Small & medium Enterprises		
Due to Others	308,563,635	104,561,393
Total	308,563,635	104,561,393

NOTE 8 OTHER CURRENT LIABILITIES

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
(a) Current maturities of long-term debt		
SBI Car Loan Acct-Mercedes Benz	607,200	606,984
SBI Car Loan Acct-Honda City	164,400	164,124
SBI Car Loan Maruti Wagon-R	64,800	64,644
SBI Car Loan Acct-Honda Mobilio	164,400	164,400
SBI Car Loan Acct-Grand i10	102,000	
Loan From CISCO Finance (Secured)	1,553,139	2,160,016
Loan From CISCO Finance (Unsecured)	4,957,884	3,662,482
BOI Term Loan (A/c No. 35)	-	13,333,332
BOI Car Loan Acct 200460510000143- Renault Scala	193,992	193,992
BOI Car Loan Acct- 200460510000148 -Maruti Cargo	52,260	52,260
(b) Current maturities of finance lease obligations		
Finance Lease from CISCO Finance	9,115,639	8,085,506
(C) Other payables		
Creditors for Expenses	16,514,558	23,605,786
Advance from Customer	3,655,465	3,747,861
Other Dues	42,390,165	25,476,970
Staff Dues	4,546,440	1,262,603
Government Dues	22,958,491	41,106,142
Total	107,040,832	123,687,102

NOTE 9 SHORT TERM PROVISIONS

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
(a) Provision for employee benefits		
Gratuity (Unfunded)	18,433,913	16,082,651
(b) Others		
Provision for Taxation	19,041,408	15,065,377
Provision for CSR Expenditure	1,100,000	-
Total	38,575,321	31,148,028



NOTE 10 FIXED ASSET

Fixed Assets	Gross Block						Accumulated Depreciation						Net Block		
	Balance as at 01/04/2015	Additions	(Disposals)	Transfer to Other Non Current Asset	Acquired through business combinations	Balance as at 31/03/2016	Balance as at 01/04/2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Transitional Entry	Transfer to Other Non Current Asset	Balance as at 31/03/2016	Balance as at 31/03/2016	Balance as at 31/03/2015
a Tangible Assets															
Buildings	60,798,086	28,344,168	-	-	-	89,142,254	8,109,089	1,250,796	-	-	-	-	9,359,885	79,782,369	52,688,997
Plant and Equipment	199,365,734	15,043,108	-	-	-	214,408,843	123,545,945	32,199,246	-	-	-	-	155,745,191	58,663,652	75,819,789
Furniture and Fixtures	22,259,939	3,148,536	-	-	-	25,408,475	7,699,091	2,850,623	-	-	-	-	10,549,714	14,858,761	14,560,848
Vehicles	8,747,071	490,000	-	-	-	9,237,071	2,577,085	985,203	-	-	-	-	3,562,288	5,674,783	6,169,986
Office equipment	7,714,178	1,902,791	-	-	-	9,616,969	5,203,091	964,035	-	-	-	-	6,167,126	3,449,843	2,511,086
Total(a)	298,885,008	48,928,603	-	-	-	347,813,611	142,134,302	38,249,903	-	-	-	-	185,395,204	162,429,407	151,750,707
b Intangible Assets															
Computer software	7,633,770	113,796	-	-	-	7,747,566	4,959,948	1,066,736	-	-	-	-	6,026,684	1,720,882	2,673,822
Total(b)	7,633,770	113,796	-	-	-	7,747,566	4,959,948	1,066,736	-	-	-	-	6,026,684	1,720,882	2,673,822
Total (a+b)	306,518,778	49,042,400	-	-	-	355,561,178	152,094,250	39,316,639	-	-	-	-	191,410,889	164,150,289	154,424,528

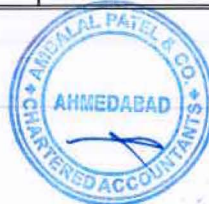


NOTE 11 NON CURRENT INVESTMENT

	Particulars	31/03/2016	31/03/2015
		Amount(In ₹)	Amount(In ₹)
A	Other Investments		
	(a) Investment in Equity instruments	55,077	6,102
	(b) Other non-current investments	27,520	27,520
	(c) Goodwill on Capital Reserve	5,964	5,964
	Total (B)	88,561	39,586
	Grand Total (A + B)	88,561	39,586
	Less : Provision for diminution in the value of Investments	-	-
	Total	88,561	39,586

