
SoftSol India Limited

Board of Directors	Mr. Srinivasa Rao Madala Mr. Bhaskar Rao Madala Dr. T. Hanuman Chowdary Mr. B.S. Srinivasan Mr. P. Venkatramaiah Mrs. Neelima Thota	Chairman Whole time Director Independent Director Independent Director Independent Director Independent Director
Chief Financial Officer	Mr. Srinivas Mandava	
Company Secretary	Mrs. Chavali Lalitha	
Statutory Auditors	M/s. JVSL & Associates Chartered Accountants, Hyderabad.	
Internal Auditors	M/s. Balarami & Nagarjuna, Chartered Accountants, Hyderabad.	
Bankers	Axis Bank Limited, Begumpet, Hyderabad. Axis Bank Limited, Madhapur, Hyderabad. Axis Bank Limited, Dwarakanagar, Visakhapatnam. State Bank of India, Madhapur, Hyderabad. ICICI Bank Limited, Mindspace Branch, Madhapur, Hyderabad. Citi Bank N.A, S.P. Road, Secunderabad.	
Registered Office	Plot No. 4, Software Units Layout, Infocity Madhapur, Hyderabad - 500 081. Telephone: +91 (40) 30719500 Facsimile: + 91 (40) 30784306 E-mail: cs@softsol.net Website: www.softsolindia.com	
Registrars & Share Transfer Agent	Karvy Computershare Private Limited, Plot No. 17 - 24, Vithalrao Nagar, Madhapur, Hyderabad-500 081. Phone: 040 - 23420815-820, Fax: 040 - 23420814; Email: jayaramanvk@karvy.com.	

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Letter to Shareholders



Dear Members

I take pleasure in presenting the Twenty Fourth Annual Report of your Company. I use this opportunity to present the past year performance and what we hope to do in the future.

During the year under review, your Company recorded consolidated revenues of Rs. 57.7 crores and achieved net profit of Rs. 2.9 crores for the year.

We have instituted some changes and the results are encouraging. We are expecting increased business at both our Hyderabad location and also our Vizag center. We will see improvement in financial results as well as increase in the number of employees for next year. We will continue to find ways to improve our performance and offer liquidity to our shareholders.

We have made conscious efforts to differentiate your company as delivering tremendous value to customers by specialization, customer focus and product creation.

I am confident that SoftSol will do well in the coming years.

Sincerely Yours

Srinivasa Rao Madala
Chairman

Notice of the 24th Annual General Meeting

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of SoftSol India Limited (CIN: L7220AP1990PLCO11771) will be held on Tuesday, the 30th day of September, 2014 at 10.00 a.m., at the registered office of the Company situated at Plot No. 4, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2014 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. B. S. Srinivasan (DIN 00482513), who retires by rotation and being eligible, offers him for re-appointment.
3. To consider and if thought fit to pass with or without modifications(s), the following resolution as an ordinary resolution.

“RESOLVED that M/s. JVSL & Associates, Chartered Accountants, Hyderabad (FRN: 015002S) be and are hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of ensuing Annual General Meeting as Statutory Auditors of the company for a period of 3 years, subject to ratification in every Annual General Meeting, on such remuneration as may be decided in consultation with the Auditors by the Board of Directors of the Company plus applicable Service Tax thereon and reimbursement of all out-of pocket expenses incurred in connection with the audit of the accounts of the company”.

Special Business

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mrs. Neelima Thota (DIN 06938559), who was appointed as additional director of the Company effective from 14th August 2014, be and is hereby appointed as Director (Woman Director) of the Company.”

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mrs. Neelima Thota (DIN 06938559), who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th September 2014.”

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Dr. T. Hanuman Chowdary (DIN 00107006), who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th September 2014.”

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mr. B. S. Srinivasan (DIN 00482513), who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th September 2014.”

8. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED that pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, P. Venkatramaiah (DIN 00030102), who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th September 2014.”

9. To consider and if thought fit to pass with or without modification(s), the following resolution as a special resolution.

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the members be and is hereby accorded for the re-appointment of Mr. Bhaskara Rao Madala (DIN 00474589) as Whole time Director for a period of three years with effect from 1st November 2014 at the same remuneration (as he has been drawing earlier) as detailed below:

- 1) Salary: Rs. 80,000 (Rupees eighty thousand only) per month.
- 2) Perquisites and Allowances not exceeding basic salary per month:
 - a) House Rent Allowance: 40% of the Basic Salary.
 - b) Medical Reimbursement: Expenses incurred for self and family subject to the ceiling of Rs. 15,000/- per annum.
 - c) Leave Travel Allowance: For Self and family once in a year incurred in accordance with the rules of the Company.
 - d) Club Fees: Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.

- e) Personal Accident Insurance: Personal accident Insurance policy for an amount, the annual premium of which shall not exceed Rs. 20,000/- per annum.
- f) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- g) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- h) Encashment of leave at the end of the tenure.

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by Schedule V to the Act, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

“RESOLVED FURTHER THAT Subject to the superintendence, control and direction of the Board of Directors of the Company the Whole Director shall have general conduct and management of the whole of business and affairs of the company except in the matters which may be specifically required to be done by the Board either by the Companies Act, or by the Articles of Association and the Whole time Director shall also exercise and perform such powers and duties as the Board of directors of the company may from time to time determine, and shall also do and perform all other acts and things which may in the ordinary course of business he may consider necessary.

“FURTHER RESOLVED THAT all the directors of the Company be and is hereby severally and jointly authorized on behalf of the company to do all such acts, deeds, matters and things as it may be necessary for the purpose of giving effect to this resolution including filing all forms, papers, documents with Registrar of Companies or any other authority for this purpose.”

On behalf of the Board of Directors

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad

Date: 14-08-2014

Registered Office:

Plot No. 4, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081

Bhaskara.Madala@softsol.net, www.softsolindia.com

Notes:

- 1) A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The proxy form (available elsewhere in the annual report) should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- 2) The Register of Members and the Share Transfer Books of the company will be closed from 24 September 2014 to 30 September 2014 (both days inclusive) in connection with the AGM.
- 3) An Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013(Act), is annexed hereto for the item Nos. 4 to 9. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 4 to 9 above are also annexed.
- 4) Shareholders/proxies are requested to bring their copies of the Annual Report to the AGM and the attendance slip duly filled in for attending the AGM. Copies of the Annual Report will not be provided at the AGM.
- 5) M/s. Karvy Computershare Private Limited, Plot No. 17 - 24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Andhra Pradesh is the Registrar and Share Transfer Agent (RTA) for the physical shares of the Company and also the depository interface of the Company with both NSDL and CDSL. Share Transfer documents and all correspondence relating thereto, should be addressed to the RTA.
- 6) Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- 7) SEBI has made it mandatory for every participant in the securities/capital market to furnish details of Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in physical form are requested to submit their details of PAN, along with a photocopy of the PAN Card, to the R&T agents of the Company.
- 8) The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its members in the electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.
- 9) In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and Clause 35B of the listing agreement, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, in respect of all resolutions set forth in this Notice. Mr. M. Vijaya Bhaskara Rao, CS in practice (Membership No. FCS 6273) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The procedure and instructions for e-voting are as follows:

- A. Open your web browser during the voting period and navigate to ‘<https://evoting.karvy.com>’
- B. Enter the login credentials (i.e., user-id & password) mentioned on the postal slips. Your folio/DP Client ID will be your User-ID.

User – ID

For shareholders holding shares in Demat Form:-

- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID

- b) For CDSL :- 16 digits beneficiary
- c) ID For shareholders holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company

Password

Your unique password is printed on the Postal slips / via email forwarded through the electronic notice.

Captcha

Enter the Verification code i.e., please enter the letters and numbers in the exact way as they are displayed for security reasons.

- C. Shareholders can cast their vote online from 25th September 2014 (9.00 AM) to 27th September 2014 (6.30 PM).

During this period, shareholders of the company holding shares either in dematerialized or physical form as on the cut-off date of 15th August 2014, may cast their vote electronically.

- D. After entering these details appropriately, click on “LOGIN”.
- E. Shareholders holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- F. You need to login again with the new credentials.
- G. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- H. If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and cast your vote earlier for any company, then your exiting login id and password are to be used.
- I. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- J. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed .If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- K. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- L. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Private Limited at Tel No. 1800 345 4001 (toll free).
- M. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
- N. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.softsolindia.com and on the website of Karvy Computershare within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the respective Stock Exchanges..

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4: Appointment of Mr. Neelima Thota as Director (Woman Director)

Mrs. Neelima Thota was appointed an additional director (Woman Director) of the company on 14th August 2014 under section 161 of the Act. Pursuant to section 160 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Mrs. Neelima Thota along with a deposit of ₹1,00,000 (Rupees one lakh) as required under the aforesaid section.

She is not a director in any other Company.

Except Mrs. Neelima Thota, none of the Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item Nos. 5 to 8: Appointment of Independent Directors

The company had, pursuant to the provisions of clause 49 of the Listing Agreement entered with the BSE, appointed Dr. Hanuman Chowdhary, Mr. B. S. Srinivasan, and Mr. P. Venkatramaiah as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of these directors including Mrs. Neelima Thota (who was appointed as additional director effective from 14th August 2014) as Independent Directors for a period of 5 years from 30th September 2014. Dr. Hanuman Chowdhary, Mr. B. S. Srinivasan, Mr. P. Venkatramaiah and Mrs. Neelima Thota have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV to the Act, the appointment of these directors as Independent Directors is now being placed before the shareholders for their approval.

Except the directors being appointed in terms of the said resolutions, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolutions at Item Nos. 5 to 8 of the accompanying Notice.

Your Directors recommend the resolutions for your approval.

Item No. 9: Appointment of Mr. Bhaskara Rao Madala as whole time Director

Mr. Bhaskara Rao Madala has been appointed as Whole time Director of the company with effect from 1st November 2014 for a period of three years by the Board of Directors of the company upon the recommendation of the Nomination and Remuneration Committee of directors and subject to the approval of the shareholders of the company. The said appointment and remuneration are within the stipulations of Sections 196, 197, 203 of the Act and Schedule V thereto.

Except Mr. Bhaskara Rao Madala and Mr. Srinivasa Rao Madala, none of the Directors or Key Managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No. 9 of the accompanying Notice.

Your Directors recommend the resolution for your approval.

On behalf of the Board of Directors

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad
Date: 14-08-2014

Registered Office:
Plot No. 4, Software Units Layout, Infocity, Madhapur, Hyderabad - 500 081
Bhaskara.Madala@softsol.net, www.softsolindia.com

BRIEF PROFILES OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**Item No. 4 & 5: Mrs. Neelima Thota**

Born on 1st August 1971, Mrs. Neelima was a B.E (Computer Science and Engineering) from Chaitanya Bharati Institute of Technology, affiliated to Osmania University, Hyderabad in June 1992.

Over 10 years of IT experience in ERP and Groupware. Worked on various platforms like SAP R/3, Lotus Notes, Oracle and other software related to IBM 3090.

Received Award of Excellence for the year 2002 from Deloitte Consulting, Hyderabad and Applause Award for the year 2004-2005 from Deloitte consulting for best project delivery.

She is not a member in any of the Committees. She does not hold Shares in the Company and is not related to any director of the Company. She is also not a director in any other Company or member of any committee of any other Company.

Item no. 6: Dr. T. Hanuman Chowdhary

Born on 18.10.1931, Dr. Chowdhary is the Director of Center for Telecommunications Management and Studies Hyderabad, Chairman of Pragna Bharati, Andhra Pradesh and Fellow of Tata Consultancy Services.

His profile in brief is as given below:

- Dr. T.H. Chowdhary holds a Bachelor's Degree in Telecommunications.
- He held executive, managerial and directorial positions (General Manager, Deputy Director General) in the Departments of (a) Information and Broad-casting and (b) Telecommunications, of the Government of India.
- He was the founding Chairman and Managing Director of India's Overseas Communications Corporation [VSNL].
- He was Governor, INTELSAT, (Washington) and Executive Director, INMARSAT, (London). He was Senior Expert of the International Telecommunications Union [ITU] in Guyana and Yemen and was engaged by the CIDA (Canada) for writing the Green Paper for restructuring of Telecoms in South Africa and for drafting Information and Communications Policy in Nepal.
- He was Member of the Prime Minister of India's National Task Force on Information Technology and Software in 1998-'99. In these several capacities he travelled 75 times to over 80 countries including the former USSR and the People's Republic of China. He is a Distinguished Fellow of the Institution of Electronic & Telecom Engineers (India) and its past President.
- Dr. Chowdhary was Information Technology Advisor in the rank of Minister of State to the Government of Andhra Pradesh [India], mentoring the State's extensive programmes for e-Governance, Government to Citizen [G2C] services (e-Seva), establishment of Internet Kiosks, computer education in schools and colleges and broadband applications.
- Dr. Chowdhary was Fellow of Satyam Computer Services (1990-2009).
- He is the founding Director of the Center for Telecom Management and Studies [India] an I.C.T think- tank and intellectual campaigner for liberalization of India's telecommunications and for extensive deployment of information and communication technologies in Government and mass use for informatisation of society.
- He is Chairman of Pragna Bharathi [Intellect India], a think -tank and a platform for deliberations on socio-political, economic, educational and developmental issues confronting India.
- He is the author of several books on telecommunications, information technology, Indian culture and politics and Editor /Member, Board of Editors of several journals (national and international) on telecommunications & information technology. (eg: INFO and Telecommunications Policy, both from the UK).

Teaching:

- He is visiting faculty in a number of universities in India, USA, Denmark and China.
- He speaks on All India Radio, appears on Door Darshan, and many Telugu & English TV channels discussing current affairs

Journals:

- He has been editing and publishing the monthly Journal ICTs & Society of the Center for Telecom Management and Studies since 1992.
- He writes on socio-political affairs, Indian History, culture, Bharatiya scientific heritage, current problems of India, 'secularism' etc. He edits two monthly Journals called, (1) Bharatiya Pragna since 1997 and (2) 'Secularism' Combat since May 2003 and a columnist for six journals in English and Telugu, South Asia Politics, Freedom First, Hindu Voice, Telugu Vidyarthi, Jaagruthi and Kamma Vaibhavam.
- He is currently engaged in the movement for liberation of Hindus' temples from government management and energise them for defence, propagation and promotion of Hindu Dharma through Manava Seva and Dharma Prabodh.
- He writes for national and international news papers and professional journals.

Honours Received:

- He received the L.V.Ramaiah award in 1989 for distinguished service to society thro' telecoms.
- He was conferred a Doctorate (Honoris Causa) by the Jawaharlal Nehru Technological University, Hyderabad in 1999 for distinguished service to engineering, education & IT services.
- He was one of the eminent five Engineering Personalities who were felicitated by Institution of Engineers (India), at its Fifteenth Indian Engineering Congress, on 19th December, 2000, in Hyderabad.
- He is a recipient of Prathibha Puraskar from Sanatana Dharma Charitable Trust, Bheemunipatnam, A.P in the year 2011.
- He is Fellow of Tata Consultancy Services (the number 1 and I.T Company of India) since 1990 and Director of a number of Telecom & I.T Companies.
- He is a recipient of Dr. Paidi Lakshmaiah Smaraka Puraskar from Dr. Paidi Lakshmaiah Memorial Trust in the year 2014

He is the Chairman of the Audit Committee and Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He does not hold Shares in the Company and is not related to any director of the Company. Details of his other directorships and membership / chairmanship of committees are given below:

S. No.	Name of the Company	Nature of Interest	Committee membership / chairmanship
1	Tera Software Limited	Director	Members of Audit Committee, Chairman of Nomination and Remuneration Committee & Corporate Social Responsibility Committee
2.	Sify Technologies Limited	Director	Chairman of Nomination and Remuneration Committee

Item no. 7: Mr. B. S. Srinivasan

Born on 7th May 1945. Mr. Srinivasan is a B. Com Graduate and qualified as Chartered Accountant in 1971.

From December 1971 to December 1972 practiced as a Chartered Accountant with M/s. Fraser & Co, Chartered Accountant at Chennai. From January 1973 to December 1974 worked as a Senior Accounts officer in a Medium scale manufacturing Company.

Mr. Srinivasan is a Practicing Chartered Accountant since 1975 and rendering services in the field of finance, accounts, auditing, internal control, audit system, income tax consultation.

He has rendered professional services as statutory and internal auditor of, small medium and large scale companies, partnership firm, proprietary firms, NGOs and Educational institutions. He has also associated with a number of Charitable Institutions as adviser and as trustee.

