



**SoftSol India Limited**  
26<sup>th</sup> Annual Report 2015-16

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## 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. Srinivasa Mandava	
Company Secretary	Mr. B. Laxman (ACS-20625)	
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.	
Registered Office	Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081. Telephone: +91 (40) 30719500 Facsimile: + 91 (40) 30784306 E-mail: cs@softsol.com Website: www.softsolindia.com	
Registrars & Share Transfer Agent	M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 008, Telangana Phone: 040 - 67161519, Contact : Mr. Shastry M.V.N Emails: shastry.mvn@karvy.com, srikrishna.p@karvy.com	

<b>Contents</b>	<b>Page Nos.</b>
Letter to Shareholders	— 3
Notice of 26 <sup>th</sup> Annual General Meeting	— 4
Director's Report	— 10
Corporate Governance Report	— 18
Management Discussion and Analysis Report	— 30
Secretarial Audit Report	— 36
Extract of Annual Return (Form MGT-9)	— 39
Auditor's Report	— 47
Balance Sheet	— 53
Profit and Loss Account	— 54
Cash Flow Statement	— 55
Schedules forming part of the Accounts	— 56
Notes to Accounts	— 64
 <b><u>Subsidiary Company</u></b>	
Director's Report	— 72
Auditor's Report	— 73
Balance Sheet	— 74
Statement of Income	— 75
Schedules to Accounts	— 76
Cash Flow Statement	— 78
Notes to Financial Statements	— 79
 <b><u>Consolidated Financial Statements</u></b>	
Auditor's Report	— 84
Balance Sheet	— 88
Profit and Loss Account	— 89
Cash Flow Statement	— 90
Schedules to Accounts	— 91
Notes to Accounts	— 99
Attendance Slip & Proxy Form	— 107&108

## Letter to Shareholders



Dear members

On behalf of the SoftSol Board of Directors, I take pleasure in presenting the 26th Annual Report of your Company and happy to welcome you to the 26th Annual General Meeting of your company. Thank you for your presence here today, and for your continued support and goodwill that is critical to the success of our Company.

At SoftSol, we realize the importance of dealing with change. It is not sufficient to recognize and react as change happens; it is important to anticipate and prepare. To do this we need to work both internally and engage with the broader ecosystem. We do this in multiple ways. We invest significantly in reskilling our workforce to take advantage of the newer opportunities that arise out of Digital technologies.

During the year under review, your Company recorded consolidated revenues of Rs. 58.55 crores and achieved net profit of Rs.1.11 crores for the year.

I felt happy in declaring and paying Interim Dividend by the Company during financial year aggregating to Rs. 1.20 paisa per Equity Share of Rs. 10 each fully paid up (12%) aggregating to Rs. 2,01,87,016/- (excluding dividend distribution tax thereof) to equity shareholders of the Company whose names were registered as shareholders of the Company as on the record date 25th November 2015.

We hope to review the Company situation and determine the best course of action to continue to find ways to improve our financial performance and offer liquidity to our shareholders. We will make conscious efforts to focus on IT market in India and also other opportunities available.

Before I conclude, I would also like to thank other stakeholders – our clients, vendors and partners – for their trust and support.

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

Sincerely Yours

**Srinivasa Rao Madala**  
Chairman

## Notice of the 26th Annual General Meeting

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of SoftSol India Limited (CIN: L7220TG1990PLC011771) will be held on Friday, the 30th day of September, 2016 at 10.00 a.m., at the registered office of the Company situated at Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081, Telangana to transact the following business:

1. To receive and adopt the Audited Financial Statements of the Company (both standalone and consolidated basis) for the year ended March 31, 2016 and together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Bhaskara Rao Madala (DIN 00474589), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modifications(s), the following resolution as ordinary resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force and pursuant to the recommendation of the Audit Committee of the Board of Directors and in terms of resolution passed by the members at the Annual General Meeting held on 30th September, 2014, the appointment of M/s. JVSL & Associates, Chartered Accountants, Hyderabad (FRN: 015002S) as the Statutory Auditors of the Company be and is hereby ratified to hold office till the conclusion of the Twenty Seventh Annual General Meeting and on such remuneration and reimbursement of out of pocket expenses, as shall be decided/ approved by the Board of Directors of the Company.”

### On behalf of the Board of Directors

**Bhaskar Rao Madala**  
**Whole time Director**

Place: Hyderabad  
Date: 12-08-2016

Registered Office:  
Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081  
Bhaskara.Madala@softsol.com, 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 26 September 2016 to 30 September 2016 (both days inclusive) in connection with the AGM.
- 3) 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.
- 4) M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 008, Telangana 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.
- 5) 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.
- 6) 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.
- 7) 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.
- 8) THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING ARE AS FOLLOWS:
  - I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
  - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- iii. After entering these details appropriately, click on “LOGIN”.
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the “EVENT” i.e., ‘Name of the Company”
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email vbmraoassociates@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “ Corporate Name\_Event No.”
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
  - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM

Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

- a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Shastry M. V. N., (Unit: Name of the Company) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c) The remote e-voting period commences on 26th September 2016 (10.00 A.M. IST) and ends on 29th September 2016 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 23rd September 2016.
- e) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 23rd September 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may sendSMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.



- iii. Member may call Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- 9) The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

#### BRIEF PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT

Item No. 2: Brief Profile of Directors seeking re-appointment at this Annual General Meeting:

- |  |   |
|--|---|
| a) Name:   | Mr. Bhaskara Rao Madala   |
| b) DIN:  | 00474589  |
| c) Date of Birth:  | 05-11-1946  |
| d) Date of Appointment:  | 02-09-1995  |
| e) Designation:  | Whole time Director   |
| f) Number of Shares held in the Company:                                     | 269766  |
| g) Directorships & Committee memberships in other listed companies:          | NIL   |
| h) Qualifications and experience and expertise in Specific functional areas: | 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 20 years. |
| i) Relationship with other Directors:  | Related to Mr. Srinivasa Rao Madala, Chairman   |
| j) Number of Board Meetings attended:  | 4   |