Particulars	2015-16	2014-15
	Amount(In ₹)	Amount(In ₹)
Aggregate amount of quoted investments (Market value of ₹ 0 (Previous Year ₹ 24695))	-	11,500
Aggregate amount of unquoted investments	55,077	6,102

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 (₹)	
			2015-16	2014-15			2015-16	2014-15	2015-16	2014-15
1	2	3	4	5	6	7	8	9	10	11
(a)	Investment in Equity Instruments									
	Share of Patni Computers Limited	Other	-	50	Quoted	Fully paid			-	-
	Share of Drive in Ch Association	Other	-	-	Unquoted	Fully paid			100	100
	Share of Nutan Nag. Shah bank	Other	-	-	Unquoted	Fully paid			440	440
	Lime Software (JV UK)	JV	-	-	Unquoted	Fully paid			48,975	-
	Silvertouch Technology B.V. The Netherlands	JV	100	100	Unquoted	Fully paid	50%	50%	5,562	5,562
	Total								55,077	6,102
(b)	Other non-current investments									
	Investment in Gold	Other	-	-	Unquoted	--N.A.--			27,520	27,520
	Total								27,520	27,520
(c)	Goodwill on Consolidation								5,964	5,964
	Total								88,561	39,586



NOTE 12 LONG TERM LOANS & ADVANCES

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
a. Security Deposits		
Unsecured, considered good	25,249,026	26,062,295
Total	25,249,026	26,062,295

NOTE 13 OTHER NON CURRENT ASSETS

Particulars	31/03/2015	31/03/2014
	Amount(In ₹)	Amount(In ₹)
Unamortised Cost of Facility - UTWAN Project (See Note 32)	46,573,463	61,993,091
Total	46,573,463	61,993,091

NOTE 14 INVENTORIES

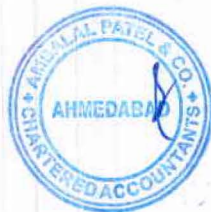
Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
a. Stock in Trade	55,857,018	54,500,309
Total	55,857,018	54,500,309

NOTE 15 TRADE RECEIVABLES

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	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	73,696,261	98,680,826
Unsecured, considered doubtful	-	-
	73,696,261	98,680,826
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	535,576,173	271,044,452
Unsecured, considered doubtful	-	-
	535,576,173	271,044,452
Total	609,272,434	369,725,277

Tr Receivable stated above include debts due by:

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Private Company in which director is a member or director	9,077,892	8,618,371
Total	9,077,892	8,618,371



NOTE 16 CASH & BANK BALANCES

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
a. Cash & Cash Equivalents		
i) Cash on hand	2,066,568	1,879,474
b. Other Bank balances		
Bank Balances	10,350,231	28,620,189
Bank Deposits		
Deposits with less than 12 months maturity	27,716,910	30,172,646
Deposits with more than 12 months maturity	14,907,588	11,979,202
(This includes ₹ 4,26,24,498/- (Previous Year ₹ 4,21,51,848) as security against guarantees)		
Total	55,041,296	72,651,512

NOTE 17 SHORT TERM LOANS & ADVANCES

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
a. Others		
Unsecured, considered good		
Balance with Government	65,044,640	71,295,634
Advance to Staff	6,740,583	5,294,496
Advance to Supplier	20,349,874	16,507,773
Others	20,745,746	18,885,923
	112,880,843	111,983,827
Total	112,880,843	111,983,827



NOTE 18 REVENUE FROM OPERATION

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Sale of products	907,614,799	798,754,705
Sale of services	585,621,818	418,618,225
Other operating revenues	399,616	3,015,249
Total Sales	1,493,636,233	1,220,388,179
Net Sales	1,493,636,233	1,220,388,179
Less: Service Tax	90,773,071	51,896,144
Total	1,402,863,162	1,168,492,035

NOTE 19 OTHER INCOME

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Interest Income	6,264,656	4,908,137
Other non-operating income	1,957,368	6,974,435
TOTAL	8,222,024	11,882,572

NOTE 20 PURCHASES OF STOCK-IN-TRADE

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Purchase of Computetrs, Peripherals & Services	737,706,088	696,581,341
Less: Transferred to Fixed Assets from Opening Stock	864,723	702,182
Discount	14,296,266	12,552,229
TOTAL	722,545,099	683,326,930