He is the member of the Audit Committee and Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He does not hold Shares in the Company and is not related to any director of the Company. Details of his other directorships and membership / chairmanship of committees are given below:

S. No.	Name of the Company	Nature of Interest	Committee membership / chairmanship
1	Veljan Denison Limited	Director	Member of Audit Committee and Corporate Social Responsibility Committee
2.	Formatrics I.T. Solutions (India) Private Limited	Director	Nil

Item no. 8: Mr. P. Venkatramaiah

Born on 15th March 1932. Mr. Venkatramaiah having qualification of B. E (Bachelor of Engineering), retired as Deputy Director in Central Water Commission and had an overall 50 years experience in handling Power & Infra Projects.

He is the member of the Audit Committee and Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He does not hold Shares in the Company and is not related to any director of the Company. He is also not a director in any other Company or member of any committee of any other Company.

Item no. 9: Mr. Bhaskar Rao Madala

Born on 5th November 1946. Mr. Bhaskara Rao Madala is a graduate in Science and bachelor of education. He holds 30 years of experience in teaching.

He is one of the Promoter and Director of the Company since its inception. He is looking after complete Finance, Legal and Secretarial compliances of the Company since 18 years.

He is the member of the Audit Committee and Stakeholders Relationship Committee of the Company. He does hold 249966 Shares in the Company and is not related to any director of the Company except Mr. Srinivasa Rao Madala. Details of his other directorships and membership / chairmanship of committees are given below:

S. No.	Name of the Company	Nature of Interest	Committee membership / chairmanship
1	SoftSol Global Technologies Private Limited	Director	Nil

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 24th Directors' Report on the business and operations of your Company, for the year ended March 31, 2014.

Financial Highlights

	<i>(Rs .in lakhs)</i>	
	2013-14	2012-13
Gross Revenue	563.99	270.04
Total Expenditure	1036.96	747.85
Operating Profit	(472.97)	(477.81)
Other Income	1102.16	1232.54
Interest	0.00	0.00
Depreciation	299.83	316.89
Profit before Tax	329.36	437.85
Provision for Taxation	151.11	83.45
Profit after Tax	178.24	354.40
Earnings per Share (Rs.)	1.06	2.09

During the year under review, your Company recorded income of Rs.563.99 Lakhs from export of software in comparison with previous year's income of Rs. 270.04 Lakhs. Your company achieved net profit of Rs.178.24 Lakhs for the year in comparison with the previous year's net profit of Rs. 354.39 Lakhs.

SoftSol Resources Inc., (SRI) a wholly owned subsidiary of your Company, recorded total revenue of US\$ 9.37 Millions in comparison with the previous year's revenue of US\$ 13.48 Millions. SRI recoded net profit of US\$ 194,874 for the year 2013 in comparison with the previous year's net profit of US\$ (43,917).

Management Discussions and Analysis Report

Management Discussions and Analysis Report, as required under the Listing Agreement with the Stock Exchanges is forms part of the Report.

Dividend

In view of the financial performance of your Company during the year 2013-14, your Directors have not recommended any dividend for this financial year.

Directors:

None of the directors of the company is disqualified under the provisions of the Act or under the Listing Agreement with the BSE.

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. B. S. Srinivasan, retire by rotation and being eligible offer himself for re-appointment at this Annual General Meeting.

Mrs. Neelima Thota was appointed as additional director of the company on 14th August 2014. Mrs. Neelima was proposed to be appointed as director under the provisions of section 160 of the Companies Act, 2013 at the ensuing Annual General Meeting (AGM).

During the year, the Ministry of Corporate Affairs (MCA) has notified majority of the provisions inter alia provisions relating to selection, manner of appointment, roles, functions, duties, re-appointment of independent directors and the relevant rules under the Companies Act, 2013 (the Act 2013) and made them effective 1st April 2014.

The existing composition of the Company's board is fully in conformity with the applicable provisions of the Act 2013 and Clause 49 of the Listing Agreement having the following directors as non-executive independent directors, namely Dr T. Hanuman Chowdhary, Mr. B. S. Srinivasan and Mr. P. Venkatramaiah.

The board also recommends the appointment of Mrs. Neelima Thota, who was appointed as Additional Director effective from 14th August 2014, as independent director of the Company, since she meets the criteria of independence, in terms of the requirements of relevant provisions under the Act 2013.

In terms of the provisions of Section 149(10) read with Section 149(5) of the Act 2013, independent directors are eligible to hold office for a term up to five consecutive years on the board and eligible for re-appointment for the second term on passing special resolutions by the Company. During the period, they will not be liable to 'retire by rotation' as per the provisions of Sections 150(2), 152(2) read with Schedule IV to the Act 2013.

It is, therefore, proposed to appoint them as independent directors for a consecutive period of five years at the AGM. Necessary declarations have been obtained from them, as envisaged under the Act 2013.

Both the Nomination and Remuneration Committee and the board also ensured that their appointments as independent directors are in compliance with the requirements under the relevant statutes and that there were appropriate balance of skills, experience and knowledge in the board, so as to enable the board to discharge its functions and duties effectively.

Notices in writing signifying the intention to offer their candidatures as independent directors of the Company along with the requisite deposit have been received from members of the Company in terms of Section 160 of the Act 2013.

Mr. Bhaskara Rao Madala was appointed as Whole time Director effective from 1st November 2014 for the further period of three years.

Pursuant to the provisions of Clause 49 of the Listing Agreement, brief particulars of the retiring directors who are proposed to be appointed/re-appointed are provided as an annexure to the notice convening the AGM.

The board, therefore, recommends their appointment / re-appointment as directors of the Company.

Corporate Governance:

The Company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A report on Corporate Governance pursuant to the provisions of Clause 49 of the Listing Agreement forms part of the Annual Report. As required under Clause 49 of the Listing Agreement, the Certificate regarding compliance of conditions of corporate governance is enclosed to the Report.

The Whole time Director and the Chief Financial Officer of the Company have certified to the board on financial statements and other matters in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/ CFO certification for the financial year ended 31st March 2014.

Listing at Stock Exchange:

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited and the annual listing fees for the year 2014-15 have been paid to the Exchange.

Statutory Auditors:

M/s. Sarathy & Balu, Chartered Accountants, Hyderabad, Statutory Auditors of the company would hold the office upto the conclusion of the ensuing AGM and are eligible for reappointment. However, they have expressed their unwillingness for reappointment as auditors of the company. In view of this, it is proposed to appoint JVSL & Associates, Chartered Accountants, (FRN: 015002S) as Statutory Auditors of the company to hold the office from the conclusion of ensuing Annual General Meeting to the conclusion of next AGM on such remuneration as may be decided in consultation with the Auditors by the Board of Directors of the Company plus applicable Service Tax thereon and reimbursement of all out-of pocket expenses incurred in connection with the audit of the accounts of the company.

The Company has obtained necessary certificate under Section 141 of the Companies Act, 2013 from the Auditors conveying their eligibility for the above appointment. The Audit Committee and Board reviewed their eligibility criteria, as laid down in Section 141 of the Companies Act, 2013 and recommended their appointment as auditors for the aforesaid period.

Secretarial Auditors

As required under Section 204 of the Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company and to provide a report in this regard.

Accordingly, M/s VBM Rao & Associates, Company Secretaries, Hyderabad have been appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2014-15 for attaching their report with the Board's report to the shareholders.

Fixed Deposits

Your Company has not accepted/invited any deposits from the Public for the year under review within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

Information u/s. 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo:

- a. Conservation of Energy: The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

- b. Technology Absorption: Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up gradation of product and services development.
- c. Foreign Exchange earnings and outgo: Total foreign exchange earnings during the year were Rs. 181.20 Lakhs (Previous year Rs. 135.20 Lakhs) and foreign exchange outgo was Nil (previous year Rs.Nil).

Particulars of Employees:

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not required as none of the employees falls under the category.

Directors' Responsibility Statement:

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

1. That, in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures;
2. 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 the financial year and of the profit or loss of the Company for that period.
3. 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;
4. That, the Directors had prepared the annual accounts on a going concern basis.

Particulars pursuant to Section 212 of the Companies Act, 1956:

Your company has prepared the consolidated financial statements in accordance with the relevant accounting standards and the provisions of the Companies Act, 1956 (Act). Pursuant to the provisions of Section 212 of the Act, documents in respect of the subsidiary company M/s. SoftSol Resources Inc., USA viz., Directors' Report, Auditor's Report, Balance Sheet and Profit and Loss Account, are attached the Annual Report.

Acknowledgements:

Your Directors take this opportunity to thank all investors, business partners, clients, banks, regulatory and governmental authorities, stock exchanges and employees for their continued support.

On behalf of the Board of Directors

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad
Date: 14-08-2014

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. SoftSol has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Stock Exchange as disclosed here in below:

SoftSol continues to follow procedures and practices in conformity with the Code of Corporate Governance as stipulated by the Securities & Exchange Board of India (SEBI).

2. Board of Directors

Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. The Chairman is a Non-Executive Director. The number of Independent Non-Executive Directors is more than half of the Board's total strength. All Independent Non-Executive Directors comply with the legal requirements of being "Independent." Except the Whole time Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

The composition of the Board of Directors and their attendance at Board Meetings during year and at the last Annual General Meeting are given below:

Name of the Director	Director Identification Number	Category	Designation	Board Meetings held	Board Meetings attended	Last AGM
Mr. Srinivasa Rao Madala	01180342	Promoter Director	Chairman	4	0	Yes
Mr. Bhaskara Rao Madala	00474589	Promoter Director	Whole time Director	4	4	Yes
Dr. T. Hanuman Chowdary	00107006	Independent Director	Non-Executive Director	4	4	Yes
Mr. B.S. Srinivasan	00482513	Independent Director	Non-Executive Director	4	4	Yes
Mr. P. Venkatramaiah	00030102	Independent Director	Non-Executive Director	4	4	Yes

Details of number of Directorships and Committee Memberships held by Directors in other Companies:

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. Srinivasa Rao Madala	Nil	Nil	Nil	Nil
Mr. Bhaskara Rao Madala	Nil	1	Nil	Ni
Dr. T. Hanuman Chowdary	Nil	2	3	1
Mr. B. S. Srinivasan	Nil	2	Nil	2
Mr. P. Venkatramaiah	Nil	Nil	Nil	Nil

Board Procedure:

The calendar of meetings of the Board of Directors is determined well in advance and Notices of the Meetings of the Board are issued by the Company Secretary on the advice and guidance of the Whole time Director. The agenda and notes thereon are finalised by the Whole time Director and circulated sufficiently in advance by the Company Secretary.

During the financial year, Board of Directors of the Company met four times on 27-05-2013, 13-08-2013, 13-11-2013 and 14-02-2014.

Elaborate and meticulous deliberations take place at the meetings of the Board; all relevant information is put up to the Board and comprehensive presentations are made to it to facilitate considered and informed decision making. Heads of the business verticals also attend the meetings of the Board as invitees to provide a better perspective on the operations. The time gap between two meetings of the Board did not exceed four months.

Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company, which is available on the Company's web-site. All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended March 31, 2014. A declaration to this effect, duly signed by the Whole time Director is given hereto.

Declaration

I, Bhaskar Rao Madala, Whole time Director do hereby declare that pursuant to the provisions of Clause 49(I) (D) (ii) of the Listing Agreement, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

Bhaskar Rao Madala
Whole-time Director

Place: Hyderabad
Date: 14-08-2014

Whistle blower policy

At the Board Meeting held on 14th August 2014, the company has formulated a Whistle Blower Policy with a view to provide a mechanism for associates to approach the Chairman of the Audit Committee of the Company to, inter alia, report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or policy. Further, the policy provides necessary safeguards for protection of associates from reprisals or victimization, for whistle blowing in good faith.

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of reference includes:

- a) Oversight of the company's financial reporting process.
- b) Recommending appointment and removal of external auditors and fixing of their fees.
- c) Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- d) Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- e) Reviewing the adequacy of internal control systems and significant audit findings.
- f) Discussion with external auditors regarding nature and scope of audit.

Composition and Attendance:

Audit Committee consists of three independent Non-executive Directors and one Executive Director. Members are Dr. T.Hanuman Chowdary, Mr. B.S.Srinivasan, Mr. P. Venkatramaiah and Mr. Bhaskar Rao Madala. Dr. T.Hanuman Chowdary is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee. Members of the Committee are well versed in finance, accounts, company law and general business practices.

During the financial year 2013-14 Audit Committee of the Board of Directors met four times on 27-05-2013, 13-08-2013, 13-11-2013 and 14-02-2014. All the members of the Committee attended all the meetings.

The Chairman of the Audit Committee was present at the 23rd Annual General Meeting (AGM). Representatives of the statutory and internal auditors attended the meetings of the audit committee. The chief financial officer is present at the meetings of the committee.

4. Remuneration Committee**Remuneration Policy:**

The Committee has the mandate to review and recommend compensation payable to the Whole-time Director and Senior Executives of the Company. No director other than Mr. Bhaskar Rao Madala is drawing remuneration

from Company. Mr. Bhaskar Rao Madala is drawing remuneration for the services rendered in the capacity of Whole-time Director of the Company. A sitting fee of Rs. 5,000 (Rupees Five thousand only) is being paid to non-executive directors for attending each board meeting.

Terms of Reference: The terms of reference of the Remuneration Committee are:

- a) To review and approve / recommend the remuneration for the Corporate officers and Whole-time director of the Company
- b) To review and recommend to the Board the remuneration policy for the Company.
- c) To approve grant of stock options to the employees and / or directors of the Company and subsidiary.
- d) To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

The Remuneration Committee comprises of three non-executive directors Dr. T.Hanuman Chowdary, Mr. B.S.Srinivasan and Mr. P. Venkatramaiah. Dr. T. Hanuman Chowdary is the Chairman of the Committee. The Committee was not met during the financial year.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2013-14 are as follows:

(In Rs.)

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
Mr. Srinivasa Rao Madala	Director	Nil	Nil	Nil	Nil
Mr. Bhaskara Rao Madala	Whole-time Director	14,11,200	Nil	Nil	14,11,200
Dr. T. Hanuman Chowdary	Director	Nil	Nil	20,000	20,000
Mr. B. S. Srinivasan	Director	Nil	Nil	20,000	20,000
Mr. P. Venkatramaiah	Director	Nil	Nil	20,000	20,000

No other benefits, bonuses, stock options, pensions or performance-linked incentives are paid to directors except as mentioned above and there are no pecuniary relationships or transactions by the non-executive directors during the financial year.

Shareholding of the Directors in the Company as on 31 March 2014:

Mr. Bhaskar Rao Madala, Whole time Director, holds 2,49,966 equity shares in the Company. No other director holds any shares, convertible instruments or stock options in the company.

At the Board Meeting held on 21st May 2014, the board renamed the Committee as Nomination and Remuneration Committee with same members in terms of Section 178 of the Act 2013 and Clause 49 of the Listing Agreement of BSE.

5. Share Transfers and Shareholders Grievance Committee

The Share Transfers and Shareholders Grievance Committee comprises of three non-executive independent directors and one executive director. Mr. Bhaskar Rao Madala, Mr. B. S. Srinivasan, Mr. P. Venkatramaiah and Dr. T. Hanuman Chowdary (Chairman). Mrs. Chavali Lalitha, Company Secretary is the Compliance Officer.

Scope of the Committee

The scope of the Shareholders' Share Transfers and Shareholders Grievance Committee is to review and address the grievances of the shareholders in respect of share transfers, transmissions, dematerializations and rematerialisation of shares, dividend, change of address, and other miscellaneous matters.

During the year Company has not received any complaints from the shareholders and there are no pending shareholder complaints or share transfers as on date of this report.

Meetings and Attendance:

During the financial year, the Committee met four times on 27-05-2013, 13-08-2013, 13-11-2013 and 14-02-2014.

At the Board Meeting held on 21st May 2014, the board renamed the Committee as Stakeholders Relationship Committee with same members in terms of Section 178 of the Act 2013 and Clause 49 of the Listing Agreement of BSE.

6. General Body Meetings

Details of the last three Annual General Meetings (AGM) are as follows:

Year/Period	Day, Date and Time	Location
2010-2011	Friday, 30th September 2011 at 10.00 A.M.	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2011-2012	Saturday, 29th September 2012 at 10.00 A.M.	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2012-2013	Monday, 30th September, 2013 at 10.00 a.m.,	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.

No special resolution was passed by the shareholders at the last three Annual General Meetings. No business was transacted through postal ballot at the last three Annual General Meetings. At the forthcoming Annual general Meeting no business is required to be transacted through postal ballot. No Extra-Ordinary General Meeting of the shareholders was held during the year.