#### On behalf of the Board of Directors

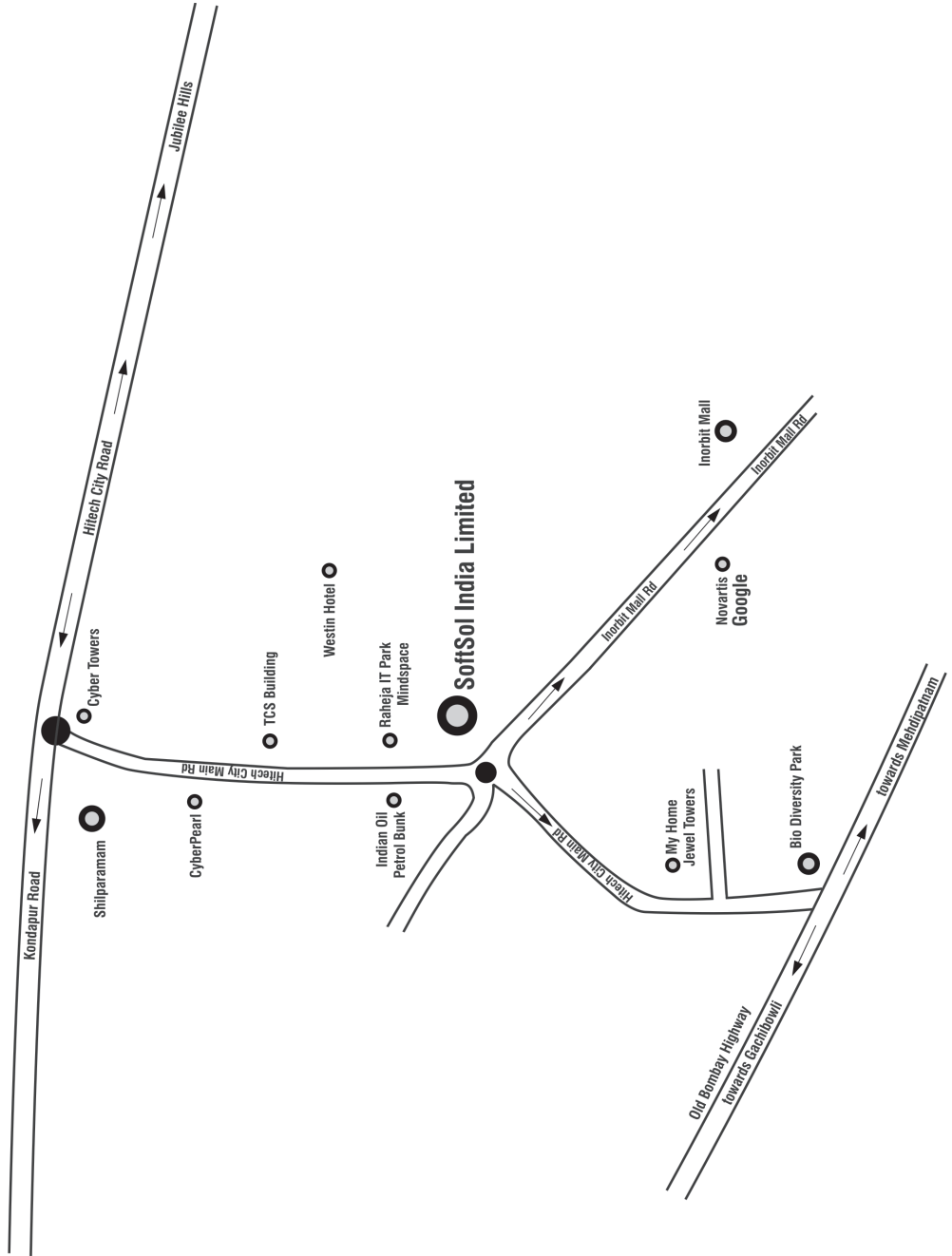
**Bhaskar Rao Madala**  
**Whole time Director**

Place: Hyderabad  
 Date: 12-08-2016

Registered Office:  
 Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081  
[Bhaskara.Madala@softsol.com](mailto:Bhaskara.Madala@softsol.com), [www.softsolindia.com](http://www.softsolindia.com)

# SoftSol India Limited

Map to reach the Company Registered Office at Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500081



**DIRECTORS' REPORT**

Dear Members,

The Directors have pleasure in presenting the 26th Directors' Report on the business and operations of your Company, for the year ended March 31, 2016.

**Financial Highlights**

(Amount in Rs. Lakhs)

	Stand Alone		Consolidated	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
Revenue from Operations	367.69	498.41	5,855.16	6,577.03
Other Income	1,075.31	1,029.11	1,116.19	1,064.37
<b>Total Revenue</b>	<b>1,443.00</b>	<b>1,527.52</b>	<b>6,971.36</b>	<b>7,641.40</b>
<b>Profit before Interest, Depreciation &amp; Tax (Before Exceptional Items)</b>	<b>472.09</b>	<b>625.40</b>	<b>525.04</b>	<b>729.15</b>
Depreciation	336.13	458.54	340.22	470.84
Finance Costs	28.36	-	48.62	10.02
<b>Profit before Tax (Before Exceptional Items)</b>	<b>107.60</b>	<b>166.86</b>	<b>136.20</b>	<b>248.29</b>
Exceptional Items	-	-	-	-
Current Tax	22.00	34.00	34.44	61.19
Deferred Tax	(9.05)	11.57	(9.04)	11.57
<b>Profit after Tax</b>	<b>94.65</b>	<b>121.29</b>	<b>110.80</b>	<b>175.53</b>
Dividend (Interim Dividend)	201.87	-	201.87	-
General Reserve	696.90	696.90	696.90	696.90
EPS (Basic & Diluted) (in Rs.)	0.56	0.72	0.66	1.04

**Review of Operations**

During the year under review, your Company recorded income of Rs. 367.69 lakhs from export of software in comparison with previous year's income of Rs. 498.41 Lakhs. Your company achieved net profit of Rs. 94.65 Lakhs for the year in comparison with the previous year's net profit of Rs. 121.29 Lakhs.

**Review of operations of Wholly owned subsidiary**

SoftSol Resources Inc., (SRI) a wholly owned subsidiary of your Company, recorded total revenue of US\$ 8.67 Millions for the year 2016 in comparison with the previous year's revenue of US\$ 10.2 Millions. SRI recorded net profit of US\$ 25060 for the year 2016 in comparison with the previous year's net profit of US\$ 88422.

**Outlook and Business:**

Softsol India Limited is an IT services company that focuses on enabling businesses to achieve their strategic objectives.

The tech industry is being reshaped in numerous ways. Disruption is evident in software and services delivery, business models, the vast amount of money being poured into startups of all stripes, the cloud, big data,

entrepreneurialism, and constant innovation. Against that backdrop, companies can no longer rely on one-note value strategies. Analysts indicate which immediate path holds the most chance for short-term success, but over time, both improving margins and finding new revenue streams are critical for success.

The Company is taking planned steps to diversify its revenue sources by changing its strategic growth plan to move to a hybrid outsourcing model with a focus on products and platforms in addition to services offerings. This strategy enables the Company to capitalize on the opportunities as the world transitions to digital commerce. This transition is prone to challenges as well as opportunities which bring potential volatility with it. Fortunately, the Company with its 20+ years of experience has demonstrated success in navigating volatility and achieving managed transition to strengthen its long-term foundation. The Company is committed to use this opportunity to diversify its business and expand its reach to geographies beyond North America.

The Company's approach to focus on strategic accounts, continue to differentiate its service offerings within its focus area, attracting & retaining top talent, focus towards enhancing operational efficiency and scale-up towards building a delivery capability & excellence has established the Company as a preferred partner for its clients within its focused verticals. The client's response towards its solution offering was encouraging. The Company shall continue to propel further in its area of strength through alliances, developing customer center of excellence and by readying its clients to be prepared for digital age. The Company believes that its efforts in becoming a reliable partner to its clients will make it a leader in digital solution provider in the years to come.

The Company will enhance its cutting-edge proposition to address new customers, strengthening its emphasis on marketing to small and medium-sized firms.

### **Management Discussions and Analysis Report**

Pursuant to Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is annexed to this Report.

### **Dividend**

During the year under review, your Company had declared and paid an interim dividend aggregating to Rs. 1.20 paise per Equity Shares of Rs. 10 each fully paid up (12%) aggregating to Rs. 2,01,87,016/- (excluding dividend distribution tax thereof) to equity shareholders of the Company whose names were registered as shareholders of the Company as on the record date 25th November 2015.

Total cash outflow on account of dividend payments including dividend distribution tax was Rs. 2,42,96,618 for the financial year 2015-16. Keeping in view the interim dividend already declared by the Company, the Board have not recommended any further dividend.

