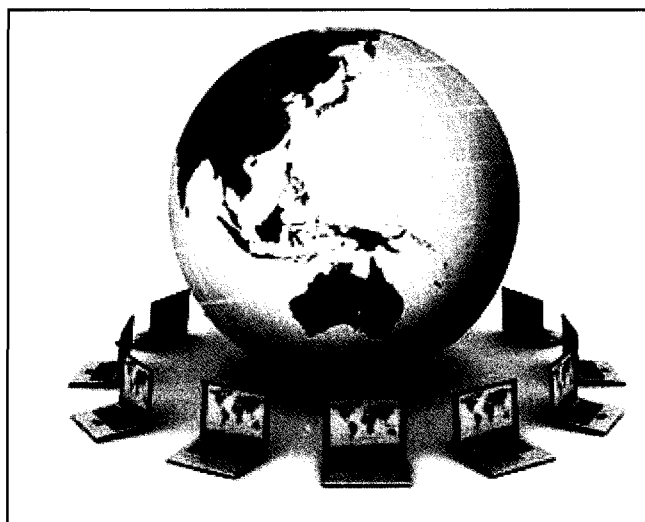




ANNUAL REPORT 2012-2013



OUR VISION

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

OUR MISSION

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

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Registered Office

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

Registrar & Transfer Agent

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

Bankers

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

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

CORPORATE INFORMATION

Board of Directors

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

Statutory Auditors

M/s H.K. Batra & Associates

Chartered Accountants

8/33, 3rd Floor, Sat Bhawan School Marg,

W.E.A. Karol Bagh,

New Delhi – 110005

Committees in pursuance of Corporate Governance

Audit

Dr. Surya Mani Pathak

Mr. Ravi Bhargava

Mrs. Prasanna Vaidya

Mr. Mahesh Chander Shrivastava

Remuneration

Dr. Surya Mani Pathak

Mr. Ravi Bhargava

Mrs. Prasanna Vaidya

Compensation

Dr. Surya Mani Pathak

Mr. Ravi Bhargava

Mr. Yogesh Vaidya

Shareholders/Investors Grievance

Dr. Surya Mani Pathak

Mr. Yogesh Vaidya

Mrs. Prasanna Vaidya

Share Transfer

Mr. Yogesh Vaidya

Mrs. Prasanna Vaidya

Investment

Mr. Yogesh Vaidya

Mr. Ravi Bhargava

NOTICE

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

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

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

2 Re-appointment of Mr. Ravi Bhargava

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

3 Re-appointment of Dr. Surya Mani Pathak

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

4 Appointment of Statutory Auditors

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

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

By Order of the Board

Place: Gurgaon

Software Technology Group International Limited

Date: 28.09.2013

Yogesh Vaidya
Chairman

8. Members are requested to bring their copies of Annual Report to the meeting. No copies will be made available at the meeting venue.
9. Member, who are holding shares in identical names in more than one folio are hereby requested to write to the Company or the Registrar, enclosing their Share Certificates to enable the Company to consolidate their holdings.
10. Members attending the meeting are requested to complete the enclosed attendance slip & deliver the same at the entrance of the meeting place. Attendance at the meeting will not be allowed without the production of the attendance slip duly signed.
11. The Company has joined hands with MCA in its Green initiative as per its circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 for electronic delivery of notices/documents and Annual Accounts to the members of the Company. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in (7) above quoting their folio number(s).
12. No gifts shall be distributed at the Meeting.
13. Pursuant to Clause 49 of the listing agreements with the stock exchanges, following information is furnished about the Directors proposed to be appointed/ re-appointed:
 - a) **Brief profile of Mr. Ravi Bhargava, recommended for re-appointment:**
Mr. Ravi Bhargava aged 66 has BE (Electronics) from BITS Pilani. He had been with Defence Research & Development Organisation Government of India for 15 years. Thereafter he has been associated with number of business ventures in the field of IT and Medical Instrumentation.
 - b) **Brief profile of Dr. Surya Mani Pathak, recommended for re-appointment:**
Dr. Surya Mani Pathak aged 83 years, M.S.C. with Specialization in Economics & Marketing and Ph.D. from Cornell University, USA with specialization in Management Techniques, Production Economics, Marketing Research & Development. He has over 35 years of experience which includes 22 years in banking industry in senior capacity to the level of General Manager. Prior to that, he served central & state government as joint Economic advisor for 8 years. He has also served as short-term consultant in Asian Development, Manila and World Bank in the field of financial analysis and development credit covering in various countries.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. Since no special business is there, explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to special business is not required.
3. The Register of Members and Share Transfer Books of the Company will remain closed from October 17, 2013 to October 24, 2013 (both days inclusive).
4. Members seeking further information about the accounts are requested to write at least 10 days before the date of meeting so that it may be convenient to get the information ready at the meeting.
5. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. As per amended provisions of the Companies Act, 1956, facility for making nominations is now available for shareholders in respect of shares held by them. Nomination forms can be obtained from Registrar of the Company namely Sharex Dynamic (India) Pvt. Limited.
7. Members are requested to inform the Company's Registrar and Share transfer agent i.e. Sharex Dynamic (India) Pvt. Ltd., Unit no 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai 400 072 about the changes, if any in their registered addresses along with the Pin Code number, quoting their Folio number and DP ID number. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share transfer Agent of the Company.