NOTE 21 CHANGES IN INVENTORIES OF STOCK IN TRADE

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Opening Stock	54,500,309	26,826,924
Less: Closing Stock	55,857,018	54,500,309
TOTAL	(1,356,709)	(27,673,385)

NOTE 22 EMPLOYEE BENEFITS EXPENSE

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
(a) Salaries and incentives	399,877,292	225,297,054
(b) Contributions to -		
(i) Provident fund & ESIC	1,917,866	814,425
(c) Provisions for Gratuity	2,351,262	4,251,802
(d) Staff welfare expenses	428,341	34,370
(e) Salaries to Contractual Employees	46,475,300	36,945,333
TOTAL	451,050,061	268,516,464

NOTE 23 FINANCE COSTS

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Interest expense	22,332,743	19,700,881
Other borrowing costs	9,192,735	8,042,482
TOTAL	31,525,477	27,743,363

NOTE 24 OPERATIONS & OTHER EXPENSES

Particulars	31/03/2016	31/03/2015
	Amount(In ₹)	Amount(In ₹)
Power & Fuel	4,340,745	4,289,799
Rent	8,354,737	7,508,330
Repairs to buildings	1,074,588	403,607
Insurance	775,909	1,378,231
Rates and taxes, excluding taxes on income	3,208,873	1,835,392
Net loss on foreign currency transaction and translation	-	3,342,191
Bad Debts	-	8,130,635
Payment to Auditors	677,902	753,350
Project Expenses	35,397,314	40,486,029
Corporate Social Responsibility Expenditure	2,309,838	310,519
Miscellaneous expenses	50,478,162	50,574,725
TOTAL	106,618,068	119,022,856



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)

Note 25 Capital Commitments

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

Note 26 Contingent Liabilities

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

(Amount in ₹)

Bank Guarantee	Current Year	Previous Year
Bank of India	182,089,082	175,775,760
ICICI Bank	12,968,717	13,474,116

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
U/s 143(3) (AY 2009-10) - Pending with ITAT	1,850	1,850
U/s 143(3) (AY 2010-11) - Pending with ITAT	13,162,920	13,162,920
U/s 143(3) (AY 2011-12) - Pending with ITAT	11,420	11,420
U/s 143(3) (AY 2012-13) - Pending with ITAT	371,180	371,180
U/s 143(3) (AY 2013-14) - Pending with CIT(A)	276,308	276,308

Note 27 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 28 Auditor's Remuneration

Amount (in ₹)

	Current Year	Previous Year
Statutory Auditors		
- As Auditors	200,000	275,000
- Tax Audit Matters	75,000	75,000
- Taxation Matters	297,000	297,000
- Company Law Matters	30,000	30,000
- Others (Incl. Service Tax)	75,902	76,350
Total	677,902	753,350

Note 29 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 (₹)	30,628,267	26,089,647
Profit Attributable to Ordinary Share Holders (₹)	30,628,267	26,089,647
Weighted Average No. of Equity Shares	5,595,000	5,595,000
Basic & Diluted Earning Per Share (₹)*	5.47	4.66
Nominal Value of share (₹)	10.00	10.00

* The company has no dilutive instruments during the year ended 31/03/2016. As such Dilutive Earning Per share equals to Basic Earnings Per Share.

Note 30 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:

Amount (in ₹)

Particulars	As on 01/04/2015	Charge/ (Credit) during the year to P & L A/c	As on 31/03/2016
Deferred tax (Assets) / Liabilities on account of depreciation	17,416,231	(3,145,442)	14,270,789
Deferred tax (Assets) / Liabilities on account of Gratuity, etc	(5,218,016)	(876,789)	(6,094,805)
Net Deferred tax (Assets)/ liabilities	12,198,215	(4,004,808)	8,175,984

Note 31 The company has during the year provided depreciation on fixed assets based on estimated life and realisable value as prescribed in Schedule II of the Companies Act, 2013. Till last year, the Company was providing depreciation as per rates prescribed in Schedule XIV of the Companies Act, 1956.
In case of assets for which remaining useful life is NIL, carrying amount of such assets after retaining residual value, is recognized in against opening balance of Retained Earnings amounting to Rs.31,21,827 (Net of Deferred Tax of Rs.14,99,336).