### **Amounts transferred to Reserves:**

During the year under review the company has not carried any amounts to the Reserves.

### **Share Capital**

The paid up Equity Share Capital as on March 31, 2016 was 16822513 Equity Shares of Rs. 10 each. During the year under review, the Company has not issued any shares including shares with differential voting rights nor granted stock options nor sweat equity.

As on March 31, 2016 other than Mr. Srinivasa Rao Madala - Chairman and Mr. Bhaskara Rao Madala – Managing Director none of the other Directors of the Company held shares of the Company.

**Extract of the Annual Return**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed to this report.

**Directors:**

None of the directors of the company is disqualified under the provisions of the Companies Act, 2013 or under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Bhaskara Rao Madala, retire by rotation and being eligible offer himself for re-appointment at this Annual General Meeting.

The existing composition of the Company's board is fully in conformity with the applicable provisions of the Act 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 having the following directors as non-executive Independent Director's, namely Dr T. Hanuman Chowdhary, Mr. B. S. Srinivasan, Mr. P. Venkatramaiah and Mrs. Thota Neelima.

The Members at the 24th Annual General Meeting held on September 30, 2014 appointed the existing Independent Directors as said above under the Companies Act, 2013 each for a term of five years.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

**Key Managerial Personnel**

There is no change in the key managerial personnel during the year. Mr. Srinivas Mandava is the CFO of the Company and Mr. B. Laxman (ACS 20625) is the Company Secretary.

**Number of meetings of the Board**

During the year Four Board Meetings and Four Audit Committee Meetings were convened and held. The details of these are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**Board Committees:**

Details regarding the composition, terms and references, number of meetings and attendance of respective members of the various committees of board are provided separately in the Corporate Governance Report.

**Company's policy on Directors' appointment and remuneration**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining

qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 relating to the remuneration for the Directors, key managerial personnel, and other employees.

**Explanations or comments by the Board on every qualification, reservation or adverse remark**

There is no qualification, reservation or adverse remark or disclaimer made –

(i) by the auditor in his report; and

(ii) by the Company Secretary in practice in her secretarial audit report.

**Particulars of Loans, Guarantees or Investment**

There are no loans given, guarantees issued or investments made to which provisions of Section 186 are applicable to the Company.

**Corporate Governance:**

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance. A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

**WTD and CFO Certification**

As required under Regulations 17(8) and 33(2) (a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, certificates are duly signed by Mr. Bhaskara Rao Madala, Whole time Director and Mr. Srinivas Mandava, CFO.

**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 2016-17 have been paid to the Exchange.

**Auditors:**

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the transition period mentioned therein, M/s. JVSL & Associates, Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company for a period of three years at the 24th Annual General Meeting of the Company held on 30th September 2014 and they will continue in office upto the conclusion of the 27th Annual General Meeting.

However, in accordance with the provisions of Section 139 of the Companies Act, 2013, their continuance of office as Auditors shall be subject to ratification of members at the forthcoming Annual General Meeting.

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**

During the year under review the Board of Directors had appointed M/s VBM Rao & Associates, Company Secretaries, Hyderabad for conducting secretarial audit in accordance with the provisions of Companies Act, 2013 and the rules framed there under. The Secretarial Audit Report is annexed and forms part of this report.

**Fixed Deposits**

During the year the Company has not accepted any deposit under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. As on 31st March, 2016, there are no unclaimed deposits with the Company. Further the Company has not defaulted in repayment of deposits or payment of interest thereon. Particulars of contracts or arrangements with Related Parties

**Particulars of contracts or arrangements with related parties**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and same were entered only with SoftSol Resources Inc, USA (a wholly owned Subsidiary Company). The details of related party transactions are provided in the accompanying financial statements and Corporate Governance Report. All transactions entered into with related party (SoftSol Resources Inc, USA, a wholly owned Subsidiary Company) during the year were on an arm's length basis and were in the ordinary course of business. Accordingly, there are no transactions that are required to be reported in Form AOC-2.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons who may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

**Conservation of energy, technology absorption, foreign exchange earnings and outgo:****A. Conservation of energy:**

- a) The Company continues to work on reducing carbon footprint in all its areas of operations through initiatives like (a) green infrastructure, (b) green IT (data centers, laptops and servers etc), (c) operational energy efficiency.
- b) The steps taken by the Company for utilising alternate sources of energy: NIL
- c) The capital investment on energy conservation equipments: NIL

**B. Technology absorption:**

- a) The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology.
  - b) The efforts made towards technology absorption: A continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that may be possible.
- (ii) The expenditure incurred on Research and Development: Nil.

- C. Foreign Exchange earnings and outgo: Total foreign exchange earnings during the year were Rs. 198.50 Lakhs (Previous year Rs. 444.91 Lakhs) and foreign exchange outgo was: NIL. (previous year: NIL).

### **Corporate Social Responsibility (CSR) Initiatives**

Pursuant to Section 135 Companies Act, 2013 read with Rules issued the provisions of Corporate Social Responsibility is not applicable to the Company for the financial year 2015-16. Hence allocation of CSR Budget for the financial year 2015-16 is not applicable for the Company and also spending of CSR expenditure.

### **Particulars of Employees:**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required as none of the employee's falls under the category.

### **Employees Relations**

The employees' relation at all levels and at all units continued to be cordial during the year.

### **Board evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### **Familiarization programme for Independent Directors**

The Whole time Director has one to one discussion with all Directors to familiarize them with the Company's operations. Further the Company has put in place a system to familiarize the Independent Directors about the Company, its business and on-going events relating to the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company viz. [www.softsol.com](http://www.softsol.com).

### **Significant and Material Orders passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **Transfer of Unpaid/Unclaimed amounts to IEPF**

Pursuant to the provisions of Section 125 of Companies Act, 2013 the Unclaimed Dividend and interest thereon which remained unpaid/unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

### **Directors' Responsibility Statement:**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:



- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 as at March 31, 2016 and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;  
  
“Internal Financial Controls” means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including the adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information;
- f) the directors had devised proper systems to ensure compliances with the provisions of the applicable laws and that such systems were adequate and operating effectively.

### **Vigil Mechanism / Whistle Blower Policy**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

### **Subsidiaries, Joint Venture or Associate Companies**

Your company has prepared the consolidated financial statements in accordance with the relevant accounting standards and the provisions of the Companies Act, 2013 (Act). Pursuant to the provisions 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.

### **Consolidated Financial Statements**

As stipulated under the provisions of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements together with Auditors’ Report form part of the Annual Report.

### **Material changes and commitments affecting the Financial Position**

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report.

**Details of Significant and Material Orders passed by the Regulators**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**Internal Financial Controls and their adequacy**

Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has maintained a proper and adequate system of internal controls. This ensures that all Assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorised, recorded and reported diligently.

The Audit Committee and Independent Internal Auditors, regularly review internal financial controls and operating systems and procedures for efficiency and effectiveness. The Internal Auditor's Reports are regularly reviewed by the Audit Committee of the Board.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has put in place a Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the requirement of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under the aforementioned Policy.