7. Disclosures:**Details of Related Party Transactions:**

SoftSol Technologies Inc., (STI) holds 52.76% of the total shareholding of SoftSol India Limited. SoftSol India Limited (SIL) holds 100% shareholding of SoftSol Resources Inc., (SRI) and hence SRI is a wholly owned subsidiary of SIL. The transactions details of the Company with the STI & SRI as of 31.03.2014 are:

Details	Party Name	31-03-2014 (in Rs.)	31-03-2013 (in Rs.)
Sales	SoftSol Technologies Inc.	Nil	Nil
	SoftSol Resources Inc.	1,81,20,238	1,35,20,467
Investment	SoftSol Resources Inc.	95,34,04,053	95,34,04,053

No Loans and Advances to Subsidiary Company have been made in the financial year 2013-14. During the year the Company has given a guarantee and lien on its investments in units of mutual funds, whose aggregate face value is Rs. 6,65,00,000/- to Citi Bank NA, India for issuing a standby letter of credit (SBLC) on behalf of SoftSol Resources Inc., the wholly owned subsidiary of the company, enabling it to avail working capital limits of USD 8,00,000 (INR 4,80,80,000) from Citi Bank NA USA. There is no pecuniary relationship or transactions with non-executive director's vis-à-vis the Company, which has potential conflict with the interests of the Company at large.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or a stricture has been imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during last three years.

The Company has complied with all the applicable mandatory requirements of the Clause 49 (Corporate Governance) of the Listing Agreement.

Prohibition of Insider Trading:

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct for insider trading regulations which is applicable to all the directors, officers and such employee's of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

Compliance Report:

A Compliance report of all applicable Laws and Regulations as certified by the Whole time Director are placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable Laws and gives appropriate directions wherever necessary. The Board considers materially important Show Cause/ Demand Notices received from Statutory Authorities and the steps/action taken by the Company in this regard.

A status report of material legal cases pending before the various courts is also put up to the Board on a quarterly basis.

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.

8. Means of Communication

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges, immediately after these are taken on record by the Board. These financial results are normally published in Business Standard/Indian Express (English) and Andhra Bhumi/Andhra Prabha/Andhra Jyothi (Telugu) Newspapers and are displayed on the website of the Company www.softsolindia.com. The company also releases all price sensitive information simultaneously to BSE and the media.

The official news releases and the presentation made to the investors/ analysts are also displayed on the Company's website.

Management Discussion and Analysis Report forms part of the Report of the Directors.

9. CEO/CFO Certification:

The requisite certification from the Whole time Director and Chief Financial Officer required to be given under Clause-49 (V) was placed before the Board of Directors of the Company.

10. General Shareholders Information:**a) Registered Office & address for Correspondence**

Plot No. 4, Software Units Layout, Madhapur, Hyderabad – 500 081
Telephone: + 91 (40) 30719500, Facsimile: + 91 (40) 30784306
E-mail: cs@softsol.net, Website: www.softsol.net

b) Annual General Meeting: (Date, Time and Venue)

Tuesday, the 30th day of September 2014 at 10.00 A.M. at the Registered Office of the Company.

c) Financial Calendar

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

d) Book Closure

From September 24, 2014 to September 30, 2014 (both days inclusive)

e) Listing of Shares

The Company shares are listed on The Bombay Stock Exchange Limited and the Company has paid listing fees for the financial year 2014-15 to the Stock Exchange.

f) Stock Code/Symbol

The Bombay Stock Exchange Limited - 532344

g) Share Transfer Agent

Karvy Computershare Private Limited, Plot No. 17 - 24, Vithalrao Nagar, Madhapur, Hyderabad-500 081, Andhra Pradesh.

Contact Person: Mr. V. K. Jayaraman, General Manager, Phone: 040 - 23420815-820,
Fax: 040 – 23420814. Email: jayaramanvk@karvy.com.

h) Share Transfer System

Equity Shares lodged for transfer in physical mode are normally registered within 15 days from the date of receipt. The Share Transfer Agent is handling all the Share Transfers and related transactions. As on March 31, 2014, no share transfer or complaints were pending.

Shares held in the dematerialised form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

i) Dematerialization of Shares

The Shares of the Company are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on March 31, 2014, 16605942 Equity Shares out of total 16822513 Equity Shares of the Company forming 98.71% of the Share Capital of the Company, stand dematerialized. International Securities Identification Number: INE002B01016.

j) Category wise Shareholding as at March 31, 2014.

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters (Both Indian & Foreign)	8	10817229	64.30
Mutual Funds and UTI	0	Nil	Nil
Banks, Financial Institutions,			
Insurance Companies	0	Nil	Nil
FII's	0	Nil	Nil
Private Corporate Bodies	36	23407	0.14
Indian Public	1845	588415	3.50
Non-Resident Indians	10	2654944	15.78
Overseas Body Corporates	2	2736061	16.27
Clearing Members	6	2457	0.01
Total	1907	16822513	100

k) Shareholders holding more than 1% of the Shares:

Name of the Shareholder	Number of shares held	Percentage
<u>Promoters:</u>		
SoftSol Technologies Inc	8875444	52.76
Sambasiva Rao Madala	904715	5.38
Durga VLK Madala	681964	4.05
Bhaskar Rao Madala	249966	1.49
<u>Overseas Corporate Bodies</u>		
Adalat Corporation	2595370	15.43
Non-Resident Indians		
Radha Krishna Ghanta (Trustee of AAM Trust)	1250000	7.43
Radha Krishna Ghanta (Trustee of SSM Trust)	1250000	7.43

l) Market Price Data:

The monthly high and low quotations of shares traded on The Bombay Stock Exchange Limited during each month in last financial year are as follows:

Month	BSE-High	BSE-Low	Month	BSE-High	BSE-Low
April 2013	44.30	40.20	October 2013	40.95	36.75
May 2013	42.00	40.00	November 2013	39.00	39.00
June 2013	42.00	40.00	December 2013	42.65	36.15
July 2013	40.00	39.00	January 2014	59.85	39.95
August 2013	40.00	39.00	February 2014	56.60	46.95
September 2013	38.00	34.00	March 2014	54.90	42.80

m) Distribution of Shareholding as at March 31, 2014.

Number of Equity Sharehold	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	1683	88.21	2880310.00	1.71
5001 – 10000	146	7.65	1241120.00	0.74
10001 – 20000	35	1.83	530820.00	0.32
20001 – 30000	16	0.84	427840.00	0.25
30001 – 40000	2	0.10	72000.00	0.04
40001 – 50000	4	0.21	186440.00	0.11
50001 – 100000	2	0.10	128190.00	0.08
100001 & above	18	1.00	162759410.00	96.75
Total	1907	100.00	168225130.00	100.00

Certificate pursuant to Clause 49(V) of the Listing Agreement

To
The Board of Directors of
SoftSol India Limited
Hyderabad.

This is to certify that:

a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of their knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee

i. There are no significant changes in internal control over financial reporting during the year;

ii. There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. There are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Bhaskar Rao Madala
Whole-time Director

Srinivas Mandava
Chief Financial Officer

Place: Hyderabad

Date: 14-08-2014

**Certificate of Compliance with the conditions of Corporate Governance under Clause
49 of the Listing Agreement**

The members of
SoftSol India Limited

1. We have examined the compliance of conditions of Corporate Governance by SoftSol India Limited (the Company) the year ended March 31, 2014 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

M. Vijaya Bhaskara Rao
Company Secretary in Practice
Certificate of Practice No. 5237

Management's Discussion and Analysis

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

A. Industry structure and developments

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. Companies are focusing on their core competencies and are using outsourced technology service providers to adequately address these needs. The role of technology has evolved from supporting corporations to transforming them. There is an increasing need for highly skilled technology professionals in the markets in which we operate. At the same time, corporations are reluctant to expand their internal IT departments and increase costs. Corporations are increasingly turning to offshore service providers for higher quality, cost competitive technology solutions. As a result, offshore service providers have become critical to the operations of many enterprises and they continue to grow in recognition and sophistication. In view of this, the addressable market for offshore technology services has expanded.

India is widely recognized as the premier destination for offshore technology services. Accordingly to the NASSCOM press release issued in February 2014, IT-BPM exports (IT services and Business Process Management) from India are estimated to grow in fiscal 2015 by 13%-15%, to US \$97-99 billion. There are several key factors contributing to the growth of IT and IT-enabled services (ITES) in India and by Indian companies. Some of these factors are high-quality delivery, significant cost benefits and abundant skilled resources.

Further the nature of technology outsourcing is changing. Historically enterprise either outsourced their technology requirement entirely or on a standalone, project-project basis. In an environment of rapid technological change, globalization and regulatory changes, the complete outsourcing model is often perceived to limit a company's operational flexibility and not fully deliver potential cost savings and efficiency benefits. Similarly, project-by-project out sourcing is also perceived to result in increased operational risk and coordination costs and is failing to leverage technology service provider's full range of capabilities. To address these issues, companies are looking at outsourcing approaches that require their technology service providers to develop specialized systems, processes and solutions along with cost-effective delivery capabilities.

B. Opportunities and threats of Global IT services and Products

These are challenging times for the Indian IT Industry given the current global financial crisis. All companies are under threat given the uncertainties in the market today. India is no longer decoupled from the global economy and all sectors, whether it is IT or BPO which are directly linked to the fortunes of global business or retail, manufacturing and real estate which depend on the prosperity of the citizens to succeed will need to prepare themselves for a period of uncertainty and start building strategies and new capabilities for success in the future.

Every crisis creates new opportunities and there are new possibilities emerging in every segment. Service firms have the opportunity to build wider and deeper relationships with their clients, challenging the assumptions on what work can be done in near shore and offshore locations and identifying new areas to partner to meet the customer's need to preserve profits in difficult times.

Companies in the knowledge services business will need to be watchful and avoid excessive cost or capacity build up at a time when demand will be weak at least for the next few quarters. Product and IP creating firms can identify niche areas that emerge through the periods of instability and education and training firms can address the task of re-skilling both the existing workforce and job seekers to make them more suitable for the new challenges.

The main risks causing concern to the IT Industry and your Company as well are ability to attract and retain talent, withdrawal of Tax benefits, Currency Exchange risks, etc.

Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share Price to decline. We may not be able to sustain our previous profit margins or levels of profitability. The economic environment, pricing pressure and decreased employee utilization rates could negatively impact our revenues and operating results.

Your Company has a Risk Assessment and minimization process, which is monitored on a periodic basis. Various risks that are closely monitored are Business risks i.e. Client concentration risk, geographical risk, competition risk and financial risk mainly in the area of foreign currency fluctuations.

We have a well-defined business contingency plan and disaster recovery plan to address these unforeseen events and minimize the impact on services delivered from our development centre

With solid management practices driven by a stable leadership team, a well diversified service portfolio aligned to market needs, a wide geographic presence, increased levels of productivity through efficiency frameworks and a proven track record through its Innovation, the Company is confident of increased success in the years to come.

C. Outlook

We have made very good progress in deepening the relationship with existing customers. As we are entering in to the domestic business, we expect to achieve higher growth rates in income and profits during the coming year.

With the economic uncertainties, we are exploring the domestic market as well as Asia Pacific region for driving the growth and mitigating risk in the developed world. This growth is largely driven by increased acceptance of IT within the country as a major growth enabler and a competitive tool for Indian corporations to compete in an increasingly globalized environment.

D. Internal Control Systems and their adequacies

The company strictly adheres to the internal control systems proven to be effective over the years. The internal audit team carries out extensive audit on all operations at regular intervals. The company implements the policies and procedures so as to safeguard the assets and interests of the company.

The internal control systems are implemented with a view to achieve good ethical culture within the organization. The internal control systems would ensure that any vulnerability in the achievement of company's objectives

caused by risk factors whether internal or external, existing or emerging, is detected and reported in a timely manner and is meted out with appropriate corrective action. Strong internal controls minimize the risk of frauds by introducing effective checks and balances into the financial system.

The company has quarterly internal audit, an independent appraisal function, to evaluate the effectiveness of the company's internal control system. The findings of internal audit are periodically placed before the Audit committee and the Board of Directors of the company.

E. Financial Performance of the company

Your company had recorded consolidated revenues of Rs. 57.67 crores and achieved net profit of Rs. 2.89 crores in the current year. We expect to achieve significant growth in revenue and net income in the coming year.

F. Human Resources

Our focus is to develop individual and team competencies and capabilities for driving operational excellence and building a high performance organization. Hence our Talent Management program is focused on Talent Acquisition, Development and Retention.

We have our employees undergo certification programs each year to develop the skills relevant for their roles. We have also adopted a performance-linked compensation program that links compensation to individual performance, as well as meeting organisational goals.

We have initiated various measures from time to time to maintain a competitive, healthy and harmonious work environment at all levels.

Independent Auditor's Report

To the Members of
SoftSol India Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of SoftSol India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing (SAs or Standards) issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the CARO'03") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued the notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

Place: Hyderabad
Date: 21.05.2014

T. MAHIPAL REDDY
Partner
ICAI Ms. No.227616

**Annexure to Independent Auditors' Report dated 21.05.2014
issued to the Members of SoftSol India Limited**

**Statement on the matters specified in Paragraphs 4 and 5 of the Companies
(Auditor's Report) Order, 2003**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The company's fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of its fixed assets affecting the going concern status of the company.
- (ii) The company has not acquired / handled / dealt in / held any inventory. Hence, Clause (ii) of paragraph 4 of the CARO'03 is not applicable to the company for the year under report.
- (iii) The Company has neither granted to nor taken from, any loans, secured or unsecured from companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act, 1956. Hence, sub-clauses (b), (c), (d), (f) and (g) of clause (iii) of paragraph 4 of the CARO'03 are not applicable to the company.
- (iv) According to the information and explanations given to us and in our opinion, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not come across any continuing failure to correct major weaknesses in the internal control system of the company nor have we been informed of any such continuing failures by the management.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements referred to in Sec.301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained U/s. 301 of the Act and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from public. Therefore, provisions of Clause (vi) of the CARO'03 are not applicable to the Company for the year under audit.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

- (viii) According to the information and explanations furnished to us, the Central Government has not prescribed maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956 to this company.
- (ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty and other statutory dues applicable to it. As the Govt. has not notified the date for levying Cess U/s.441A of the Act, the company has not made any provision/paid the said Cess. Hence, our comments on the regularity or otherwise of the payment of Cess by the company are Nil.

There are no undisputed arrears of statutory dues as at 31-03-2014 which are outstanding for a period of more than six months from the date they became payable.

- b) 1) There are no dues of Income tax, sales tax, customs duty, wealth-tax, excise duty and Cess which have not been deposited on account of any dispute.
- 2) Dues of Service tax demands which have not been deposited on account of dispute are as under:

Name of the Statute	Nature of the dues	Amount of demand (₹)	Period to which the amount relates	Forum where dispute is pending	Amount deposited (₹)
Finance Act, 1994 (Service tax Provisions)	Service tax	6,18,962/-	2007-08 to 2011-12	Management has confirmed that an appeal is being filed before CESTAT, Bangalore	2,23,544/-

- (x) The company has no accumulated losses as at the end of the financial year under audit and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and in our opinion, the Company has not taken any loans from financial institutions and banks. The company has not issued debentures. Hence, provisions of paragraph 4(xi) of the CARO'03 are not applicable to this Company.
- (xii) Based on our examination of documents and records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, provisions of paragraph 4(xii) of the CARO'03 are not applicable to this Company.
- (xiii) In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds are not applicable to this company and the company is not a nidhi/mutual benefit fund/society. Therefore, provisions of paragraph 4(xiii) of the CARO'03 are not applicable to this Company.
- (xiv) In our opinion, and as per the information and explanations given to us, in respect of the long-term investments made in the equity shares of its subsidiary company and investments in Mutual funds, proper records have been maintained and timely entries have been made therein and the shares and securities have been held by the company in its own name.