Company has been awarded construction, and maintenance of automated Driving Test Track project by Govt. of Gujarat. Since, project is of 5 years, company has taken useful life of computers etc. as 5 years instead of 3 years life as prescribed under Schedule II of Companies Act, 2003.



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)

Note 32 Other Non Current Asset - Cost of Facility - UTWAN Project

Company has been awarded project for implementating Wide Area Network by Govt. of Diu & Daman (UT) under BOOT Scheme. Under the said project, company is required to implement and maintain UTWAN for a period of 5 years. Company has purchased some network equipments, computers and other related equipments and machineries by entering into Finance Lease transaction with CISCO. And some equipments company obtained by way raising loans. At the end of 5 years, company need to transfer whole UTWAN to government authorities. Accordingly, all the assets purchased under the said project is capitalized under 'Cost of Facility - UTWAN Project' under the head Other Non Current Assets in Balance Sheet. As the said project is of 5 years income of company is spread over period of 5 years, and accordingly company wil amortize the same over period of 5 years in equal installments. Cost of amortization is shown under 'Depreciation & Amortization Expenses' in Statement of Profit & Loss.

Note 33 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) Key Management Personnel :

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

b) Relatives of Key Management Personnel :

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

c) 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.
- 4) Lime Software (UK)



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B) Transaction with related parties

Amount (in ₹)

Description	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
Purchase of Goods/ Services	-	-	-	-	1,355,216	6,384,300
Sales of Goods / Services	-	-	-	-	36,558,965	36,268,894
(Purchase) / Sales of Assets	-	-	-	-	-	-
Rent & other Expenses paid	-	-	-	-	-	-
Interest Received / (Paid)	(2,272,493)	(2,001,035)	-	-	-	-
Dividend Received / (paid)	(2,488,250)	(2,488,250)	(309,250)	(309,250)	-	-
Remunerations	12,652,600	11,230,091	780,000	780,000	-	-
Hire Charges paid	-	-	-	-	-	-
Lease Rent (Paid) / Received	-	-	(420,000)	(420,000)	174,000	174,000
Outstanding Balance at the year end						
Loans & Advance (incl. interest)	-	-	-	-	-	-
Deposit Received	-	10,347,767	12,351,024	-	-	-
Debtors	-	-	-	-	9,077,892	8,618,371
Creditors	-	-	-	-	5,544,962	-

Note 34 Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013:

Amount (in ₹)

	Particulars	Current Year	Previous Year
A	Expenditure in Foreign currency on account of		
	i) Foreign Traveling	1,443,829	614,541
	ii) Exhibition/Promotion Exp	Nil	36,796
	iii) Salary	4,303,901	6,557,349
B	Value of imported raw materials, spare parts and components	655,889	128,008
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	115,763,441	147,591,250
	ii) Others	Nil	Nil



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Note 35 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 36 Revenue from operations can be broadly categorized as under:

Particulars	Current Year	Previous Year
1) Sale of Computers Computer Parts, License, Software etc.	907,614,799	798,754,705
2) Sale of Services Software Development, AMC Charges & Other Services	494,848,747	366,722,081
3) Other Operating Revenue	399,616	3,015,249
Total Revenue from Operations	1,402,863,162	1,168,492,035

Note 37 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)

Particulars	Geographical Segments		TOTAL
	India	Rest of world	
Revenue	1,266,775,768 (1,000,786,174)	136,087,394 (186,013,769)	1,402,863,162 (1,186,799,943)
Result	97,724,442 (70,101,203)	(8,954,555) (9,990,170)	88,769,887 (80,091,373)
Unallocable Expenses			51,156,064 (51,328,075)
Other Income			8,222,024 (11,883,521)
Profit Before Tax			45,835,847 (40,646,818)
Tax Expense			15,207,580 (14,557,171)
Profit for the year			30,628,267 (26,089,647)
Segment Assets	902,478,617 (689,034,334)	104,738,245 (122,139,522)	1,007,216,862 (811,173,856)
Unallocated Assets			61,896,067 (40,206,569)
TOTAL Assets			1,069,112,929 (851,380,424)
Segment Liabilities	936,057,291 (703,194,215)	104,738,246 (122,139,522)	1,040,795,537 (825,333,737)
Unallocated Liabilities			28,317,392 (26,046,687)
TOTAL Liabilities			1,069,112,929 (851,380,424)

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



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)

- i) The company has disclosed Geographical Segments as the primary segment.
- ii) 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 38 Employee Retirement Benefits

In order to make provision for Gratuity payable to employees, company has obtained Actuarial Valuation report from M/s. K A Pandit, 'Actuaries'. On the basis of valuation report of Actuaries, company has made provision for Gratuity Payable in accounts so far as it concerns employees of holding company. However, no investments made to meet liability in future. Company charge the addition in liability of Gratuity payable to Statement of Profit & Loss.