The summary of complaints received and disposed off up to 31st March 2016 were as under:

Number of complaints received: Nil

Number of complaints disposed off: Nil

**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: 12-08-2016

Registered Office:

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

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

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2016. A report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the management systems to maintain a greater degree of responsibility and accountability

### 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."

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	1	No
Mr. Bhaskara Rao Madala	00474589	Promoter Director	Whole time Director	4	4	Yes
Dr. T. Hanuman Chowdary	00107006	Independent Non-Executive Director	Director	4	4	Yes
Mr. B.S. Srinivasan	00482513	Independent Non-Executive Director	Director	4	4	Yes
Mr. P. Venkatramaiah	00030102	Independent Non-Executive Director	Director	4	3	Yes
Mrs. Neelima Thota	06938559	Independent Non-Executive Director	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	Nil	Nil	Nil
Dr. T. Hanuman Chowdary	Nil	2	2	4
Mr. B. S. Srinivasan	Nil	2	Nil	3
Mr. P. Venkatramaiah	Nil	Nil	Nil	Nil
Mrs. Neelima Thota	Nil	Nil	Nil	Nil

#### Relationship between Directors:

Out of 6 Directors 2 Directors are related Directors viz: Mr. Srinivasa Rao Madala, Non-Executive Chairman and Mr. Bhaskara Rao Madala, Whole time Director. None of the other Directors are related with each other.

#### 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 26-05-2015, 13-08-2015, 13-11-2015 and 12-02-2016.

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.

#### Independent Directors Meeting:

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 30th September 2015. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. Dr. T. Hanuman Chowdhary is the Chairman of Independent Directors Meeting.

#### Code of Conduct:

SoftSol India Limited Code of Conduct laid down by the Board of Directors is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website [www.softsol.com](http://www.softsol.com). All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2016. A declaration to this effect, duly signed by the Whole time Director is annexed hereto.

**Compliance with Code of Conduct**

All the Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct laid down by the Board of Directors in terms of Regulation 17(5)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Bhaskar Rao Madala**

Whole-time Director

Place: Hyderabad

Date: 12-08-2016

**3. Audit Committee**

The Company has an independent Audit Committee. The composition, procedure, Role / Function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial report process and the disclosure of its financial information's.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by management.
- To review the adequacy of internal control systems with the management, external & internal auditors.
- Discussion with external auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

**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 Mr. Baddam Laxman (ACS – 20625) 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 2015-16 Audit Committee of the Board of Directors met four times on 26-05-2015, 13-08-2015, 13-11-2015 and 12-02-2016. Except Mr. P. Venkatramaiah, who has attended 3 out of 4 Committee meetings, all other members of the Committee attended all the meetings.

The Chairman of the Audit Committee was present at the 25th 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. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of three non-executive independent 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 met once on 13th August 2015 during the financial year and all members present at the meeting.

The Company Secretary Mr. Baddam Laxman (ACS – 20625) acts as the Secretary to the Committee.

**The role of Nomination and Remuneration Committee is –**

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To formulate evaluation of Director's performance policy.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Performance Evaluation Criteria for Independent Directors:**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. Separate exercise was carried out to evaluate the performance of Non-Independent Directors including the Chairman of the Board who were evaluated on parameters such as Key achievements, Short term and long term targets, challenges faced, Implementation of Strategic decisions, organizational success, participation and attendance in Board and Committee Meetings etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

Independent Directors were evaluated on the parameters such as attendance and participation in the meetings and timely inputs on the minutes of the meetings, adherence to ethical standards & code of conduct of the Company, disclosure of non-independence, as and when exists and disclosure of interest, interpersonal relations with other Directors and Management, understanding of the Company and the external environment in which it operates and contribution to strategic direction, safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**Remuneration Policy:**

Payment of remuneration to the Whole time Director is as per the terms of his appointment. The terms of his appointment were approved by the Nomination & Remuneration Committee, the Board and the shareholders in the year 2014. The remuneration structure comprises salary, perquisites and contributions to Provident Fund, Superannuation and Gratuity.

A sitting fee of Rs. 10,000 (Rupees Ten thousand only) is being paid to non-executive directors for attending each board meeting.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2015-16 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	13,17,600	Nil	Nil	Nil
Dr. T. Hanuman Chowdary	Director	Nil	Nil	40,000	40,000
Mr. B. S. Srinivasan	Director	Nil	Nil	40,000	40,000
Mr. P. Venkatramaiah	Director	Nil	Nil	30,000	30,000
Mrs. Neelima Thota	Director	Nil	Nil	40,000	40,000

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 2016:

Mr. Srinivasa Rao Madala holds 980691 Equity Shares and 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.

#### 5. Stakeholders Relationship Committee

The Stakeholders Relationship 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). The Committee met once on 13th November 2015 during the financial year and all members present at the meeting.

The Company Secretary Mr. Baddam Laxman (ACS – 20625) acts as the Secretary to the Committee.

#### The role of the committee

The company has constituted Stakeholders Relationship Committee of the Board of Directors to look into the transfer of Equity Shares/transmission of Equity Shares/issuance of duplicate Equity Share certificates, complaints received from the shareholders of the Company and other allied connected matters.

#### Status of complaints of shareholders/investors is as under:

Complaints pending as on 1st April, 2015	NIL
Number of complaints received during year ended 31st March, 2016	NIL
Number of complaints attended to/resolved during the year	NIL
Complaints pending as on 31st March, 2016	NIL

The share transfers are processed on behalf of the Company by the Registrar and Transfer Agents viz. Karvy Computershare Private Limited and are placed for approval by the Committee which are noted and ratified in subsequent board meeting.

Number of share transfers pending for approval as on 31st March, 2016

NIL

Compliance Officer: Mr. Baddam Laxman, Company Secretary  
Plot No. 4, Software Units Layout, Madhapur, Hyderabad – 500 081  
Telephone: + 91 (40) 30719500, Facsimile: + 91 (40) 30784306  
E-mail: cs@softsol.com, Website: www.softsolindia.com

## 6. General Body Meetings

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

Year/Period	Day, Date and Time	Location
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.
2013-2014	Tuesday, 30th September 2014 at 10.00 a.m.,	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2014-2015	Wednesday, 30th September 2015 at 10.00 a.m.,	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.

- Whether any special resolutions passed in the previous AGMs: NO.
- Whether any special resolution passed last year through postal ballot: NO.
- Whether any special resolution is proposed to be conducted through postal ballot: NO.
- Procedure for postal ballot: N.A.

## 7. Means of Communication

The Board of Directors of the Company approves and takes on record the Unaudited Quarterly Results and Audited Annual Results in the proforma prescribed by the Stock Exchange and announces forthwith the results to the Stock Exchange where the shares of the Company are listed. The same are published within 48 hours in The Financial Express (English) and Andhra Prabha (Telugu) and are also uploaded on the Company's website [www.softsolindia.com](http://www.softsolindia.com).

All data required to be filed electronically or otherwise pursuant to the SEBI Regulations with the Stock Exchange, such as annual report, quarterly financial statements, Shareholding pattern, report on Corporate Governance are being regularly filed with the Stock Exchange, namely, BSE Limited ([www.bseindia.com](http://www.bseindia.com)) through BSE Listing Center and available on their websites.

The Management Discussion and Analysis Report forms part of the Annual Report.



**8. General Shareholders Information:**

## a) Company Registration Details:

The Company is registered in the State of Telangana, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72200TG1990PLC011771.

## b) Registered Office &amp; 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.com, Website: www.softsolindia.com

## c) Annual General Meeting: (Date, Time and Venue)

Friday, the 30th day of September 2016 at 10.00 A.M. at the Registered Office of the Company.