- (xv) According to the information and explanations given to us, during the period covered under our audit, the Company has given a guarantee and lien on its investments in units of mutual funds, whose aggregate face value is Rs.6,65,00,000/- to Citi Bank NA, India for issuing a standby letter of credit (SBLC) on behalf of SoftSol Resources Inc., the wholly owned subsidiary of the company, enabling it to avail working capital limits of USD 8,00,000 (INR 4,80,80,000) from Citi Bank NA USA. The terms and conditions on which the company has given the guarantee and lien on its investments are not prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us and as per the books of account audited by us, during the period covered under our audit, the company has not availed any term loans. Hence, provisions of Paragraph 4 (xvi) of the CARO'03 are not applicable to this Company.
- (xvii) According to the information and explanations given to us and on an over all examination of the balance sheet of the company, during the period covered under audit, no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us and based on the books of account audited by us, during the period covered under our audit, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained U/s.301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered under our audit, the Company has not issued any debentures. Hence, creation of security or charge for the same is not applicable.
- (xx) According to the information and explanations furnished to us, during the period covered under our audit, the Company has not raised any money by public issues. Hence, provisions of Paragraph 4(xx) of the CARO'03 are not applicable to this company.
- (xxi) According to the information and explanations given to us and on the basis of our examination of the books of account, during the year covered under our audit, no fraud on or by the company has been noticed or reported to us.

for SARATHY & BALU
Chartered Accountants
(Firm Regn No.003621S)

Place: Hyderabad

Date: 21.05.2014

T. MAHIPAL REDDY
Partner
ICAI Ms. No.227616

BALANCE SHEET AS AT 31st MARCH 2014

Particulars	Note No	As at 31-03-2014		As at 31-03-2013	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	01	172,365,240		172,365,240	
(b) Reserves and surplus	02	1,655,642,190		1,637,817,754	
			1,828,007,430		1,810,182,994
(2) Non-current liabilities					
(a) Other Long term liabilities	03	33,020,588		39,778,498	
(b) Long-term provisions	04	1,304,803		1,135,456	
			34,325,391		40,913,954
(3) Current liabilities					
(a) Trade Payables	05	28,124,005		1,739,837	
(b) Other current liabilities	06	5,349,815		14,235,408	
(c) Short term Provisions	07	680,479		128,808	
			34,154,299		16,104,053
	Total		1,896,487,120		1,867,201,001
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	08				
(i) Tangible assets		337,183,666		355,568,855	
(ii) Intangible assets		401,943		356,592	
(iii) Capital work-in-progress		52,153,767		48,876,656	
(b) Non-current investments	09	1,062,406,915		953,404,053	
(c) Long-term loans and advances	10	21,792,020		37,962,117	
(d) Other non-current assets	11	1,661,332		1,661,332	
			1,475,599,643		1,397,829,605
(2) Current assets					
(a) Current Investments	12	91,500,000		-	
(b) Trade receivables	13	45,180,651		14,064,490	
(c) Cash and Bank Balances	14	254,407,969		419,261,679	
(d) Short-term loans and advances	15	2,588,868		2,372,331	
(e) Other current assets	16	27,209,989		33,672,896	
			420,887,477		469,371,396
	Total		1,896,487,120		1,867,201,001

Significant accounting policies and notes to the financial statements

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Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

For and on behalf of Board Directors

T.Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

Particulars	Note No	Year Ended 31.03.2014 ₹	Year Ended 31.03.2013 ₹
INCOME:			
Revenue from operations	17	56,399,034	27,004,763
Other income	18	110,216,821	123,254,067
Total Revenue		166,615,855	150,258,830
EXPENSES			
Purchase of Traded goods & Support Services		24,219,500	10,019,358
Employee benefits expense	19	33,450,636	20,869,159
Depreciation and amortization expense	08	29,983,275	31,689,178
Other expenses	20	46,026,027	43,896,197
Total expenses		133,679,438	106,473,892
Profit before exceptional and extraordinary items and tax		32,936,417	43,784,938
Exceptional items		-	-
Profit before extraordinary items and tax		32,936,417	43,784,938
Extraordinary Items		-	-
Profit before tax		32,936,417	43,784,938
Tax expense:			
Current Tax		6,600,000	8,800,000
Prior Period Taxes/(Credits)		8,511,981	(454,721)
Profit after tax for the year		17,824,436	35,439,659
Earnings per equity share			
i) Basic		1.06	2.09
ii) Diluted		1.06	2.09

Significant accounting policies and notes to the financial statements

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Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

For and on behalf of Board Directors

T.Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31-03-2014	Year ended 31-03-2013
	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax and Extraordinary Items	32,936,417	43,784,938
Adjustments for :		
Depreciation	29,983,275	31,689,178
Interest (Net)	(36,618,342)	(46,097,040)
Provision for Leave Encashment	(179,635)	(254,007)
Provision for Gratuity	(541,383)	(1,969,425)
Profit on sale of assets	(27,193)	-
Excess Provision/Credit Balnces Written back	(15,001)	(1,928,763)
Dividend Received	(2,862)	-
Operating Profit before Working Capital changes	25,535,276	25,224,881
Adjustments for Working Capital:		
Trade and other payables	12,197,702	1,562,248
Trade and other receivables	(16,019,654)	36,592,662
Net Cash generated from operations	21,713,324	63,379,791
Direct Taxes Paid	(15,111,981)	(8,345,278)
Net Cash from operating activities(A)	6,601,343	55,034,513
B CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	45,460,916	43,736,836
Purchase of Fixed Assets	(15,008,355)	(60,260,919)
Purchase of Investments	(200,502,862)	-
Sale of Fixed assets	115,000	-
Dividend Received	2,862	-
Net Cash flow from Investing Activities(B)	(169,932,439)	(16,524,083)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Extraordinary Items : Buy Back of Equity Shares	-	(13,361,550)
Net Cash flow from Financing Activities(C)	-	(13,361,550)
Net Increase in Cash and Cash Equivalent (A+B+C)	(163,331,096)	25,148,880
Cash and cash Equivalent as at beginning of the year	417,739,065	392,590,185
Cash and cash Equivalent as at end of the year	254,407,969	417,739,065

Note: The above cash flow statement has been prepared using indirect method, in accordance with AS-3, Cash flow statements. Previous year figures have been restated wherever necessary to conform to the current year's classification.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

For and on behalf of Board Directors

T.Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

Particulars	As at 31-03-2014		As at 31-03-2013	
	Number of shares	Amount ₹	Number of shares	Amount ₹
1.Share Capital				
Authorised:				
Equity Shares of Rs 10/- each.	50,000,000	500,000,000	50,000,000	500,000,000
Issued, subscribed and paid up:				
Equity Shares of Rs 10/- each fully paid up	16,822,513	168,225,130	17,030,710	170,307,100
ADD:				
Equity Shares of Rs.10/-each, Rs.5/-Paid up	28,200	141,000	28,200	141,000
Forfeited shares (amount originally paidup)	799,822	3,999,110	799,822	3,999,110
	17,650,535	172,365,240	17,858,732	174,447,210
Less: Bought Back during the year	-	-	208,197	2,081,970
Closing Balance	17,650,535	172,365,240	17,650,535	172,365,240

Note: The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share.

(a) Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31-03-2014		As at 31-03-2013	
	Number of Shares held	% to paid up capital	Number of Shares held	% to paid up capital
Softsol Technologies Inc.	8,875,444	52.11%	8,875,444	52.11%
Sambasiva Rao Madala	904,715	5.31%	904,715	5.31%
Adalat Corporation	2,595,370	15.24%	2,595,370	15.24%
B.Prameela	-	-	2,595,369	15.24%
Radhakrishna Ghanta (Trustee of AAM Trust)	12,50,000	7.43%	--	--
Radhakrishna Ghanta (Trustee of SSM Trust)	12,50,000	7.43%	--	--
Total	148,75,529	87.52%	14,970,898	87.90%

(b) Reconciliation of Number of Shares fully paid up:

Particulars	As at 31-03-2014		As at 31-03-2013	
	No. of Equity Shares Rs. 10/- each	₹	No. of Equity Shares Rs. 10/- each	₹
Shares of fully paid up outstanding at the beginning of the year	16,822,513	168,225,130	17,030,710	170,307,100
Add: Shares Issued during the year	-	-	-	-
	16,822,513	168,225,130	17,030,710	170,307,100
Less: Shares bought back during the year	-	-	208,197	2,081,970
Shares outstanding at the end of the year	16,822,513	168,225,130	16,822,513	168,225,130

(c) Calls unpaid on equity shares:

Particulars	As at 31-03-2014		As at 31-03-2013	
	Number of Equity Shares	₹	Number of Equity Shares	₹
(i) Calls unpaid by Directors and Officers	-	-	-	-
(ii) Others (@Rs.5/- per share)	28,200	141,000	28,200	141,000
Total	28,200	141,000	28,200	141,000

(d) Forfeited Shares (Amount originally paid up):

Particulars	As at 31-03-2014		As at 31-03-2013	
	Number of Equity Shares	₹	Number of Equity Shares	₹
Equity shares of partly paid Forfeited in earlier Years	799,822	3,999,110	799,822	3,999,110
Total	799,822	3,999,110	799,822	3,999,110

Particulars	As at 31-03-2014 ₹	As at 31-03-2013 ₹
2. Reserves and Surplus		
(a) Capital Redemption Reserve		
Balance as per last Balance sheet	18,050,950	15,968,980
Additions: Transfer from Statement of Profit and Loss	-	2,081,970
Closing Balance(a)	18,050,950	18,050,950
(b) Securities Premium Reserve		
Balance as per last Balance sheet	670,113,578	681,393,158
Deduction: Amount utilised towards premium on equity shares bought back during the year	-	11,279,580
Closing Balance(b)	670,113,578	670,113,578
(c) General Reserve		
Balance as per last Balance sheet	69,690,129	69,690,129
Closing Balance(c)	69,690,129	69,690,129
(d) Surplus in Statement of Profit and Loss		
Balance as per last Balance sheet	879,963,097	846,605,408
Add: Profit for the year	17,824,436	35,439,659
Less: Transfer to Capital redemption reserve towards face value of shares bought back	-	2,081,970
Closing Balance(d)	897,787,533	879,963,097
Total (a+b+c+d)	1,655,642,190	1,637,817,754
3. Other Long Term Liabilities		
Deposits (for premises given on rent)	32,992,208	37,734,857
Liabilities for Capital Goods	28,380	2,043,641
Total	33,020,588	39,778,498
4. Long-term provisions		
Provision for Employee benefits:		
Gratuity	1,067,027	1,089,339
Leave Encashment	237,776	46,117
Total	1,304,803	1,135,456

Particulars	As at 31-03-2014 ₹	As at 31-03-2013 ₹
5. Trade Payables		
Trade Payables-Unsecured		
(a) Due to Micro, Small and Medium enterprises (Refer sub-note(i) below)	-	-
(b) Others	28,124,005	1,739,837
Total	28,124,005	1,739,837
(i) There are no defaults as on the balance sheet date in repayment of the trade payables.		
(ii) Micor, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company		
(iii) Disclosure relating to Micro, Small and Medium Enterprises are as under		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payments made beyond the appointment day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due & payable in succeeding years	-	-
6. Other current liabilities		
Other Payables:		
Expenses Payable	4,943,551	3,230,761
Liabilities for Capital Goods	406,264	-
Overdraft in current account with bank (cheques issued but not presented)	-	11,004,647
Total	5,349,815	14,235,408
7. Short-term provisions		
Provision for employee benefits		
Gratuity	641,957	78,262
Leave Encashment	38,522	50,546
Total	680,479	128,808

8. FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		AS AT 01.04.2013 ₹	ADDITIONS ₹	DELETIONS ₹	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹	FOR THE YEAR ₹	ON DEDUCTIONS ₹	TOTAL AS AT 31.03.2014 ₹	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
A	TANGIBLE ASSETS:										
1	Land :										
	Own	13,918,307	-	-	13,918,307	-	-	-	-	13,918,307	13,918,307
	Leasehold (see note no.21.9.2)	5,540,142	-	-	5,540,142	279,805	55,961	-	335,766	5,204,376	5,260,337
2	Building	303,595,703	13,650	-	303,609,353	69,836,783	11,688,458	-	81,525,241	222,084,112	233,758,920
3	Plant & Equipment										
	a) Computers	30,467,704	333,500	-	30,801,204	29,461,098	466,785	-	29,927,883	873,321	1,006,606
	b) Others	133,035,975	3,314,504	-	136,350,479	69,174,819	9,970,594	-	79,145,413	57,205,066	63,861,156
4	Furniture & Fixtures	65,543,162	6,223,591	-	71,766,753	34,679,084	6,213,495	-	40,892,579	30,874,174	30,864,078
5	Office Equipment	11,826,925	108,317	-	11,935,242	7,019,453	672,574	-	7,692,027	4,243,215	4,807,472
6	Vehicles	8,818,183	1,500,382	654,197	9,664,368	6,727,877	723,156	566,390	6,884,643	2,779,725	2,090,306
7	Library Books	18,592	-	-	18,592	16,919	303	-	17,222	1,370	1,673
	TOTAL-A	572,764,693	11,493,944	654,197	583,604,440	217,195,838	29,791,326	566,390	246,420,774	337,183,666	355,568,855
	PREVIOUS YEAR	561,254,584	11,510,109	-	572,764,693	185,863,253	31,332,585	-	217,195,838	355,568,855	375,391,331
B	INTANGIBLE ASSETS:										
1	Computer Software	2,871,917	237,300	-	3,109,217	2,515,325	191,949	-	2,707,274	401,943	356,592
	TOTAL-B	2,871,917	237,300	-	3,109,217	2,515,325	191,949	-	2,707,274	401,943	356,592
	PREVIOUS YEAR	2,871,917	-	-	2,871,917	2,158,732	356,593	-	2,515,325	356,592	713,185

Particulars	As at 31-03-2014 ₹	As at 31-03-2013 ₹
9. Non-current investments		
I. Investments in Mutual Funds (Trade-quoted) :		
Axis Mutual Fund -52,50,000 Units of Rs.10/- Each	52,500,000	-
TATA Mutual Fund -6,00,286.17 Units of Rs.10/- Each	6,002,862	-
Reliance Mutual Fund -5,50,000 Units of Rs.10/- Each	5,500,000	-
L & T Mutual Fund -45,00,000 Units of Rs.10/- Each	45,000,000	-
II. Other Non-current Investments - (Non trade - Unquoted)		
13,120 Common Stock of \$ 100 each fully paid up in Softsol Resources Inc. USA, a Wholly owned subsidiary"	953,404,053	953,404,053
Total	1,062,406,915	953,404,053
Additional Information:		
Aggregate amount of unquoted investments	953,404,053	953,404,053
Aggregate amount of market value of quoted investments	110,415,110	-
Aggregate provision for diminution in value of investments	-	-
10. Long-term loans and advances		
(a) Unsecured, Considered Good		
Capital Advances	120,183	120,183
Earnest Money Deposits	90,000	90,000
Security Deposits	4,464,970	3,703,570
Advance Income Tax(net of provisions) (Refund due)	17,116,867	34,048,364
Total	21,792,020	37,962,117
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		
11. Other Non-Current Assets		
Bank Balances		
Fixed Deposits with Banks held as margin money for Bank Guarantees-maturity of more than 12 months	1,661,332	1,661,332
Total	1,661,332	1,661,332
12. Current Investments		
Current Investments - (Trade - quoted)		
Investments in Mutual Funds:		
Units of L & T Mutual Fund -91,50,000 of Rs.10/- Each	91,500,000	-
(Out of the above, 66,50,000 units of Rs.10/- each aggregating to Rs.6,65,00,000/- are under lien to Citi bank, N.A, India for the SBLC given by them to M/s Softsol Resources Inc., the wholly owned subsidiary of this company.		
Total	91,500,000	-
Aggregate amount of market value of quoted investments	94,263,595	-
Aggregate amount of unquoted investments	-	-
Aggregate provision for diminution in value of investments	-	-

Particulars	As at 31-03-2014 ₹	As at 31-03-2013 ₹
13. Trade Receivables		
Unsecured, Considered Good		
- Outstanding for a period exceeding six months from the date they are due for payment”	11,142,133	-
- Others	34,038,518	14,064,490
Total	45,180,651	14,064,490
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		
14. Cash and Bank Balances		
(A) Cash and Cash Equivalents		
i. Cash on hand	12,976	37,687
ii. Balance with scheduled banks in India		
(a) In Current Accounts	21,986,906	3,701,378
(b) In Fixed Deposits, maturing in less than twelve months	232,408,087	414,000,000
(B) Other Bank Balances		
Fixed Deposits with Banks held as margin money for Bank Guarantees, maturity of less than 12 months	-	1,522,614
Total	254,407,969	419,261,679
15. Short-term loans and advances		
Unsecured, Considered Good		
Staff Advances	-	2,000
Prepaid Expenses	919,598	820,250
Service tax Input Credit	1,669,270	1,550,081
Total	2,588,868	2,372,331
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		
16. Other current assets		
Rent Receivable	9,085,374	6,705,707
Interest Accrued but not due on Bank Deposits	18,124,615	26,967,189
Total	27,209,989	33,672,896
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		

Particulars	Year ended 31-03-2014 ₹	Year ended 31-03-2013 ₹
17. Revenue from operations		
Sale of Software Products / Services:		
- Exports	30,749,100	13,520,467
- Domestic: (a) Products	25,219,501	13,452,296
(b) Services	430,433	32,000
Total	56,399,034	27,004,763
18. Other Income		
Interest on Bank Deposits	34,889,916	43,925,376
Interest on IT refund	1,728,426	2,171,664
Rent for premises	72,199,921	71,367,019
Profit on sale of assets	27,193	-
Dividend from Mutual Funds	2,862	-
Excess Provisions written back	13,502	2,241,910
Foreign exchange Fluctuation gain	-	334,272
Fee for issuing guarantees & Misc. receipts	1,340,000	1,303,541
Excess liabilities written in	15,001	1,910,285
Total	110,216,821	123,254,067
19. Employee Benefits Expense		
Salaries and Wages	30,624,669	19,464,364
Contribution to provident and other funds	1,412,715	763,798
Staff welfare expenses	1,413,252	640,997
Total	33,450,636	20,869,159

Particulars	Year ended 31-03-2014 ₹	Year ended 31-03-2013 ₹
20. Other Expenses		
Power and fuel	8,081,825	12,531,275
Rent	-	10,000
Repairs to : Buildings	7,727,832	5,026,160
: Machinery	6,090,268	5,444,058
: Others	860,430	489,453
Insurance	371,713	364,622
Rates and taxes	4,418,845	3,287,502
Payments to Auditor : as Auditor	84,270	84,270
: for taxation matters	33,708	28,090
: for other services	17,978	95,506
Legal and Professional Charges	2,956,914	2,370,728
Director's Sitting Fee	60,000	60,000
Internet & Communication Expenses	1,196,355	2,144,078
Fees and Subscriptions	110,024	122,883
Travelling Expenses	3,249,484	1,921,098
Staff training & Recruitment expenses	560,902	36,800
Advertisement Charges	66,237	145,847
Shares Buy Back Expenses	-	462,022
Commission	3,395,226	3,279,834
Printing & Stationary	316,341	237,583
Security Service Charges	2,277,278	2,073,715
Foreign Exchange Fluctuation Loss	1,118,075	-
Advances written off	-	2,158,964
Equipment Hire Charges	217,300	-
Bank charges	963,044	102,645
Miscellaneous expenses	1,851,978	1,419,064
Total	46,026,027	43,896,197

21. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS**21.1 Summary of Significant Accounting Policies:****A. Basis of Preparation:**

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India and the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 under historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the services rendered and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

C. Revenue recognition:

- i) Revenue from software services is recognised under proportionate completion method for the services rendered and delivered as per the contracts entered.
- ii) Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from products is stated exclusive of sales tax.
- iii) Interest income on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable and interest on IT refund is recognized on receipt basis.
- iv) Rental income is recognised on accrual basis.
- v) Insurance Claims are recognised as and when they are settled / admitted.