The following table sets out: unfunded status of the gratuity payable and the amounts recognised in the Company's financial statements for the year ended March 31, 2016.

(i) Change in Benefit Obligations :

Particulars	(Amount in ₹)	(Amount in ₹)
Present value of benefit obligation, beginning of the year	16,082,653	-
Service cost	2,949,877	16,082,653
Interest cost	1,273,746	-
Benefits paid	(1,189,067)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	177,152	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(860,448)	-
Present value of benefit obligation, end of the year	18,433,913	16,082,653

(ii) Change in Plan Assets :

Particulars	(Amount in ₹)	(Amount in ₹)
Fair value of plan assets, beginning of the year	-	-
Expected return on plan assets	-	-
Employers' contributions	-	-
Benefits paid	-	-
Fair value of plan assets, end of the year	-	-

(iii) Net Gratuity Cost :

Particulars	(Amount in ₹)	(Amount in ₹)
Service Cost	2,949,877	16,082,653
Interest Cost	1,273,746	-
Expected Return on Plan Asset	-	-
Actuarial (gain)/loss	(683,296)	-
Net Gratuity Cost	19,622,980	16,082,653

(iv) Reconciliation of Present Value of the obligation and the fair value of the Plan Assets :

Particulars	(Amount in ₹)	(Amount in ₹)
Fair value of plan assets, at the end of the year	-	-
Present value of obligation at the end of the year	(18,433,913)	(16,082,653)
Re-imburement Obligation	-	-
Asset/(Liability) Recognised in the Balance Sheet	(18,433,913)	(16,082,653)

(v) Assumptions :

Particulars	%	%
Rate of Discounting	7.86%	7.92%
Salary Escalation Rate	7.50%	7.50%
Expected Rate of Return on Plan Asset	N.A.	N.A.

Note 39 Obligation towards Finance Lease :

The Lease rentals charged during the year and the future minimum rental payments in respect of finance lease and its present value are set out below:

Particulars	Current Year	Previous Year
(i) Lease rentals recognised during the year	3,868,732	3,358,409
(ii) Minimum Lease Payments		
Not later than one year	12,203,848	12,203,848
Later than one year but not later than five years	22,130,093	34,333,941
Later than five years	-	-
Total	34,333,941	46,537,789
(iii) Present Value of minimum lease payments		
Not later than one year	9,115,639	8,085,506
Later than one year but not later than five years	19,585,775	28,701,414
Later than five years	-	-
	28,701,414	36,786,920
Add : Future Finance Charges	5,632,517	9,750,869
Total	34,333,931	46,537,789



SILVER TOUCH TECHNOLOGIES LIMITED (F.Y. 2015-16)**Note 40 Expenditure on Corporate Social Responsibility**

Particulars	Current Year	Previous Year
a) Gross Amount required to be spent	1,280,115	1,336,826
b) Amount actually spent on:		
Health & Family Welfare	-	310,529
Promoting Education	1,213,254	
c) Provision made for CSR Expenditure	1,100,000	

During the year under review, company has made provision for unspent CSR expenditure for year ended 31st March, 2015 & 31st March, 2016, which is shown under 'Short Term Provision' under the head 'Current Liabilities' in Balance Sheet.

Note 41 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 42 Previous year figures are regrouped and rearranged wherever necessary to compare with current year figures.

Note 43 Figures are rounded off to the nearest rupee.

Signatories to Note 1 to 43

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

CA Ghanshyam P. Jajal
PARTNER
M.No. 116814

Ahmedabad
30/07/2016



For SILVER TOUCH TECHNOLOGIES LIMITED

Vipul Thakkar
Director
DIN - 00169558

Jignesh Patel
Director
DIN - 00170562

Company Secretary