## d) Financial Calendar

The Company follows April-March as its financial year. The Key Financial Reporting dates for the Financial Year 2016-17 are:

Unaudited Results for the First Quarter ended June 30, 2016	On or before 14th August 2016
Unaudited Results for the Second Quarter ended September 30, 2016	On or before 15th November 2016
Unaudited Results for the Third Quarter ended December 31, 2016	On or before 15th February 2017
Audited Results for the Financial year 2016-17	On before end 31st May 2017

## e) Book Closure

From September 26, 2016 to September 30, 2016 (both days inclusive)

## f) 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 2016-17 to the Stock Exchange.

## g) Stock Code/Symbol

The Bombay Stock Exchange Limited - 532344

## h) Share Transfer Agent

M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 008, Telangana

Contact Persons: Mr. MVN Shastry, Mr. P. Srikrishna

Phone: 040 - 67161519, Emails: shastry.mvn@karvy.com, srikrishna.p@karvy.com.

## i) 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, 2016, 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.

## j) Dematerialization of shares and liquidity

Mode of Holding	Number of Shares	Percentage of holding
NSDL	16638693	98.91
CDSL	113840	0.68
Physical	69980	0.42
Total	16822513	100.00

Liquidity: The Company's Equity shares are traded on BSE Limited.

International Securities Identification Number: INE002B01016.

## k) Category wise Shareholding as at March 31, 2016

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters (Both Indian & Foreign)	6	11797920	70.13
Mutual Funds and UTI	0	Nil	Nil
Banks, Financial Institutions, Insurance Companies	0	Nil	Nil
FII's	0	Nil	Nil
Private Corporate Bodies	31	11120	0.07
Indian Public	1795	604109	3.59
Non-Resident Indians	7	2653994	15.78
Overseas Body Corporates	1	1755370	10.43
<b>Total</b>	<b>1840</b>	<b>16822513</b>	<b>100</b>

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

Name of the Shareholder	Number of shares held	Percentage
Promoters:		
Durga VLK Madala	9557408	56.81
Sambasiva Rao Madala	918400	5.46
Srinivasa Rao Madala	980691	5.83
Bhaskar Rao Madala	269766	1.60
Overseas Corporate Bodies		
Adalat Corporation	1755370	10.43
Non-Resident Indians		
Radha Krishna Ghanta (Trustee of AAM Trust)	1250000	7.43
Radha Krishna Ghanta (Trustee of SSM Trust)	1250000	7.43

## m) 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	Volume (number of Shares)	Month	BSE– High	BSE– Low	Volume (number of shares)
April 2015	56.70	41.50	13,240	October 2015	47.90	43.00	6,336
May 2015	53.50	41.50	7,245	November 2015	59.50	42.35	12,768
June 2015	53.50	40.95	9,615	December 2015	64.00	52.00	14,998
July 2015	52.90	39.15	8,757	January 2016	77.50	54.75	9,856
August 2015	46.90	41.55	5,061	February 2016	61.00	49.30	1,240
September 2015	48.00	44.45	2,806	March 2016	56.15	50.95	1,616

n) Distribution of Shareholding as at March 31, 2016.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	1619	87.99	2682900.00	1.59
5001 – 10000	134	7.28	1132010.00	0.67
10001 – 20000	45	2.45	680800.00	0.40
20001 – 30000	17	0.92	423450.00	0.25
30001 – 40000	2	0.11	72000.00	0.04
40001 – 50000	3	0.16	131320.00	0.08
50001 – 100000	3	0.16	164670.00	0.10
100001 & above	17	0.92	162937980.00	96.86
Total	1840	100.00	168225130.00	100.00

Compliance Officer: Mr. Baddam Laxman, Company Secretary  
 Plot No. 4, Software Units Layout, Madhapur, Hyderabad – 500 081  
 Telephone: + 91 (40) 30719500, Facsimile: + 91 (40) 30784306  
 E-mail: cs@softsol.com, Website: www.softsol.com

o) Details with respect to Demat Suspense Account/Unclaimed Share Certificate as per regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Not Applicable.

## 9. Disclosures:

### a) Details of Related Party Transactions:

SoftSol India Limited (SIL) holds 100% shareholding of SoftSol Resources Inc., USA (SRI) and hence SRI is a wholly owned subsidiary of SIL. The transactions details of the Company with the SRI as of 31.03.2016 are:

Details	Party Name	31-03-2016 (in Rs.)	31-03-2015 (in Rs.)
	SoftSol Resources Inc.	96,89,874	2,09,81,461
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 2015-16. But the Company has issued guarantees / securities to the Bank for the loans granted to the Subsidiary Company. 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.

b) There were no materially significant related party transactions (i.e. transactions of the Company of material nature), in potential conflict with interests of the Company at large. Transactions with related parties are disclosed in Notes to the Accounts in Annual Report.

c) There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter relating to Capital Market during last three years.

- d) During the year under review, the Vigil Mechanism and Whistle Blower Policy was adopted by the board of directors to provide a framework to promote responsible and secure reporting of undesirable activities. During the year there was no reporting of any undesirable activity by any person.
- e) The Company has complied with all the mandatory requirements as prescribed in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following discretionary requirements have been adopted by the Company:
  - 1) Auditor's Report does not contain any qualifications.
  - 2) The Company has appointed separate persons to the posts of Chairman and Whole time Director.
  - 3) The Internal Auditors report directly to the Audit Committee.
- f) Management Discussion and Analysis is annexed to the Directors' Report to shareholders and forms part of Annual Report.
- g) As per disclosures received from senior management personnel, they have not entered into any financial or commercial transactions which may have a potential conflict with interests of the Company at large.

**Prohibition of Insider Trading:**

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

**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.

**10. CEO/CFO Certification:**

The requisite certification from the Whole time Director and Chief Financial Officer required to be given under Regulation 17(8) of SEBI (LO&DR) Regulation, 2015 was placed before the Board of Directors of the Company.

**CEO & CFO Certification**  
**(As per Regulation 17(8) of SEBI (LO&DR) Regulation, 2015)**

To  
The Board of Directors of  
SoftSol India Limited  
Hyderabad.

We, Bhaskara Rao Madala, Whole time Director and Mr. Srinivas Mandava, Chief Financial Officer of SoftSol India Limited (the Company) to the best of our knowledge and belief certify that

- a) We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended March 31, 2016 and based on our knowledge and belief, we state that:
  - 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) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee
  - i. Significant changes, if any, in the internal controls over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having 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: 12-08-2016

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## 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 IT Industry

IT industry trade body Nasscom projected a 10-12 percent growth for the Indian software services industry for the fiscal year 2017, lagging the 12-14 percent growth forecast it had made for the current fiscal (FY16).

Nasscom pointed out that for FY16, the industry's export revenue grew by 12.3 percent to reach \$108 billion, touching the lower end of its earlier revenue projection. During the same period, domestic revenue grew by 10 percent.

According to Nasscom, the Indian IT-BPO industry is expected to reach \$143 billion in revenue (which includes exports and domestic business) by March 31. The latest revenue figures show that the sector has doubled its revenue over the last six years and crossed the \$100 billion milestone in export revenues. In addition, ecommerce contributed \$17 billion in revenue, boosting digital consumption.