D. Fixed Assets:

- i) Tangible Fixed assets are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction cost to the extent such expenditure is related to construction or is incidental thereto.

Direct expenditure during construction period attributable to the cost of assets under construction / erection is considered as capital work in progress.

- ii) Computer software is classified as an "Intangible Asset".

E. Depreciation and Amortisation:

- i) Depreciation on tangible fixed assets has been provided under Written down Value method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956.
- ii) Intangible assets are amortized over their estimated useful life.
- iii) Leasehold land is amortised equally over the lease period. The lease rentals are charged to revenue.

F. Foreign Currency Transactions:

- i) Initial Recognition: Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.
- ii) Conversion: Foreign currency monetary items are reported at the closing exchange rates on Balance Sheet date.
- iii) Exchange Differences:
 - a) Exchange differences, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of assets and are depreciated over the balance life of the assets.
 - b) Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

G. Investments:

Investments intended to be held for more than one year are treated as long term and others as short-term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

H. Retirement benefits:

- i) Defined Contribution Plan: Company's contribution paid/payable during the year to Provident Fund and Employees State Insurance Corporation are recognized in the Statement of Profit and Loss.
- ii) Defined Benefit Plan: At each reporting date, company's liability towards gratuity and leave encashment is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation which is measured at the present value of estimated future cash flows using a discount rate. Actuarial gain/ losses are recognized in the Statement of Profit and Loss as income or expense.

I. Earnings per share:

- i) Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.
- ii) Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

J. Taxes on Income:

Tax expense, comprising of current and deferred tax have been determined and charged to statement of Profit & Loss.

i) Current Tax:

Provision is made for income tax liability estimated to arise on profit for the year at the current rate of tax in accordance with the Income tax Act, 1961.

ii) Deferred Tax:

In accordance with the Accounting Standard – 22 (AS 22) “Accounting for Taxes on income, the company recognizes the deferred tax liability in the accounts, Deferred tax resulting from timing difference between book and tax profits is accounted for at the current rate of tax. Deferred tax asset is recognized only when there is virtual certainty, supported by convincing evidence, that such assets will be realised.

iii) Minimum Alternate Tax (MAT) Credit:

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax within the specified period and the MAT credit available can be utilised. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down if considered not recoverable within the specified period.

K. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

L. Business / Geographical Segments:

The Company is engaged in the business of Software development and service. Since the inherent nature of development of software and services all types are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

M. Provisions and Contingent Liabilities:

- i) A provision is recognised when the Company has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- ii) Contingent liabilities are disclosed when there is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, and such liability that may arise is termed as a contingent liability.

N. Prior Period Expense/Income:

The company follows the practise of making adjustments through “Expenses/Income under/ over provided” in previous years in respect of material transactions pertaining to in that period prior to the current accounting year.

O. General:

Accounting policies not specifically referred to above are in consistent with the generally accepted accounting principles followed in India.

21.2. Employee benefits (AS-15):

The following tables summarizes the components of expense / benefit recognized in the Statement of Profit and Loss and Balance Sheet for the respective employee benefit plans.

a. Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	Current Year ₹	Previous Year ₹	Current Year ₹	Previous Year ₹
Current Service Cost	5,50,533	1,73,312	1,81,163	8,601
Interest Cost on benefit obligation	1,07,419	1,95,419	8,892	20,080
Net Actuarial (Gain)/Loss Recognized in the year	(1,16,569)	(8,03,000)	42,315	(68,137)
Past Service Cost	NIL	NIL	NIL	NIL
Expenses recognized in Statement of Profit & Loss	5,50,533	(4,34,269)	1,81,163	(39,456)

b. Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at Mar 31, 2014 ₹	As at Mar 31, 2013 ₹	As at Mar 31, 2014 ₹	As at Mar 31, 2013 ₹
Opening defined benefit obligation	11,67,601	31,37,026	96,663	3,50,670
Interest Cost	1,07,419	1,95,419	8,892	20,085
Current service cost	5,50,533	1,73,312	1,81,163	8,601
Benefits paid	-	(15,35,156)	(52,735)	(2,14,551)
Actuarial (Gain)/Loss on obligation	(1,16,569)	(8,03,000)	42,315	(68,137)
Closing defined benefit obligation	17,08,984	11,67,601	2,76,298	96,663

The principal assumptions used in determining gratuity and leave benefit obligation in the above plans are as under:

Particulars	Current Year	Previous Year
Discount Rate	9.20 %	8.25 %
Employee turnover	NIL	5.00 %
Further salary rise	7.00 %	7.00 %
Mortality	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

21.3. Segment Reporting (AS-17):

The Company is engaged in the business of Software. Since the inherent nature of all software jobs are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

21.4. Related Party Disclosures (AS-18):

Names of the related parties and nature of relationships and particulars of transactions with the said related parties during the year are as follows:

a) Name of related parties and description of relationship:

- | | |
|-----------------------------|---|
| i) Key Management Personnel | Sri. Madala Srinivasa Rao, Chairman
Sri.Madala Bhaskara Rao, WTD |
| ii) Subsidiary | SoftSol Resources Inc., USA |

Note: Information of related parties and the relationship is as identified by the Company on the basis of information available with them and relied upon by the auditors.

b) Aggregate Related Party transactions

	Key Management Personnel ₹	Subsidiaries ₹
Remuneration to WTD (Incl. PF Contribution) (Previous year)	14,11,200 (14,17,600)	--- ---
Sales to subsidiary (Previous year)	--- ---	1,81,20,238 (1,35,20,467)
Trade receivables from subsidiary (Previous year)	--- ---	1,32,12,849 -----

Note: As the liability for Gratuity is provided on actuarial basis for all the employees of the company as a whole, the amount pertaining to the Key Management Personnel is not ascertainable and therefore not included in the above.

21.5. Earnings per Equity Share (AS-20):

	Current Year ₹	Previous Year ₹
Net profit after tax	1,78,24,436	3,54,39,659
Weighted average number of equity shares	1,68,36,613	1,69,31,873
Basic Earnings per equity share	1.06	2.09
Nominal value of shares (fully paid up)	10	10

21.6. Accounting for Taxes on Income (AS-22):

In terms of Accounting Standard 22, there are no deferred tax liabilities (Prev. year–Nil-) Following prudence, no deferred tax asset has been recognized (Previous year -Nil -).

21.7. Impairment of Assets (AS-28):

	Current Year ₹	Prev. Year ₹
i) Amount of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
ii) Amount of reversal of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
iii) Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv) Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

21.8. Contingent liabilities and commitments (AS-29):

(to the extent not provided for)

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
A) Contingent liabilities:		
(i) Claims against the company not acknowledged as debt	NIL	NIL
(ii) Guarantees given by the bankers	16,61,332	27,47,614
(iii) Other money for which the company is contingently liable: Guarantee given to Citi Bank, N.A., for giving Stand by letter of credit (SBLC) to the wholly owned subsidiary of the company	4,80,80,000	-
B) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,00,000	1,50,00,000

21.9. Other explanatory information:**21.9.1. Additional Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable:**

	Current year ₹	Previous year ₹
a) Value of Imports calculated on CIF Basis	Nil	Nil
b) Expenditure in Foreign Currency – Travel	Nil	Nil
c) Amount remitted during the year in foreign currency on account of dividends	Nil	Nil
d) Earnings in foreign exchange - Export of Software on FOB basis	1,81,20,238	1,35,20,467

21.9.2. During the financial year 2005-06, the Govt. of A.P. allotted a land of one acre to the company, bearing Plot No.6, in Sy.No.408/1, I.T. Industries Layout, Madhurawada Village, Visakhapatnam District on outright sale basis under its ICT policy 2005-10 at a consideration of Rs.10.00 lakhs per acre vide MOU dt.13.06.2005 and Agreement for sale of land dt.23.02.2006. Accordingly, the company has paid the consideration and took possession of the same and started developing the same for its IT facility. Subsequently, on getting the permission from the Govt. of India for developing, operating and maintaining IT / ITES SEZ in the said land, the Govt. of A.P. converted the above sale of land into lease and fixed a one time lease payment of Rs.10.00 lakhs per acre and further fixed an annual lease rental of Rs.1,000/- per acre vide lease deed dated 05.02.2009. As per the above, the GOAP adjusted the amount of Rs.10.00 lakhs paid by the company towards sale consideration for the one time lease premium.

As per the lease deed, the land will be converted from leasehold to freehold after a period of 10 years from the execution of the above lease deed, subject to provisions of the SEZ Act, 2005 / SEZ Rules, 2006.

As the period of 10 years from the execution of the lease deed is not yet completed, the company is continuing to pay the annual lease rental of Rs.1,000/- and showing the said land as a leasehold land in the fixed asset schedule.

- 21.9.3.** Trade Receivables include ₹1,32,12,849/- (Previous year ₹NIL) due from SoftSol Resources Inc., a wholly owned foreign subsidiary of this company. Maximum amount outstanding at any time during the year is ₹1,32,12,849/-(Prev. Years ₹1,35,20,467/-)
- 21.9.4.** In the opinion of the board, the assets other than fixed assets and non-current investments, have a value on realization in the ordinary course of business of atleast equal to the amount at which they are stated in the balance sheet.
- 21.9.5.** Previous year's figures have been regrouped wherever necessary to conform to the layout adopted in the current year.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No:003621S)

For and on behalf of the Board

T. Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Whole time Director

Dr.T.Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

SoftSol Resources Inc., USA

Statement Pursuant To Section 212(e) Of The Companies Act, 1956

Name of the Subsidiary Company	SoftSol Resources Inc., USA
1. Financial Year of the Subsidiary ended on	December 31, 2013
2. Shares of Subsidiary Company held on the above date and extent of holding	
i) Number of Shares	13,120 Ordinary Shares of USD 100 each
ii) Extent of holding	100%
3. Net Aggregate Amount of Profits / (Losses) of the Subsidiary for the above financial year so far as they concern Members of Soft Sol India Limited	
i) Dealt within the Accounts of SoftSol India Limited	Nil
ii) Not Dealt within the Accounts of SoftSol India Limited	USD 1,94,874
4. Net Aggregate Amount of Profits / (Losses) of the Subsidiary for the previous financial year so far as they concern Members of Soft Sol India Limited	
i) Dealt within the Accounts of SoftSol India Limited	Nil
ii) Not Dealt within the Accounts of Soft Sol India Limited	USD (43,917)

For and on behalf of the Board
of SoftSol India Limited

Bhaskar Rao Madala
Whole - Time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 21-05-2014

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

SoftSol Resources Inc., USA

SoftSol Resources Inc., USA

Board of Directors

Mr. Srinivasa Rao Madala
Dr. Durga V.L.K. Madala

President & CEO
Director

Registered Office

46755, Fremont Blvd.,
Fremont,
California - 94538.
Tel No. (510) 824-2000,
Web site: www.softsolusa.com

Auditors

The Chugh Firm, AAC
An Accountancy Corporation
California, USA.

Board of Director's Report 2013

Dear Members

Your Directors take pleasure in presenting their report for the financial year 2013

The Financial Highlights :

(USD in 000's)

Particulars	2013	2012
Total Revenue	9,378	13,478
Other Income	69	02
Total Operating Expense	9,122	13,556
Provision for Taxation	130	(32)
Net Profit	195	(44)

Appreciation:

The Board places on record its thanks to Management, associates, vendors and other service providers for their continued commitment and support to the company.

Srinivasa Rao Madala

President and CEO

April 10, 2014

SoftSol Resources Inc., USA

INDEPENDENT AUDITOR'S REPORT

To the stockholder and the Board of Directors
Softsol Resources, Inc.
Fremont, CA

We have audited the accompanying financial statements of Softsol Resources, Inc. (a California corporation), which comprise the balance sheet as of December 31, 2013, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Softsol Resources, Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Chugh Firm, AAC
Cerritos, CA 90703
April 10, 2014

SoftSol Resources Inc., USA

BALANCE SHEET AS OF DECEMBER 31,2013

	As of 31.12.2013 in USD	As of 31.12.2013 in ₹	As of 31.12.2012 in USD
1USD = 60.10			
Assets			
Current Assets			
Cash	898,836	54,020,044	1,206,119
Accounts Receivable	2,222,399	133,566,180	1,693,077
Less: Allowance for doubtful Accounts	(111,120)	(6,678,312)	(96,120)
Employee Advances	8,902	535,010	20,053
Receivable from STI	100,000	6,010,000	-
Prepaid Federal Income Taxes	-	-	18,938
Prepaid State Income Taxes	-	-	2,466
Prepaid Expenses	53,648	3,224,245	53,778
Deffered tax asset	59,571	3,580,217	92,865
Total Current Assets	3,232,236	194,257,384	2,991,176
Property & Equipment			
Property and Equipment	284,497	17,098,270	278,245
Less: Accumulated Depreciation	(260,279)	(15,642,768)	(238,522)
Total Property & Equipment	24,218	1,455,502	39,723
Other Assets			
Intangible assets	30,000	1,803,000	30,000
Less: Accumulated Amortisation	(4,500)	(270,450)	(2,500)
Investments	-	-	100,000
Deferred Tax Assets-Non Current	8,740	525,274	5,313
Refundable Deposits	16,965	1,019,597	11,613
Total Other Assets	51,205	3,077,421	144,426
Total Assets	3,307,659	198,790,306	3,175,325
Liabilities and Stock Holders equity			
Current Liabilities			
Account Payable	505,267	30,366,547	615,254
Accrued Expenses and Other Liabilities	283,129	17,016,053	235,682
Total Current Liabilities	788,396	47,382,600	850,936
Total Liabilities	788,396	47,382,600	850,936
Stockholders Equity			
Common Stock, \$ 100 par, 1,000,000 shares authorised, 13,120 shares issued and outstanding	1,312,000	78,851,200	1,312,000
Retained Earnings	1,207,263	72,556,506	1,012,389
Total Stockholders Equity	2,519,263	151,407,706	2,324,389
Total Liabilities and Stockholders Equity	3,307,659	198,790,306	3,175,325

SoftSol Resources Inc., USA

STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

	As of 31.12.2013 in USD	As of 31.12.2013 in ₹	As of 31.12.2012 in USD
	1USD = 57.25		
Revenue			
Consulting Income	9,378,191	536,901,435	13,478,487
Total Revenue	9,378,191	536,901,435	13,478,487
Cost of Sales			
See Schedule I-Analysis of Cost of Sales	(7,235,451)	(414,229,570)	(11,305,810)
Gross Profit	2,142,740	122,671,865	2,172,677
Operating Expenses			
Selling Expenses			
See Schedule II-Analysis of Selling expenses	713,760	40,862,760	1,052,417
General & Administrative Expenses			
See Schedule III-Analysis of G & A Expenses	1,173,251	67,168,620	1,198,087
Total operating expenses	1,887,011	108,031,380	2,250,504
Income from operations	255,729	14,640,485	(77,827)
Other Income (Other Expenses)			
Other Income	69,036	3,952,311	2,231
Total Other Income	69,036	3,952,311	2,231
Income from Operations before Income Taxes	324,765	18,592,796	(75,596)
Provision for Income Taxes			
Federal Income Tax-Current	78,730	4,507,293	3,560
State Income Tax-Current	21,294	1,219,082	3,078
Federal Income Tax-Deferred	21,977	1,258,183	(29,586)
State Income Tax-Deferred	7,890	451,703	(8,731)
Total Provision for Income Tax	129,891	7,436,260	(31,679)
Net Income	194,874	11,156,537	(43,917)

