



STG

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August 14, 2011

**The Department of Corporate Services,
Bombay Stock Exchange Ltd.**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai -400001.

Dear Sir,

Subject: Company's reply on Auditors' Observation in Limited Review Report for the quarter ended June 30, 2011.

This is with reference to the para 3 of Limited Review Report for the quarter ended June 30, 2011 in which auditor has observed that Company has written back a liability of Rs. 11.28 Lacs pertaining to salary and professional expenses payable for earlier years to a single person and has shown it under the head "Other Income".

It is hereby clarified that the management is of the view that the writing back of liability is justifiable as salary liability pertains to a period of more than three years and the concerned employee whose salary is written back had left the organization without formally handing over the work and related information.

Thanking You.

Yours faithfully,
For Software Technology Group International Limited

A handwritten signature in black ink, appearing to read 'B.K. Chauhan', with a horizontal line underneath it.

B.K. Chauhan
Sr. General Manager
(Finance & Accounts)

The Board of Directors,
Software Technology Group Limited,
Level 2, Elegance, Mathura Road,
Jasola, New Delhi – 110025.


We have reviewed the accompanying statement of unaudited financial results of Software Technology Group International Limited for the period ended June 30, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "Engagements to Review Financial Statements" issued by the institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on information provided to us by the management, the Company has written back a liability of Rs. 11.28 Lacs pertaining to salary and professional expenses payable for earlier years to a single person and has shown it under the head "Other Income" which has resulted in the understatement of losses for the three month period ended June 30, 2011.

Based on our review, *except for the effects of the write back of liability described in the previous paragraph*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For BAWEJA & KAUL
Chartered Accountants
FRN 005834N


Samvit K Gurtoo
Partner
M. No. 090758



Place: New Delhi
Dated: 14.08.2011