The software services export revenue is expected to grow by 10-12 percent in FY17, touching revenue of \$119-121 billion, Nasscom said in a statement, adding that the IT-BPO industry added 2 lakh employees during the current fiscal, touching a total employee base of 3.7 million.

The IT services segment in India has fast evolved from being an application development and management to now a full service provider. The IT outsourcing market prospects in India are very strong and are driven by increased spends in Infrastructure Service Outsourcing (ISO), Software Testing, Custom Application Development and Management (CADM) and SPA / web service segments. With increased digitalization the CADM segment is fast growing driven by mobility, social, cloud and analytics.

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.

The Company has a positive outlook for the coming year and endeavors to achieve a steady business performance in the coming year. This is however, subject to risks and uncertainties given below.

#### **D. Risks and Concerns:**

It is difficult to pen-down the risks and uncertainties with certainty. They are not limited to risks and uncertainties regarding fluctuating earnings, interest rates, exchange rates, the Company's ability to manage growth intense competition in IT services including those factors which may affect our cost advantage, wage increase, earnings and exchange rate fluctuations, intense IT competition, Government policies, ability to attract and retain skilled professionals, time- cost over-runs on fixed price contracts, client concentration, ability to manage the international marketing and sales operations as well as the local operations, alterations of the government fiscal incentives, political instability, legal frame work and above all general economic conditions affecting the industry.

#### **E. Internal Control Systems and their adequacies**

The Company has professional and an adequate internal control system and procedure commensurate with the size of organization and nature of business. This provides adequate safeguards and effective monitoring of the transactions. All areas of the Company's operations are covered by such internal control systems.

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.

#### **F. Financial Performance of the company**

Your company had recorded consolidated revenues of Rs.5.86 crores and achieved net profit of Rs. 1.11 crores in the current year. We expect to achieve significant growth in revenue and net income in the coming year.

#### **G. Human Resources**

Human resource development is paramount in every organization. The management continues to lay emphasis on identifying and developing talent on organization with a view to retain them and impart further training to

those capable of handling additional responsibilities. This works to increase employee satisfaction within the organization, by providing employees with fresh challenges. Developing people and harnessing their ideas are of high priority for the Company.

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 encourage 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.

**Cautionary Statement:**

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

**CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE  
AS STIPULATED UNDER SEBI (LODR) REGULATIONS, 2015**

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, 2016 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited.
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

Place: Hyderabad  
Date: 12-08-2016

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

**Part “A”: Subsidiaries**

1	S. No.	01
2	Name of the Subsidiary	SOFTSOL RESOURCES INC, USA
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-12-2014
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	USD
5	Share capital	13120 Ordinary Shares of USD 100 each
6	Reserves & surplus	USD 13,50,309
7	Total assets	USD 37,70,554
8	Total Liabilities	USD 37,70,554
9	Investments	0
10	Turnover	USD 86,63,314
11	Profit before taxation	USD 44,363
12	Provision for taxation	USD 19,303
13	Profit after taxation	USD 25,060
14	Proposed Dividend	0
15	% of shareholding	100%

- Names of subsidiaries which are yet to commence operation: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

**SECRETARIAL AUDIT REPORT****Form No. MR-3**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31-03-2016

The Members,  
SoftSol India Limited  
(CIN: L72200TG1990PLC011771)  
Plot No. 4, Software Units Layout, Madhapur  
Hyderabad - 500 081, Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SoftSol India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the SoftSol India Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31-03-2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2016 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable during the audit period);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable during the audit period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during the audit period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the audit period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable during the audit period);
  - i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- 6) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- 7) Minimum Wages Act, 1948
- 8) Payment of Bonus Act, 1965
- 9) Payment of Gratuity Act, 1972
- 10) Payment of Wages Act, 1936 and other applicable labour laws
- 11) Negotiable Instruments Act, 1881
- 12) Income Tax Act, 1961
- 13) Chapter V of the Finance Act 1994 (Service Tax)
- 14) Professional Tax Act, 1975
- 15) Andhra Pradesh Shops and Establishments Act, 1988
- 16) Other laws generally applicable to the company.

**I have also examined compliance with the applicable clauses of the following:**

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited (SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- a) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- b) Redemption / buy-back of securities
- c) Merger / amalgamation / reconstruction, etc.
- d) Foreign technical collaborations

For VBM Rao & Associates  
Company Secretaries

**M. Vijaya Bhaskara Rao**  
Company Secretary in Practice  
FCS No. 6273, CP No. 5237

Place: Hyderabad  
Date: 30-05-2016

The Members,  
SoftSol India Limited  
(CIN: L72200TG1990PLC011771)  
Plot No. 4, Software Units Layout, Madhapur  
Hyderabad - 500 081, Telangana

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the Company.

For VBM Rao & Associates  
Company Secretaries

**M. Vijaya Bhaskara Rao**  
Company Secretary in Practice  
FCS No. 6273, CP No. 5237

Place: Hyderabad  
Date: 30-05-2016

**EXTRACT OF ANNUAL RETURN FORM NO. MGT-9**

As on the financial year ended on 31/03/2015

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

A	CIN	L72200TG1990PLC011771
B	Registration Date	20th September 1990
C	Name of the Company	SOFTSOL INDIA LIMITED
D	Category/Sub-Category of the Company	Indian Non-Government Company
E	Address of the Registered office and contact details	Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081, Telangana Compliance Officer : Mr. Baddam Laxman, Company Secretary, Tel: +91 (40) 30719500 Facsimile: +91 (40) 30784306 Email: cs@softsol.com, Website: www.softsolindia.com
F	Whether listed company Yes/No	Yes, Listed with BSE Limited
G	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500008, Telangana Contact Persons: Mr. MVN Shastry, Mr. P. Srikrishna Phone: 040 - 67161519, Emails: shastry.mvn@karvy.com, srikrishna.p@karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Computer programming, consultancy and related activities	62-620	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held held	Applicable Section
1.	SOFTSOL RESOURCES INC 46755, Fremont Blvd, Fremont, California – 94538, USA	Not applicable	SUBSIDIARY	100	2(87)



**IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% of Change during the year
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	1234521	0	1234521	7.34	1234521	0	1234521	7.34	0
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>1234521</b>	<b>0</b>	<b>1234521</b>	<b>7.34</b>	<b>1234521</b>	<b>0</b>	<b>1234521</b>	<b>7.34</b>	<b>0</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	10422708	0	10422708	61.96	10563399	0	10563399	62.79	0.83
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>10422708</b>	<b>0</b>	<b>10422708</b>	<b>61.96</b>	<b>10563399</b>	<b>0</b>	<b>10563399</b>	<b>62.79</b>	<b>0.83</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>11657229</b>	<b>0</b>	<b>11657229</b>	<b>69.30</b>	<b>11797920</b>	<b>0</b>	<b>11797920</b>	<b>70.13</b>	<b>0.83</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% of Change during the year
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
<b>(1) Non- Institutions</b>									
(a) Bodies Corp									
i. Indian	24306	0	24306	0.14	24306	0	11120	0.07	-0.07
ii. Overseas									
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	439655	71526	511181	3.04	488066	70526	558592	3.32	+0.28
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	79692	0	79692	0.47	45717	0	45717	0.27	-0.20
<b>(C) Others (Specify)</b>									
NRI's	2653990	54	2654044	15.78	2653940	54	2653994	15.78	0
Foreign Bodies	1755370	0	1755370	10.43	1755370	0	1755370	10.43	0
OCB 0	140691	140691	0.84	0	0	0	0	0	-0.83
Clearing Members	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2)</b>	<b>4953013</b>	<b>212271</b>	<b>5165284</b>	<b>30.70</b>	<b>4967399</b>	<b>70580</b>	<b>5024593</b>	<b>29.87</b>	<b>-0.83</b>
<b>Total Public Shareholding = (B) (1) + (B) (2)</b>	<b>4953013</b>	<b>212271</b>	<b>5165284</b>	<b>30.70</b>	<b>4967399</b>	<b>70580</b>	<b>5024593</b>	<b>29.87</b>	<b>0.083</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>16610242</b>	<b>212271</b>	<b>16822513</b>	<b>100</b>	<b>16751933</b>	<b>70580</b>	<b>16822513</b>	<b>100</b>	<b>0</b>