Statement of Retained Earnings

	Common Stock	Retained Earnings	Total USD	Amount Rs.
Retained Earnings, December 31, 2012	1,312,000	1,012,389	2,324,389	139,695,779
Net Income		194,874		11,156,537
Retained Earnings, December 31, 2013	1,312,000	1,207,263	2,324,389	150,852,315

SoftSol Resources Inc., USA

Schedule-I Analysis of Cost of Sales

	As of 31.12.2013 in USD	As of 31.12.2013 in ₹	As of 31.12.2012 in USD
Consulting Outsourced	2,608,605	149,342,636	5,377,419
Consulting Bonus	602,861	34,513,792	520,735
Holiday and Vacation pay-Consultants	63,800	3,652,550	93,022
Salaries & Wages -Consultants	3,315,375	189,805,219	4,347,818
Taxes-Payroll-Consultants	305,419	17,485,238	395,488
Per Diem - consultant	14,260	816,385	49,700
Insurance Medical & Dental	195,805	11,209,836	372,701
Rebate Charges	37,993	2,175,099	-
Recruiting Consultants	825	47,231	-
Reimbursement of Expenses	-	-	1,463
Legal & Immigration-Consultants	75,588	4,327,413	117,668
Travel-Consultancy	14,920	854,170	29,796
Total Cost of Sales	7,235,451	414,229,570	11,305,810

Schedule-II Analysis of Selling Expenses

	As of 31.12.2013 in USD	As of 31.12.2013 in ₹	As of 31.12.2012 in USD
Salaries & Wages	486,269	27,838,900	638,973
Taxes-Payroll	45,856	2,625,256	38,773
Employees Bonus	11,956	684,481	239,006
Holiday and Vacation pay	29,444	1,685,669	47,895
Recruiting	29,636	1,696,661	-
Sales Commission	-	-	25,000
Auto Expenses	4,562	261,175	-
Conference and Meetings	1,551	88,795	-
Travel -Sales	15,237	872,318	13,319
Insurance Medical & Dental	38,997	2,232,578	5,225
Business Development	50,252	2,876,927	44,226
Total Selling Expenses	713,760	40,862,760	1,052,417

SoftSol Resources Inc., USA

Schedule-III

General & Administrative Expenses

	As of 31.12.2013 in USD	As of 31.12.2013 in ₹	As of 31.12.2012 in USD
Auto Expenses	3,741	214,172	17,959
Bad debt Expenses	24,109	1,380,240	-
Bank Charges	2,874	164,537	4,137
Charitable Contribution	-	-	300
Depreciation & Amortisation	23,758	1,360,146	24,027
Dues & Publication	3,511	201,005	4,932
Equipment Rentals	2,309	132,190	-
Finance and Accounts	120,000	6,870,000	170,000
Frieght & Postage	5,223	299,017	3,866
Internet Access & Web Hosting	20	1,145	-
Insurance	124,697	7,138,903	96,450
IT Services	12,735	729,079	-
Janitorial	7,290	417,353	7,242
Meals & Entertainment	7,586	434,299	4,360
Miscellaneous Expenses	1,094	62,632	-
Office Expenses	1,305	74,711	234
Officers Salarais & Wages	306,370	17,539,683	173,989
Outside Services	111,858	6,403,871	76,478
Professional Fees	45,669	2,614,550	47,295
Professional Development	-	-	2,395
Recruting	-	-	56,012
Relocation	209	11,965	-
Rent	102,916	5,891,941	136,910
Salarais & Wages	129,628	7,421,203	208,121
Supplies	21,243	1,216,162	23,450
Taxes, Permits & Licenses	14,587	835,106	15,436
Taxes Payroll	24,497	1,402,453	19,831
Taxes-State Prior Year	831	47,575	721
Telephone	59,300	3,394,925	78,192
Travel	1,625	93,031	1,672
Utilites	14,266	816,729	24,078
Total General & Administrative Expenses	1,173,251	67,168,620	1,198,087

SoftSol Resources Inc., USA

Statement of Cash Flow for the Year ended December 31, 2013

	Year Ended 31.12.2013 in USD	Year Ended 31.12.2013 in ₹	Year Ended 31.12.2012 in USD
Cash Flows from Operating Activities			
Net Income	194,874	11,711,927	(43,916)
Adjustments to reconcile Net Income to Net Cash provided by Operations :			
Amortisation and Depreciation	23,758	1,427,856	24,027
Provision for Bad and Doubtful Accounts	15,000	901,500	-
Changes in Operating Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	(529,322)	(31,812,252)	617,937
(Increase)/Decrease in Accounts Receivable	(100,000)	(6,010,000)	-
Decrease/(Increase) in deferred tax assets	-	-	(38,317)
Increase in Prepaid Expenses	130	7,813	-
Decrease in Prepaid Expenses	-	-	16,816
Decrease in Prepaid Income Taxes	21,404	1,286,380	(21,404)
Decrease in Employee Advance	11,150	670,115	-
Increase in refundable Deposits	(5,352)	(321,655)	-
Increase in Employee Advances	-	-	3,925
Increase/(Decrease) in Accounts Payable	(109,988)	(6,610,279)	(551,675)
Increase in deferred revenue	-	-	(123,240)
Increase in Deferred tax asset	29,868	1,795,067	-
Decrease in Accrued Liabilities	(39,292)	(2,361,449)	213,661
Increase in Income Tax Payable	86,739	5,213,014	-
Net Cash Provided by (used in) Operating Activities	(401,031)	(24,101,963)	97,814
Cash Flow from Investing Activities :			
Acquisition of equipment	(6,252)	(375,745)	(2,646)
Investment in subsidiary	100,000	6,010,000	-
Investment in Securities	-	-	(100,000)
Net Cash provided by(used in) Investing Activities	93,748	5,634,255	(102,646)
Net Decrease in Cash	(307,283)	(18,467,708)	(4,832)
Cash at the Beginning of the Year	1,206,119	72,487,752	1,210,951
Cash at the end of the Year	898,836	54,020,044	1,206,119
Supplementary Disclosure			
Income Tax paid during the Year	2,118	115,198	7,095

SoftSol Resources Inc., USA

Notes to Financial Statements (Dec 31st, 2013)

Note - 1 - Nature of Business

SoftSol Resources, Inc. dba SoftSol Inc. (the “Company”) was incorporated in the state of California on January 11, 1993. The company is a provider of E- commerce, network technology, internet infrastructure and other special technology areas. Its IT services include application development, system integration, IT consulting and staffing, IT project management, domestic and offshore outsourcing. The Company has diverse client-based ranging from large customers to small high-tech start up companies. The Company’s vision is to create a global enterprise by taking a leading role in the revolution in Information Technology to provide highly competent and innovative software solutions.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Company uses the accrual method of accounting for both financial and income tax reporting.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used in accounting for, among other things, allowances for uncollectible receivables, depreciation, employee benefits, taxes, restructuring reserves and contingencies. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the Financial Statements in the period they are determined to be necessary.

Cash

Cash consist of cash in Bank. Occasionally, the Company has cash deposited in a financial institution in excess of federally insured limits.

Accounts Receivable

The company uses the Aging of the Accounts Receivable method for valuation of allowance for bad debts. Accordingly, accounts receivable represents the net realizable value.

Property and Equipment

Property and Equipment are stated at cost. Depreciation is provided principally on a straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Furniture & Fixtures	7 years
Office Equipment	5 years
Automobile	5 years

SoftSol Resources Inc., USA

The cost of significant additions and replacement of components is capitalized and depreciated while expenditures for maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the books and the resulting gain or loss is reflected in the determination of net income or loss. Depreciation expense for the year ended December 31, 2013 was \$ 21,758.

Long-Lived Assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with FASB ASC No. 360, "Accounting for the Impairment or Disposal of Long-Lived Assets". ASC No. 360 requires that long-lived assets be reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable.

Intangible Assets

Intangible assets consist of the cost to acquire the domain name "SoftSol.com" registered to a third party. It is being amortized on a straight-line basis over the estimated useful lives of 15 years. Amortization expense for the year 2013 is \$ 2,000.

Revenue Recognition

The Company derives revenues from consulting projects which are billed by actual time and expenses incurred. Revenues are recognized on the accrual basis as services are rendered.

For Fixed price projects, the Company recognizes revenue and cost of contracts on the percentage-of-completion method, measured by the percentage of cost incurred to date to estimated total cost for each contract. Management considers total cost to be the best available measure of progress on the contracts.

The asset, costs and estimated earnings in excess of billings on uncompleted contracts, represents revenues recognized in excess of amounts billed. The liability, billings in excess of cost and estimated earnings on uncompleted contracts, represents billings in excess of revenues recognized.

Deferred Revenue

Advance payment received for services to be provided under contract agreements are deferred until the requisite service is provided and accepted, at which time revenue is considered earned and recognized. There is no deferred revenue as of December 31, 2013.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC No. 740 "Accounting for Income Taxes", which requires an asset and liability approach to financial accounting and reporting of income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Financial Accounting Standards Boards issued FIN 48 now known as ASC No. 740-10 "Accounting for Uncertainty in Income Taxes" recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Company's income tax filings are subject to audit by various taxing authorities. The Company's open audit periods are 2010-2012. In evaluating the Company's tax provisions and accruals, future taxable income, and

SoftSol Resources Inc., USA

the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances

Advertising Costs

The cost of advertising is charged to expense as incurred.

Note 3 - Concentration of Risks

Cash

Cash is maintained with one major financial institutions in the United States. Deposits with one bank exceed the amount of the \$250,000 Federal Deposit Insurance Corporation insurance provided on such deposits.

Accounts Receivable and Sales

The Company performs ongoing credit evaluations of its customers and maintains allowances for potential uncollectible accounts as deemed necessary. The Company generally does not require collateral to secure its accounts receivable. It estimates credit losses based on management's evaluation of historical experience and current industry trends. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts.

The Company's sales to its three major customers, totaled \$7.15 million that accounts for 76% of the company's total revenue for the year. Accounts Receivable from these three customers as of December 31, 2013 is \$ 1.69 million which is 76 of total accounts receivable

Note 4 - Employee Advances

The advances given to employees are for travel related expenses to which the employees are required to present documentation and any amount not substantiated is refunded to the Company. As of December 31, 2013, the employee advances has balance of \$ 8,903.

Note 5 - Investment

The Company invested \$100,00 for a 98% stake in an India based company SoftSol Global Technologies Private Limited (SGTPL) which engages in IT services also. However, the Company sold all its shares of SGTPL to SoftSol Technology Inc. in March 2013 for the same price and payment is yet to receive.

Note 6 - Related Party Transactions

The Company is wholly owned by SoftSol India Limited (also known as SIL India), an Indian based company.

Softsol Technologies, Inc. (known as STI and formerly Medsoft, Inc.), a Nevada Corporation is owned by Mrs. Durga Madala, spouse of Mr. Srinivasa Rao Madala, the Company CEO. The Company has entered into professional services agreement with Softsol Technologies, Inc., and Softsol India Limited. The Company also subleases it office space to STI.

SoftSol Global Technologies Private Limited (SGTPL) is majority owned foreign subsidiary of the Company and is providing offshore services to them.

Related party transactions were consummated on terms equivalent to those that prevail in arm's length transactions.

Details of transactions between the Company and its related parties for the year ended December 31, 2013 are as follows:

SoftSol Resources Inc., USA

Softsol Technologies Inc.	Amount
Consulting Income	\$ 2,353,261
Accounts Receivable	1,196,685
Rental Income	42,100
Receivable - Other	100,000
Softsol India Limited	Amount
Consulting Outsourced	\$ 150,000
Accounts Payable	150,000
Softsol Global Technologies Pvt. Ltd.,	Amount
Consulting Outsourced	\$ 366,699

Note 7 - Commitments Under Operating Lease

On April 17, 2013 the Company had entered into agreement with Prologis Limited Partnership I to lease 6,825 square feet office located at 46755 Fremont Boulevard, Fremont, California. The lease has tem of five (5) years beginning June 1, 2013. The future minimum lease payments under this operating lease are as follows.

Year	Amount
2014	\$ 63,333
2015	65,233
2016	67,190
2017	69,206
2018	29,190

Rent expense totaled \$ 102,916 for the year ended December 31, 2013.

Note 8 - Income Taxes

The company accounts for income taxes under the provisions of FASB ASC 740, "Accounting for Income Taxes". Under ASC 740, deferred taxes are required to be classified based on the financial statement classification of the related assets and liabilities which give rise to temporary differences. Deferred taxes result from temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities.

All of the income before tax as shown in the Statement of Income for the year ended December 31,2013 is derived in the United States.

The components of income tax expense (benefit) relating to earnings from operations for the year ended December 31, 2013 are as follows:

	Current	Deferred	Total
State	\$ 21,294	\$ 7,890	\$ 29,184
Federal	78,730	21,977	100,707
Total	\$ 100,024	\$ 29,867	\$ 129,891

SoftSol Resources Inc., USA

The components of deferred tax assets as at December 31, 2013 are as follows:

Deferred tax assets - Current	
Capital loss	\$ 5,492
Bad debt	43,337
State income tax - current	6,388
State income tax - deferred	4,354
	<hr/>
	59,571
Deferred tax assets - Noncurrent	
Depreciation - Federal	5,496
Depreciation - State	3,244
	<hr/>
	8,740
Valuation Allowance	-
Net deferred tax asset	<hr/>
	\$ 68,311

Note 9 - Vacation Leave

Since year 2005, the employees are no longer entitled to paid vacation leave. All accrued vacation has been paid.

Note 10 - Employee Pension Plan

The Company had a 401 (K) plan known as the SoftSol Resources & MedSoft, Inc. 401 (K) plan (the "Plan") which was terminated on December 31, 2001. Total accumulated contribution as of December 31, 2013 was \$1,896 and is payable to participants.

A new 401 (k) plan known as Softsol Resources Inc. 401(k) Plan (Plan no. 7113353) was adapted effective October 1, 2005. The Plan is available to eligible employees through payroll deductions within statutory and plan limits. There is no matching contribution from the employer.

Note 11 - Flexible Spending

The Company has a voluntary flexible spending plan wherein a certain amount of money opted by the employee at the beginning of the plan year to be deducted from employee's payroll every month. The contributed amount will be used to reimburse the employees for their eligible medical expenses and childcare expenses. The Company has \$22,966 as accumulated contributions into this account as of December 31, 2013.

Note 12 - Stockholders' Equity

The Company is authorized to issue upto 1,000,000 shares of its common stock, of which 13,120 shares were issued and outstanding. Softsol India Limited owns all these 13,120 shares.

Note 13 - Contingencies

There are no pending legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities as IT consultants. Legal reserves will be established in accordance with FASB ASC 450 (formerly known as SFAS No. 5), "Accounting for Contingencies". Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. There are no legal reserves in the statement of financial condition as of December 31, 2013.

Note 14 - Subsequent Events

Subsequent events have been evaluated through April 10, 2014, which is the date the financial statements were available to be issued.

Independent Auditor's Report

To the Board of Directors of
SoftSol India Limited

We have audited the accompanying consolidated financial statements of SoftSol India Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the 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:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 the 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 Company's preparation and presentation of the consolidated financial statements that give a true and fair view 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 management, 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 a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter:

We did not audit the financial statements / financial information of SoftSol Resources Inc., the wholly owned subsidiary, whose financial statements / financial information reflect total assets (net) of ₹ 19,87,90,306/- as at 31st March, 2014, total revenues of ₹ 54,08,53,745/- and net cash flow amounting to ₹ (-) 1,84,67,708/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditors.

Our report is not qualified in respect of this matter.