DIRECTOR'S REPORT

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

FINANCIAL RESULTS:

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

REVIEW OF OPERATIONS

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

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

DIVIDEND

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

NEW PRODUCTS/PROJECTS:

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

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

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

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

Demand for Skilled Labour by 2015 (in Millions)

Auto 2.5 Mil

Healthcare 6 Mil

Retail 5 Mil

Construction 15 Mil

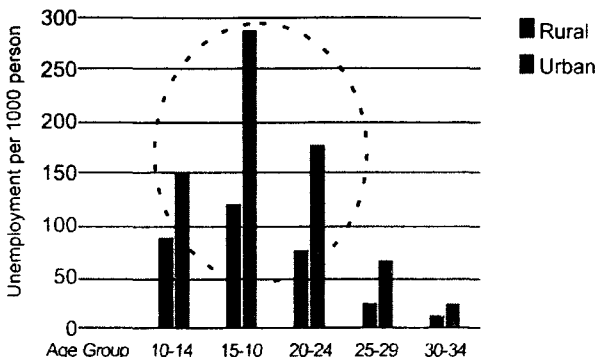
Banking & Finance 5 Mil

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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



Future Potential

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

The company's strategy to improve its performance includes:

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

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

Opportunities and Threats

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

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

Risks and Concerns

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

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

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

Discussion on Financial Performance

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

Operations:**• Revenue:**

Revenues during financial year 2013 were posted Rs. 37.99 Lacs.
The Company derives its revenue from two segments viz Software Training and Software Consulting

• Expenditures:

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

Cost Control Initiatives

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

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

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

(b) Issued Capital

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

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

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

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

> Human Resources Development

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

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

DIRECTORS

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

The Board recommends their re-appointment.

FIXED DEPOSITS

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

OVERSEAS SUBSIDIARIES

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

BUY BACK OF SHARES:

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

STOCK EXCHANGES

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

SHARES UNDER COMPULSORY DEMATERIALISATION

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

PARTICULARS OF EMPLOYEES

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

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

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

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENTS

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

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

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

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

Place : Gurgaon
Dated : 28.09.2013

Yogesh Vaidya
Chairman & CEO
(DIN:01185252)

ANNEXURE "A"

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

A. Conservation of Energy

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

(i) Building Infrastructure:

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

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

Our Energy Efficiency drive includes:

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

(ii) Green Innovation:

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

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

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

C. Foreign Exchange Earning and Outgo

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

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

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

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

Yogesh Vaidya
Chairman & CEO
(DIN:01185252)

Place : Gurgaon
Dated : 28.09.2013

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

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

I Company's philosophy on Corporate Governance: -

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

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

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

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

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

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

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

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

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

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

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

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

(c) Code of Conduct:

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

III Audit Committee

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

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

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

(a) Terms of reference:

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

IV Remuneration Committee

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

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

Terms of reference

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

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

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

Remuneration policy

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

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

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

V. Investor's/Shareholders Grievance Committee

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

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

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

No. of complaints not solved/ pending: : NIL

No. of pending transfers: : NIL

VI Share Transfer Committee:

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

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

VII Investment Committee:

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

VIII Compensation Committee:

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

IX Subsidiary Companies

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

X Secretarial Audit:

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

XI CEO/CFO Certification

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

XII Compliance Certificate

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

XIII General Body Meetings

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

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

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

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

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

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

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

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

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

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

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