## (ii) Shareholding of Promoters:

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SOFTSOL TECHNOLOGIES INC	8875444	52.76	0	0	0	0	-52.76
2	SAMBASIVARAO MADALA	904715	5.38	0	904715	5.38	0	Nil
3	DURGA V L K MADALA	681964	4.05	0	9557408	56.81	0	52.76
4	M BHASKARA RAO	249966	1.49	0	249966	1.49	0	Nil
5	M SRIDEVI	46355	0.28	0	46355	0.28	0	Nil
6	RAJA RAO BOYAPATI	25300	0.15	0	25300	0.15	0	Nil
7	B ANURADHA	19800	0.12	0	0	0	0	-0.15
8	VIJAYA LAKSHMI K	13685	0.08	0	0	0	0	-0.12
9	MADALA SRINIVASA RAO	840000	4.99	0	980691	5.83	0	0.84
	<b>Total</b>	<b>11657229</b>	<b>69.30</b>	<b>0</b>	<b>11797920</b>	<b>70.13</b>	<b>0</b>	<b>0.84</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change): Mr. Srinivasa Rao Madala

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	840000	5%	840000	5%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Transfer of Shares on 20-11-2015 (Promoter acquired 140691 Shares)	-	-	-
	At the End of the year	-	-	980691	5.83%

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Adalat Corporation</b>				
	At the End of the year	1755370	10.43		
	Changes during the year	0	0		
	At the End of the year	1755370	10.43		
<b>2.</b>	<b>AAM Trust</b>				
	At the beginning of the year	1250000	7.43		
	Changes during the year	0	0		
	At the End of the year	1250000	7.43		
<b>3.</b>	<b>SSM Trust</b>				
	At the beginning of the year	1250000	7.43		
	Changes during the year	0	0		
	At the End of the year	1250000	7.43		
<b>4.</b>	<b>National Heritage Foundation</b>				
	At the beginning of the year	140691	0.84	0	
	Changes during the year	0	0	Shares Transferred 20-11-2015	
	At the End of the year	140691	0.84	0	
<b>5.</b>	<b>B. Prameela</b>				
	At the beginning of the year	95369	0.57		
	Changes during the year	0	0		
	At the End of the year	95369	0.57		
<b>6.</b>	<b>N. Chandrashekar Murthy</b>				
	At the beginning of the year	58121	0.35		
	Changes during the year	0	0		
	At the End of the year	58121	0.35		
<b>7.</b>	<b>Ramesh Premchand Mehta</b>				
	At the beginning of the year	25000	0.15		
	Changes during the year	0	0		
	At the End of the year	25000	0.15		
<b>8.</b>	<b>Dr. K. Vasundhara</b>				
	At the beginning of the year	20000	0.12		
	Changes during the year	0	0		
	At the End of the year	20000	0.12		
<b>9.</b>	<b>D. Venkateshwar Rao</b>				
	At the beginning of the year	13391	0.08		
	Changes during the year	0	0		
	At the End of the year	13391	0.08		
<b>10.</b>	<b>Vatsala Gandhi</b>				
	At the beginning of the year	10770	0.06		
	Changes during the year	0	0		
	At the End of the year	10770	0.06		

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1089966	6.49%	140691	0.84%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Transfer of Shares on 20-11-2015 (Promoter acquired 840000 Shares)	-	-	-
	At the End of the year	-	-	1230657	7.33%

**V. INDEBTEDNESS:****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Bhaskara Rao Madala	-	-	-	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,17,600	-	-	-	13,17,600
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
<b>Total (A)</b>		<b>13,17,600</b>		-	-	-
<b>Ceiling as per the Act</b>		<b>60,00,000</b>		-	-	-

**B. Remuneration to other Directors:**

S. No	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. T. H. Chowdhary	Mr. B. S. Srinivasan	Mr. P. Venkatramaiah	Mrs. Neelima Thota	
3.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	40,000	40,000	30,000	40,000	150,000
<b>Total (1)</b>						
4.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0	0	0	0	0
<b>Total (2)</b>		<b>40,000</b>	<b>40,000</b>	<b>30,000</b>	<b>40,000</b>	<b>150,000</b>
<b>Total (B) = (1)+(2)</b>						<b>14,67,600</b>
<b>Total Managerial Remuneration</b>						<b>14,07,600</b>
<b>Overall Ceiling as per the Act</b>						<b>61,50,000</b>

**C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:**

		Key Managerial Personnel			
S. No	Particulars of Remuneration	CEO	CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	615000	1485000	2100000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
<b>Total (A)</b>		-	<b>615000</b>	<b>1485000</b>	<b>2100000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief Description	Details of Penalty Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## Independent Auditor's Report

TO THE MEMBERS OF  
SOFTSOL INDIA LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SOFTSOL INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section-143 of the Act, we give in the Annexure – A a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has no any pending litigations which would impact its financial position.
    - ii) The Company has no long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For J V S L & ASSOCIATES  
Chartered Accountants  
(Firm Regn No.015002S)

Place: Hyderabad  
Date: 30-05-2016

J VENKATESWARLU  
Partner  
ICAI Ms. No. 022481

**Annexure – A to Independent Auditors’ Report dated 30.05.2016  
issued to the Members of SOFTSOL INDIA LIMITED**

**Statement on the matters specified in Paragraphs 3 and 4 of the Companies  
(Auditor’s Report) Order, 2016**

- 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. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties of the Company are held in the name of the company.
- ii) The company has not acquired / handled / dealt in / held any inventory. Hence, Clause (ii) of paragraph 3 of the order is not applicable to the company for the year under report.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained U/s.189 of the Companies Act, 2013. Hence, our comments on sub-clauses (a),(b) and (c) of clause (iii) of paragraph 3 of the order are Nil.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans during the year under audit. In respect of investments made, guarantees given and security provided, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder is not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against this company in any matter relating to the deposits
- (vi) According to the information and explanations furnished to us, the Central Government has not prescribed maintenance of cost records U/s.148(1)(d) of the Companies Act, 2013 to this company.
- vii) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, employees’ state insurance, income tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues as applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of the above statutory dues are in arrears as at 31/03/2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales tax, Duty of Customs, Duty of Excise, Value added tax which have not been deposited on account of any dispute. However, according to the information and explanations given to us, the following Service tax amounts have not been deposited on account of disputes:

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	CESTAT, Bangalore	2,23,544/-