Place: Hyderabad
Date: 21.05.2014

for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

T. MAHIPAL REDDY
Partner
ICAI Ms. No.227616

CONSOLIDATED BALANCE SHEET AS AT 31.03.2014

Particulars	Note No	As at 31-03-2014		As at 31-03-2013	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	01	172,365,240		172,365,240	
(b) Reserves and surplus	02	1,731,153,171		1,688,344,545	
			1,903,518,411		1,860,709,785
(2) Non-current liabilities					
(a) Other Long term liabilities	03	33,020,588		39,778,498	
(b) Long-term provisions	04	1,304,803		1,135,456	
			34,325,391		40,913,954
(3) Current liabilities					
(a) Trade payables	05	45,220,697		35,203,502	
(b) Other current liabilities	06	22,365,868		27,054,152	
(c) Short-term provisions	07	680,479		128,808	
			68,267,044		62,386,462
Total			<u>2,006,110,846</u>		<u>1,964,010,201</u>
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	08	338,639,168		357,729,389	
(ii) Intangible assets		879,441,820		879,359,644	
(iii) Capital work-in-progress		52,153,767		48,876,656	
(b) Non-current investments	09	109,002,862		5,439,000	
(c) Deferred tax assets (net)		4,105,491		5,339,901	
(d) Long-term loans and advances	10	22,811,617		39,757,912	
(e) Other non-current assets	11	1,661,332		1,661,332	
			1,407,816,057		1,338,163,834
(2) Current assets					
(a) Current Investments	12	91,500,000		-	
(b) Trade receivables	13	164,808,664		100,922,981	
(c) Cash and Bank Balances	14	308,428,013		484,862,491	
(d) Short-term loans and advances	15	6,348,123		6,387,999	
(e) Other current assets	16	27,209,989		33,672,896	
			598,294,789		625,846,367
Total			<u>2,006,110,846</u>		<u>1,964,010,201</u>

Significant accounting policies and notes to the financial statements

21

Per our report of even date for SARATHY & BALU Chartered Accountants (Firm Regn.No.003621S)

For and on behalf of Board Directors

T.Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

Particulars	Note No	Year ended 31-03-2014 ₹	Year ended 31-03-2013 ₹
INCOME			
Revenue from operations	17	576,674,619	724,744,055
Other income	18	114,169,132	123,371,797
Total Revenue		690,843,751	848,115,852
EXPENSES			
Purchase of Traded goods & Support Services		24,219,500	10,019,358
Employee benefits expense	19	372,681,675	422,574,452
Depreciation and amortization expense	08	31,343,421	32,957,083
Other expenses	20	211,069,942	342,769,222
Total expenses		639,314,537	808,320,115
Profit before exceptional and extraordinary items and tax		51,529,214	39,795,737
Exceptional items		-	-
Profit before extraordinary items and tax		51,529,214	39,795,737
Extraordinary Items		-	-
Profit before tax		51,529,214	39,795,737
Tax expense:			
(1) Current tax		14,036,260	7,128,299
(2) Prior Period Taxes/(Credits)		8,511,981	(454,721)
Profit / (Loss) after tax for the year		28,980,973	33,122,159
Earnings per equity share			
(1) Basic		1.72	1.96
(2) Diluted		1.72	1.96
Significant accounting policies and notes to the financial statements	21		

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

For and on behalf of Board Directors

T.Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31-03-2014 ₹	Year ended 31-03-2013 ₹
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax and Extraordinary Items	51,529,214	39,795,737
Adjustments for :		
Depreciation	31,343,421	32,957,083
Provision for bad and doubtful debts	901,500	-
Interest (Net)	(36,618,342)	(46,097,040)
Provision for Leave Encashment	(179,635)	(254,007)
Provision for Gratuity	(541,383)	(1,969,425)
Excess Provision written back	-	(1,928,763)
Foreign exchange fluctuation gain	6,842,426	3,891,313
Loss on sale of assets	(27,193)	-
Dividend from mutual funds	(2,862)	-
Excess liabilities Written in	(15,001)	-
Operating Profit before Working Capital changes	53,232,145	26,394,898
Adjustments for Working Capital:		
Trade and other receivables	(47,756,564)	64,627,335
Trade and other payables	5,172,600	(16,822,333)
Net Cash generated from operations	10,648,181	74,199,899
Direct Taxes Paid	(21,261,861)	(9,921,802)
Net Cash flow from Operating Activities	(10,613,680)	64,278,097
B CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	45,460,916	43,736,836
Dividend from mutual funds	2,862	-
Purchase of Fixed Assets	(15,384,100)	(60,404,835)
Sale of Fixed Assets	115,000	-
Sale of Investments	6,010,000	-
Purchase of Investments	(200,502,862)	(5,439,000)
Net Cash flow from Investing Activities	(164,298,184)	(22,106,999)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Extraordinary Items : Buy Back of Equity Shares	-	(13,361,550)
Net Cash flow from Financing Activities	-	(13,361,550)
Net Increase in Cash and Cash Equivalents	(174,911,864)	28,809,548
Cash and cash Equivalents as at beginning of the year	483,339,877	454,530,329
Closing Cash and Cash Equivalents	308,428,013	483,339,877

Note : The above cash flow statement has been prepared using indirect method, in accordance with AS-3, Cash flow statements. Previous year figures have been restated wherever necessary to conform to this year's classification.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

For and on behalf of Board Directors

T.Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

SoftSol India Limited
Consolidated Financial Statements

Particulars	As at 31-03-2014		As at 31-03-2013	
	Number of shares	₹	Number of shares	₹
1.Share Capital				
Authorised:				
Equity Shares of Rs 10/- each.	50,000,000	500,000,000	50,000,000	500,000,000
Issued, subscribed and paid up:				
Equity Shares of Rs 10/- each fully paid up	16,822,513	168,225,130	17,030,710	170,307,100
ADD:				
Equity Shares of Rs.10/-each, Rs.5/-Paid up	28,200	141,000	28,200	141,000
Forfeited shares (amount originally paidup)	799,822	3,999,110	799,822	3,999,110
	17,650,535	172,365,240	17,858,732	174,447,210
Less: Bought Back during the year	-	-	208,197	2,081,970
Closing Balance	17,650,535	172,365,240	17,650,535	172,365,240

Note: The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share.

a. Details of share holders holding morethan 5% of total number of shares

Name of the Share Holder	As at 31-03-2014		As at 31-03-2013	
	Number of Shares held	% to paid up capital	Number of Shares held	% to paid up capital
Softsol Technologies Inc.	8,875,444	52.11%	8,875,444	52.11%
Sambasiva Rao Madala	904,715	5.31%	904,715	5.31%
Adalat Corporation	2,595,370	15.24%	2,595,370	15.24%
B.Prameela	-	-	2,595,369	15.24%
Radhakrishna Ghanta (Trustee of AAM Trust)	12,50,000	7.43%	--	--
Radhakrishna Ghanta (Trustee of SSM Trust)	12,50,000	7.43%	--	--
Total	148,75,529	87.52%	14,970,898	87.90%

b. Reconciliation of Number of Shares (fully paid-up):

Name of the Share Holder	As at 31-03-2014		As at 31-03-2013	
	Number of Equity Shares of Rs. 10 each	₹	Number of Equity Shares of Rs. 10 each	₹
Shares of fully paid up outstanding at the beginning of the year	16,822,513	168,225,130	17,030,710	170,307,100
Add: Shares Issued during the year	-	-	-	-
	16,822,513	168,225,130	17,030,710	170,307,100
Less: Shares bought back during the year	-	-	208,197	2,081,970
Shares outstanding at the end of the year	16,822,513	168,225,130	16,822,513	168,225,130

(c) Calls unpaid on equity shares:

Particulars	As at 31-03-2014		As at 31-03-2013	
	Number of Equity Shares	₹	Number of Equity Shares	₹
(i) Calls unpaid by Directors and Officers	NIL	NIL	NIL	NIL
(ii) Others	28,200	141,000	28,200	141,000
Total	28,200	141,000	28,200	141,000

(d) Forfeited Shares (Amount originally paid up):

Particulars	As at 31-03-2014		As at 31-03-2013	
	Number of Equity Shares	₹	Number of Equity Shares	₹
Equity shares of partly paid Forfeited in earlier Years	799,822	3,999,110	799,822	3,999,110
Total	799,822	3,999,110	799,822	3,999,110

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
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2. Reserves and Surplus**(a) Capital Redemption Reserve**

Balance as per last Balance sheet	18,050,950	15,968,980
Additions: Transfer from Statement of Profit and Loss	-	2,081,970

Closing Blance(a)

18,050,950	18,050,950
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(b) Securities Premium Reserve

Balance as per last Balance sheet	670,113,578	681,393,158
Deduction: Amount utilised towards premium on equity shares bought back during the year	-	11,279,580

Closing Blance(b)

670,113,578	670,113,578
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(c) General Reserve

Balance as per last Balance sheet	69,690,129	69,690,129
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Closing Blance(c)

69,690,129	69,690,129
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(d) Foreign Currency Transilation Reserve

Balance as per last Balance sheet	16,159,921	-
Add: Additions for the year	13,827,653	16,159,921

Closing Blance(d)

29,987,574	16,159,921
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(e) Surplus in Statement of Profit and Loss

Balance as per last Balance sheet	914,329,967	900,635,409
Add: Profit for the year	28,980,973	33,122,159
Add: Tranfer to foreign currency translation reserve	-	(1,390,363)
Less: Preaquisition reserve Transferred to Goodwill	-	(15,955,267)
Less: Transfer to Capital redemption reserve	-	(2,081,970)

Closing Blance(e)

943,310,940	914,329,967
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Total (a+b+c+d+e)

1,731,153,171	1,688,344,545
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Particulars	As at 31-03-2014 ₹	As at 31-03-2013 ₹
3. Other Long Term Liabilities		
Deposits (for premises given on rent)	32,992,208	37,734,857
Liabilities for Capital Goods	28,380	2,043,641
Total	33,020,588	39,778,498
4. Long-term provisions		
Provisions for :		
Employee retirement benefits:		
Gratuity	1,067,027	1,089,339
Leave Encashment	237,776	46,117
Total	1,304,803	1,135,456
5. Trade Payables		
Trade Payables-Unsecured		
(a) Due to Micro, Small and Medium enterprises (Refer sub-note(i) below)	-	-
(b) Others	45,220,697	35,203,502
Total	45,220,697	35,203,502

Notes:

- (i) There are no defaults as on the balance sheet date in repayment of the trade payables.
- (ii) Micor, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company
- (iii) Disclosure relating to Micro, Small and Medium Enterprises are as under
- | | | |
|--|---|---|
| Principal amount due and remaining unpaid | - | - |
| Interest due on above and the unpaid interest | - | - |
| Interest Paid | - | - |
| Payments made beyond the appointment day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due & payable in succeeding years | - | - |

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
6. Other current liabilities		
Other Payables:		
Expenses Payable	21,959,604	16,049,505
OD in current account with bank	-	11,004,647
Liability for capital goods	406,264	-
Total	22,365,868	27,054,152
 7. Short-term provisions		
Provision for employee benefits		
Gratuity	641,957	78,262
Leave Encashment	38,522	50,546
Total	680,479	128,808

8. FIXED ASSETS

Sl. No	Particulars	Gross Block				DEPRECIATION				NET BLOCK			
		As at 01.04.2013 ₹	Additions ₹	Deductions ₹	Foreign exchange adjustment ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹	For the year ₹	On Deductions ₹	Foreign exchange adjustment ₹	TOTAL AS AT 31.03.2014 ₹	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
A	TANGIBLE ASSETS:												
1	Land :												
	Own	13,918,307				13,918,307						13,918,307	13,918,307
	Leasehold (see note no.2.1.10.2)	5,540,142				5,540,142		55,961		335,766		5,204,376	5,260,337
2	Building	303,595,703	13,650			303,609,353		11,688,458		81,525,241		222,084,112	233,758,920
3	Plant & Equipment												
	a) Computers	30,467,704	333,500			30,801,204		466,785		29,927,883		873,321	1,006,606
	b) Others	133,035,975	3,314,504			136,350,479		9,970,594		79,145,413		57,205,066	63,861,156
4	Furniture & Fixtures	65,543,162	6,223,591			71,766,753		6,213,495		40,892,579		30,874,174	30,864,078
5	Office Equipment	11,826,925	108,317			11,935,242		672,574		7,692,027		4,243,215	4,807,472
6	Vehicles	8,818,183	1,500,382	654,197		9,664,368		723,156	566,390	6,884,643		2,779,725	2,090,306
7	Library Books	18,592				18,592		303		17,222		1,370	1,673
8	Subsidiary's Assets	15,133,746	375,745			17,098,270		1,245,588		15,642,768		1,455,502	2,160,534
	TOTAL-A	587,898,439	11,869,689	654,197		600,702,710		31,036,914	566,390	262,063,542		338,639,168	357,729,389
	PREVIOUS YEAR	575,351,422	11,654,079			587,898,439		32,494,950		230,169,050		357,729,389	378,414,449
B	INTANGIBLE ASSETS:												
1	Computer Software	2,871,917	237,300			3,109,217		191,949		2,707,274		401,943	356,592
2	Goodwill	877,507,327				877,507,327						877,507,327	877,507,327
3	Subsidiary's Assets	1,631,700				1,803,000		114,500		19,975		1,532,550	1,495,725
	TOTAL-B	882,010,944	237,300			882,419,544		306,449		2,977,724		879,441,820	879,359,644
	PREVIOUS YEAR	890,701,670				882,010,944		462,133		2,651,300		879,359,644	888,517,363

Foreign exchange adjustments represents exchange differences resulting from translation of fixed assets relating to non-integral foreign operations.

Particulars	As at 31-03-2014 ₹	As at 31-03-2013 ₹
9. Non-current investments		
I. Investments in Mutual Funds - (Trade - quoted):		
Axis Mutual Fund -52,50,000 Units of Rs.10/- Each	52,500,000	-
TATA Mutual Fund -6,00,286.17 Units of Rs.10/- Each	6,002,862	-
Reliance Mutual Fund -5,50,000 Units of Rs.10/- Each	5,500,000	-
L & T Mutual Fund -45,00,000 Units of Rs.10/- Each	45,000,000	-
II. Other non-current Investments - (Non trade - Unquoted)		
Investments in subsidiary “ 5,52,275 equity shares of Rs.10/- each fully paid-up in SoftSol Global Technologies Private Limited”	-	5,439,000
Total	109,002,862	5,439,000
Aggregate amount of unquoted investments	-	5,439,000
Aggregate amount of market value of quoted investments	110,415,110	-
Aggregate provision for diminution in value of investments	-	-
10. Long-term loans and advances		
Unsecured, Considered Good		
Capital Advances	120,183	120,183
Earnest Money Deposits	90,000	90,000
Security Deposits	5,484,567	4,335,201
Advance Income Tax(Net Off)	17,116,867	35,212,528
Total	22,811,617	39,757,912
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		
11. Other Non-Current Assets		
(a) Secured, Considered Good		
a. Fixed Deposit with Banks		
(Maturity of more than 12 months)	1,661,332	1,661,332
Total	1,661,332	1,661,332
12. Current Investments		
Current Investments - (Trade - quoted)		
Investments in Mutual Funds:		
Units of L & T Mutual Fund -91,50,000 of Rs.10/- Each (Out of the above units, 66,50,000 of Rs.10/- Each aggregating to Rs.6,65,00,000/- are under lien to Citi bank, N.A, India for the SBLC given by them to M/s Softsol Resources Inc., the wholly owned subsidiary of this company.)	91,500,000	-
Total	91,500,000	-
Aggregate amount of market value of quoted investments	94,263,595	-
Aggregate provision for diminution in value of investments	-	-

Particulars	As at 31-03-2014 ₹	As at 31-03-2013 ₹
13. Trade Receivables		
Unsecured, Considered Good		
- Outstanding for a period exceeding six months from the date they are due for payment	11,142,133	-
- Others	160,344,843	106,150,948
	<u>171,486,976</u>	<u>106,150,948</u>
Less: Allowance for bad and doubtful debts	6,678,312	5,227,967
Total	<u>164,808,664</u>	<u>100,922,981</u>
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		
14. Cash and Bank Balances		
(A) Cash and Cash Equivalents		
i. Cash on hand	12,976	37,687
ii. Balance with scheduled banks in India		
(a) In Current Accounts	76,006,950	69,302,190
(b) In Fixed Deposits, maturing in less than twelve months	232,408,087	414,000,000
(B) Other Bank Balances		
Fixed Deposits with Banks held as margin money for Bank Guarantees, maturity of less than 12 months	-	1,522,614
Total	<u>308,428,013</u>	<u>484,862,491</u>
15. Short-term loans and advances		
Unsecured, Considered Good		
Staff Advances	535,010	1,092,683
Prepaid Expenses	4,143,843	3,745,235
Service tax Input Credit	1,669,270	1,550,081
Total	<u>6,348,123</u>	<u>6,387,999</u>
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		
16. Other current assets		
Rent Receivable	9,085,374	6,705,707
Interest Accrued but not due on Bank Deposits	18,124,615	26,967,189
Total	<u>27,209,989</u>	<u>33,672,896</u>
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member.		

Particulars	Year ended 31-03-2014 ₹	Year ended 31-03-2013 ₹
17. Revenue from operations		
Sale of Software Products / Services:		
- Exports	551,024,685	711,259,759
- Domestic: (a) Products	25,219,501	13,452,296
(b) Services	430,433	32,000
Total	576,674,619	724,744,055
18. Other Income		
Interest Income	34,889,916	43,925,376
Interest on IT refund	1,728,426	2,171,664
Rental Income	72,199,921	71,367,019
Net gain on sale of assets	27,193	-
Dividend from Mutual Funds	2,862	-
Excess Provision written back	13,502	2,241,910
Foreign exchange gain(net)	-	334,272
Miscellaneous receipts	5,292,311	1,421,271
Excess liabilities written in	15,001	1,910,285
Total	114,169,132	123,371,797
19. Employee Benefits Expense		
Salaries and Wages	368,639,546	419,932,200
Contribution to provident and other funds	1,412,715	763,798
Staff welfare expenses	2,629,414	1,878,454
Total	372,681,675	422,574,452

Particulars	Year ended 31-03-2014 ₹	Year ended 31-03-2013 ₹
20. Other Expenses		
Power and fuel	8,081,825	12,531,275
Rent	5,891,941	7,234,741
Repairs to: buildings	7,727,832	5,026,160
: machinery	6,436,631	6,391,754
: Others	860,430	489,453
Consulting Outsource	132,716,786	270,245,934
Insurance	7,510,616	5,454,289
Rates and taxes	6,703,979	5,186,589
Payments to Auditor : As auditor	84,270	84,270
: for taxation matters	33,708	28,090
: for other services	17,978	95,506
Legal and Professional Charges	12,704,414	9,028,613
Director's Sitting Fee	60,000	60,000
Internet & Communication Expenses	4,891,442	6,474,279
Fees and Subscriptions	110,024	122,883
Travelling Expenses	3,342,515	2,009,329
Staff training & Recruitment expenses	572,867	36,800
Advertisement Charges	66,237	145,847
Shares Buy Back Expenses	-	462,022
Commission	3,395,226	3,279,834
Printing & Stationary	316,341	237,583
Security Service Charges	2,277,278	2,073,715
Advances written off	-	2,158,964
Bad Debts	1,380,240	-
Donations	-	15,831
Equipment Hire Charges	217,300	-
Foreign Exchange Fluctuation Loss	1,118,075	-
Bank Charges	1,127,581	320,954
Miscellaneous expenses	3,424,406	3,574,508
Total	211,069,942	342,769,222

21. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

21.1. Consolidated Financial Statements have been prepared to meet the requirements of Clause 32 of the Listing Agreement with the Stock Exchange.

i) Basis of Consolidation:

The Consolidation of accounts is done in accordance with the requirements of Accounting Standard (AS 21) "Consolidation of financial Statements" notified under Sec.211(3C) of the Companies Act,1956. Financial statements of subsidiary was prepared for the year ended 31st December 2013 and the same have been adopted for consolidation.

ii) Companies included in Consolidation:

The Consolidated Financial Statements include the financial statements of SoftSol India Limited as at 31.03.2014 and SoftSol Resources Inc. USA, A wholly owned subsidiary, incorporated in United State of America as at 31.12.2013.

iii) Principles of Consolidation:

The Consolidated Financial statements have been prepared based on a line by line consolidation of Statement of profit and loss and balance sheet. All inter-company balances and transactions have been eliminated on consolidation.

The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognized in the financial statements as goodwill / capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

21.2. Summary of Significant Accounting Policies:

A. Basis of Preparation:

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India and the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 under historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the services rendered and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, 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

reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

C. Revenue recognition:

- i) Revenue from software services is recognised under proportionate completion method for the services rendered and delivered as per the contracts entered.
- ii) Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from products is stated exclusive of sales tax.
- iii) Interest income on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable and interest on IT refund is recognized on receipt basis.
- iv) Rental income is recognised on accrual basis.
- v) Insurance Claims are recognised as and when they are settled / admitted.

D. Fixed Assets:

- i) Tangible Fixed assets are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction/ erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction cost to the extent such expenditure is related to construction or is incidental thereto.
Direct expenditure during construction period attributable to the cost of assets under construction / erection is considered as capital work in progress.
- ii) Computer software is classified as an “Intangible Asset”.

E. Depreciation and Amortisation:

- i) Depreciation on tangible fixed assets has been provided under Written down Value method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956.
- ii) Intangible assets are amortized over their estimated useful life.
- iii) Leasehold land is amortised equally over the lease period. The lease rentals are charged to revenue.

F. Foreign currency transactions and translation of financial statements of foreign subsidiaries:**Foreign currency transactions**

- i) Initial Recognition: Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.
- ii) Conversion: Foreign currency monetary items are reported at the closing exchange rates on Balance Sheet date.
- iii) Exchange Differences:
 - a) Exchange differences, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of assets and are depreciated over the balance life of the assets.

- b) Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

Foreign operations

In accordance with AS – 11 (Revised 2003) “The Effect of Changes in Foreign Exchange rates”, the financial statements of non-integral foreign operations are translated into Indian rupees as follows:

All assets and liabilities, both monetary and non-monetary, are translated using the closing rate;

Income and expense items are translated at average rate.

The resulting net exchange difference is credited or debited to a foreign currency translation reserve.

G. Investments:

Investments intended to be held for more than one year are treated as long term and others as short-term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

H. Retirement benefits:

- i) Defined Contribution Plan: Company’s contribution paid/payable during the year to Provident Fund and Employees State Insurance Corporation are recognized in the Statement of Profit and Loss.
- ii) Defined Benefit Plan: At each reporting date, company’s liability towards gratuity and leave encashment is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation which is measured at the present value of estimated future cash flows using a discount rate. Actuarial gain/ losses are recognized in the Statement of Profit and Loss as income or expense.

I. Earnings per share:

- i) Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.
- ii) Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

J. Taxes on Income:

Tax expense, comprising of current and deferred tax have been determined and charged to statement of Profit & Loss.

i) Current Tax:

Provision is made for income tax liability estimated to arise on profit for the year at the current rate of tax in accordance with the Income tax Act, 1961.

ii) Deferred Tax:

In accordance with the Accounting Standard – 22 (AS 22) “Accounting for Taxes on income, the company recognizes the deferred tax liability in the accounts, Deferred tax resulting from timing difference between book and tax profits is accounted for at the current rate of tax. Deferred tax asset is recognized only when there is virtual certainty, supported by convincing evidence, that such assets will be realised.

iii) Minimum Alternate Tax (MAT) Credit:

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax within the specified period and the MAT credit available can be utilised. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down if considered not recoverable within the specified period.

K. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

L. Business / Geographical Segments:

The Company is engaged in the business of Software development and service. Since the inherent nature of development of software and services all types are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

M. Provisions and Contingent Liabilities:

- i) A provision is recognised when the Company has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- ii) Contingent liabilities are disclosed when there is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, and such liability that may arise is termed as a contingent liability.

N. Prior Period Expense/Income:

The company follows the practise of making adjustments through “Expenses/Income under/ over provided “in previous years in respect of material transactions pertaining to in that period prior to the current accounting year.

O. General:

Accounting policies not specifically referred to above are in consistent with the generally accepted accounting principles followed in India.

21.3. Employee benefits (AS-15):

The following tables summarizes the components of net expense / benefit recognized in the Statement of Profit and Loss and Balance Sheet for the respective employee benefit plans.

a. Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	Current Year ₹	Previous Year ₹	Current Year ₹	Previous Year ₹
Current Service Cost	5,50,533	1,73,312	1,81,163	8,601
Interest Cost on benefit obligation	1,07,419	1,95,419	8,892	20,080
Net Actuarial (Gain)/Loss Recognized in the year	(1,16,569)	(8,03,000)	42,315	(68,137)
Past Service Cost	NIL	NIL	NIL	NIL
Expenses recognized in Statement of Profit & Loss	5,50,533	(4,34,269)	1,81,163	(39,456)

b. Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at Mar 31, 2014 ₹	As at Mar 31, 2013 ₹	As at Mar 31, 2014 ₹	As at Mar 31, 2013 ₹
Opening defined benefit obligation	11,67,601	31,37,026	96,663	3,50,670
Interest Cost	1,07,419	1,95,419	8,892	20,085
Current service cost	5,50,533	1,73,312	1,81,163	8,601
Benefits paid	-	(15,35,156)	(52,735)	(2,14,551)
Actuarial (Gain)/Loss on obligation	(1,16,569)	(8,03,000)	42,315	(68,137)
Closing defined benefit obligation	17,08,984	11,67,601	2,76,298	96,663

The principal assumptions used in determining gratuity and leave benefit obligation in the above plans are as under:

Particulars	Current Year	Previous Year
Discount Rate	9.20 %	8.25 %
Employee turnover	NIL	5.00 %
Further salary rise	7.00 %	7.00 %
Mortality	Indian Assured Lives Mortality(2006-08)Ult	Indian Assured Lives Mortality(2006-08)Ult

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

21.4. Segment Reporting (AS-17):

The Company is engaged in the business of Software. Since the inherent nature of all software jobs are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

21.5. Related Party Disclosures (AS-18):

Names of the related parties and nature of relationships and particulars of transactions with the said related parties during the year are as follows:

a) Name of related parties and description of relationship:

- i) Key Management Personnel Sri. Madala Srinivasa Rao, Chairman
Sri.Madala Bhaskara Rao, WTD.

Note: Information of related parties and the relationship is as identified by the Company on the basis of information available with them and relied upon by the auditors.

b) Aggregate Related Party transactions

	Current Year ₹	Previous Year ₹
Remuneration to Key Management Personnel (Incl. PF Contribution)	14,11,200	14,17,600

Note: As the liability for Gratuity is provided on actuarial basis for all the employees of the company as a whole, the amount pertaining to the Key Management Personnel is not ascertainable and therefore not included in the above.

21.6. Earnings per Equity Share (AS-20):

	Current Year ₹	Previous Year ₹
Net profit after tax (₹)	2,89,80,973	3,31,22,159
Weighted average number of equity shares	1,68,36,613	1,69,31,873
Basic Earnings per equity share ₹	1.72	1.96
Nominal value of shares (fully paid up) (₹)	10	10

21.7. Accounting for Taxes on Income (AS-22):

In terms of Accounting Standard 22, there are no deferred tax liabilities (Prev. year–Nil-) Following prudence, no deferred tax asset has been recognized in the parent company (Previous year -Nil -). However, deferred tax asset has been recognized in the subsidiary company.

21.8. Impairment of Assets (AS-28):

	Current Year ₹	Prev. Year ₹
i) Amount of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
ii) Amount of reversal of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
iii) Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv) Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

**21.9. Contingent liabilities and commitments (AS-29):
(to the extent not provided for)**

Particulars	As at 31st March 2014 ₹	As at 31st March 2013 ₹
A) Contingent liabilities:		
(i) Claims against the company not acknowledged as debt	NIL	NIL
(ii) Guarantees and letters of credit:- Guarantees given by the bankers	16,61,332	27,47,614
(iii) Other money for which the company is contingently liable: Guarantee given to Citi Bank, N.A., for giving Stand by letter of credit (SBLC) to the wholly owned subsidiary of the company	4,80,80,000	-
B) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,00,000	1,50,00,000

21.10 Other explanatory information:

21.10.1. During the financial year 2005-06, the Govt. of A.P. allotted a land of one acre to the company, bearing Plot No.6, in Sy.No.408/1, I.T. Industries Layout, Madhurawada Village, Visakhapatnam District on outright sale basis under its ICT policy 2005-10 at a consideration of Rs.10.00 lakhs per acre vide MOU dt.13.06.2005 and Agreement for sale of land dt.23.02.2006. Accordingly, the company has paid the consideration and took possession of the same and started developing the same for its IT facility. Subsequently, on getting the permission from the Govt. of India for developing, operating and maintaining IT / ITES SEZ in the said land, the Govt. of A.P. converted the above sale of land into lease and fixed a one time lease payment of Rs.10.00 lakhs per acre and further fixed an annual lease rental of Rs.1,000/- per acre vide lease deed dated 05.02.2009. As per the above, the GOAP adjusted the amount of Rs.10.00 lakhs paid by the company towards sale consideration for the one time lease premium.

As per the lease deed, the land will be converted from leasehold to freehold after a period of 10 years from the execution of the above lease deed, subject to provisions of the SEZ Act, 2005 / SEZ Rules, 2006.

As the period of 10 years from the execution of the lease deed is not yet completed, the company is continuing to pay the annual lease rental of Rs.1,000/- and showing the said land as a leasehold land in the fixed asset schedule.

21.10.2. In the opinion of the board, the assets other than fixed assets and non-current investments, have a value on realization in the ordinary course of business of atleast equal to the amount at which they are stated in the balance sheet.

21.10.3. Previous year's figures have been regrouped wherever necessary to conform to the layout adopted in the current year.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No:003621S)

For and on behalf of the Board

T. Mahipal Reddy
Partner
ICAI Ms.No.227616

Bhaskara Rao Madala
Whole time Director

Dr.T.Hanuman Chowdary
Director

Place: Hyderabad
Date: 21.05.2014

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

SOFTSOL INDIA LIMITED

Regd. Off.: Plot No. 4, Software Units Layout, Infocity, Madhapur, Hyderabad – 500 081.

Telephone: +91 (40) 30719500, Facsimile: + 91 (40) 30784306

E-mail: cs@softsol.net, Website: www.softsolindia.com

ATTENDANCE SLIP

24th Annual General Meeting

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Tuesday, the 30th day of September, 2014 at 10.00 a.m. at the Registered Office of the Company at Plot No. 4, Software Units Layout, Infocity, Madhapur, Hyderabad – 500 081, Telangana, India, or/any adjournment thereof.

Name of the attending Shareholder:.....
(in block letters)

Name of the Proxy:.....
(to be filled in if proxy attends)

Signature of Shareholder:.....

Signature of Proxy:.....

Registered Folio Number: or DP / Client ID No.

Number of Shares held:

Note:

1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the entrance, affixing their signature on them.
2. Members are informed that no duplicate attendance slips will be issued at the venue of the meeting.

SOFTSOL INDIA LIMITED

Regd. Off.: Plot No. 4, Software Units Layout, Infocity, Madhapur, Hyderabad – 500 081.

Telephone: +91 (40) 30719500, Facsimile: + 91 (40) 30784306

E-mail: cs@softsol.net, Website: www.softsolindia.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Shareholder(s):.....
 Address of the Shareholder(s):.....
 E-mail Id:.....
 Folio No. / DP id & Client id:
 I /We being the member(s) of Shares of SoftSol India Limited, hereby appoint:

1. Name:.....
 Address:.....
 E-mail Id:.....
 Signature:..... or failing him:
2. Name:.....
 Address:.....
 E-mail Id:.....
 Signature:..... or failing him:
3. Name:.....
 Address:.....
 E-mail Id:.....
 Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the company at Tuesday, the 30th day of September, 2014 at 10.00 a.m. at the Registered Office of the Company at Plot No. 4, Software Units Layout, Infocity, Madhapur, Hyderabad – 500 081, Telangana, India, or/any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt, the audited statement of profit and loss for the financial year ended on 31 March 2014 and the balance sheet as at that date and the reports of the board of directors and auditors thereon.
2. To appoint a Director in place of Mr. B. S. Srinivasan, who retires by rotation and does not, offer him for re-appointment.
3. To appoint M/s. JVSL & Associates, Chartered Accountants (FRN: 015002S), as auditors of the company.

Special Business:

4. To appoint Mrs. Neelima Thota as Director (Woman Director).
5. To appoint Mrs. Neelima Thota as an independent director for a period of five years.
6. To appoint Dr. T. Hanuman Chowdhary as an independent director for a period of five years.
7. To appoint Mr. B. S. Srinivasan as an independent director for a period of five years.
8. To appoint Mr. P. Venkatramaiah as an independent director for a period of five years.
9. To appoint Mr. Bhaskara Rao Madala as Whole time director and fix remuneration


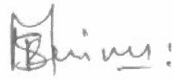

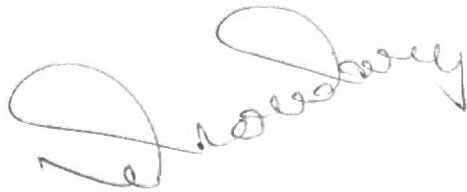
Signed this.....day of2014 (Affix Revenue Stamp)

Signature of Shareholder.....Signature of Proxyholder(s).....

Note: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

FORM A

ANNUAL AUDIT REPORT UNDER CLAUSE 31 (a) of LISTING AGREEMENT

1	Name of the Company	SOFTSOL INDIA LIMITED
2	Annual Financial Statements for the year ended	31 st MARCH 2014
3	Type of Audit Observation	NIL
4	Frequency of Observation	NIL
5.	To be Signed by-	
	Mr. Bhaskara Rao Madala Whole time Director	
	Mr. Mandava Srinivas Chief Financial Officer	
	Mr. T. Mahipal Reddy Statutory Auditor M. No. 227616	
	Dr. T. Hanuman Chowdhary Chairman of Audit Committee	

Encl. Copy of Audit Report and Annual Reports for your perusal.