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank and Government. The company has not issued debentures.
- (ix) During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company has not availed any Term loans.
- (x) During the year under review, no fraud by the company or on the Company by its officers or employees has been noticed or reported.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and hence our comments on clause (xii) of para 3 of the order are nil.
- (xiii) As per the information and explanations given to us and based on our audit, in our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) During the year under review, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, compliance with the provisions of Section 42 of the Companies Act, 2013 is not applicable.
- (xv) As per the information and explanations given to us and based on our audit, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, compliance with provisions of Section 192 of Companies Act, 2013 is not applicable.
- (xvi) As per the information and explanations given to us and based on our audit, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For J V S L & ASSOCIATES  
Chartered Accountants  
(Firm Regn No. 15002S)

Place: Hyderabad  
Date: 30-05-2016

J. VENKATESWARLU  
Partner  
ICAI Ms. No. 022481

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**Annexure - B to Independent Auditors' Report dated 30.05.2016  
issued to the Members of SOFTSOL INDIA LIMITED**

**Report on the Internal Financial Controls over Financial Reporting in terms of  
Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the Internal Financial Controls over financial reporting of SOFTSOL INDIA LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**1. Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining Internal Financial Controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**2. Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**3. Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **4. Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **5. Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J V S L & ASSOCIATES  
Chartered Accountants  
(Firm Regn No. 15002S)

Place: Hyderabad  
Date: 30-05-2016

J. VENKATESWARLU  
Partner  
ICAI Ms. No. 022481

**BALANCE SHEET AS AT 31 MARCH 2016**

Particulars	Note No	As at 31-03-2016		As at 31-03-2015	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	01	172,365,240		172,365,240	
(b) Reserves and surplus	02	<u>1,646,603,127</u>		<u>1,661,434,984</u>	
			<b>1,818,968,367</b>		<b>1,833,800,224</b>
<b>(2) Non-current liabilities</b>					
(a) Other Long term liabilities	03	36,390,125		33,747,224	
(b) Long-term provisions	04	<u>2,266,730</u>		<u>2,323,019</u>	
			<b>38,656,855</b>		<b>36,070,243</b>
<b>(3) Current liabilities</b>					
(a) Trade Payables	05	2,880,248		2,880,248	
(b) Other current liabilities	06	5,424,971		7,785,967	
(c) Short term Provisions	07	<u>796,241</u>		<u>729,330</u>	
			<b>9,101,460</b>		<b>11,395,545</b>
<b>Total</b>			<b><u>1,866,726,682</u></b>		<b><u>1,881,266,012</u></b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	08				
(i) Tangible assets		308,978,171		340,158,130	
(ii) Intangible assets		11,188		50,014	
(b) Non-current investments	09	1,182,384,053		1,139,538,105	
(c) Long-term loans and advances	10	27,891,995		17,806,312	
(d) Other non-current assets	11	<u>1,405,872</u>		<u>1,405,872</u>	
			<b>1,520,671,279</b>		<b>1,498,958,433</b>
<b>(2) Current assets</b>					
(a) Current Investments	12	289,270,172		298,256,344	
(b) Trade receivables	13	24,008,707		45,306,101	
(c) Cash and Bank Balances	14	15,487,727		17,480,517	
(d) Short-term loans and advances	15	3,206,552		10,506,625	
(e) Other current assets	16	<u>14,082,245</u>		<u>10,757,992</u>	
			<b>346,055,403</b>		<b>382,307,579</b>
<b>Total</b>			<b><u>1,866,726,682</u></b>		<b><u>1,881,266,012</u></b>

Significant accounting policies and notes on financial statements

22

Per our report of even date  
for J V S L & Associates  
Chartered Accountants  
(Firm Regn.No:015002S)

For and on behalf of Board of Directors

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholetime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

Particulars	Note No	Year ended 31-03-2016 ₹	Year ended 31-03-2015 ₹
<b>INCOME</b>			
Revenue from operations	17	36,768,992	49,841,013
Other income	18	107,531,103	102,911,353
<b>Total Revenue</b>		<b>144,300,095</b>	<b>152,752,366</b>
<b>EXPENSES</b>			
Employee benefits expense	19	55,136,116	59,009,012
Finance costs	20	2,836,171	-
Depreciation and amortization expense	08	33,612,690	45,854,084
Other expenses	21	41,955,024	31,203,713
<b>Total expenses</b>		<b>133,540,001</b>	<b>136,066,809</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>10,760,094</b>	<b>16,685,557</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>10,760,094</b>	<b>16,685,557</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>10,760,094</b>	<b>16,685,557</b>
<b>Tax expense:</b>			
Current Tax		2,200,000	3,400,000
Prior Period Taxes		(904,667)	1,157,323
<b>Profit after tax for the year</b>		<b>9,464,761</b>	<b>12,128,234</b>
<b>Earnings per equity share</b>			
Basic		0.56	0.72
Diluted		0.56	0.72

Significant accounting policies and notes on financial statements

22

Per our report of even date  
for J V S L & Associates  
Chartered Accountants  
(Firm Regn.No:015002S)

For and on behalf of Board of Directors

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholetime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31-03-2016 ₹	Year ended 31-03-2015 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax and Extraordinary Items	10,760,094	16,685,557
<b>Adjustments for :</b>		
Depreciation	33,612,690	45,854,084
Interest (Net )	(815,776)	(7,600,145)
Provision for Leave Encashment	20,788	(7,052)
Provision for Gratuity	(10,167)	(1,146,665)
Gain on redemption of units of Mutual Funds	(13,111,626)	(8,580,763)
Excess Provision/Credit Balnces Written back	(17,078)	(86,650)
Dividend Received	-	(134,052)
<b>Operating Profit before Working Capital changes</b>	<b>30,438,925</b>	<b>44,984,314</b>
<b>Adjustments for Working Capital:</b>		
Increase/(Decrease) in trade payables	-	(25,243,756)
Increase/(Decrease) in other current liabilities	(2,343,918)	6,993,476
Increase/(Decrease) in shortterm provisions	1,30,219	1,289,218
Increase/(Decrease) in other long term liabilities	2,642,901	726,636
(Increase)/Decrease in long term provisions	(130,218)	1,018,216
(Increase)/Decrease in trade receivables	21,297,394	(125,450)
(Increase)/Decrease in Shortterm loans and advances	7,300,073	(7,917,757)
(Increase)/Decrease in other current assets	(3,324,253)	417,761
(Increase)/Decrease in Loans and advances	(1,226,131)	(571,615)
Increase/Decrease in Other non-current assets	-	255,460
<b>Net Cash generated from operations</b>	<b>54,784,992</b>	<b>21,826,503</b>
Direct Taxes Paid	(10,154,888)	(4,557,323)
<b>Net Cash from operating activities(A)</b>	<b>44,630,104</b>	<b>17,269,180</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest received	815,776	23,634,381
Purchase of Fixed Assets	(2,393,902)	(2,658,294)
Purchase of Investments	(154,879,776)	(402,804,784)
Sale of Investments	121,020,000	118,917,250
Gain on redemption of units of Mutual Funds	13,111,626	8,580,763
Dividend paid	(20,187,016)	-
Dividend Tax paid	(4,109,602)	-
Dividend Received	-	134,052
<b>Net Cash flow from Investing Activities(B)</b>	<b>(46,622,894)</b>	<b>(254,196,632)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,992,790)</b>	<b>(236,927,452)</b>
Cash and cash Equivalants as at beginning of the year	17,480,517	254,407,969
<b>Cash and cash Equivalants as at end of the year</b>	<b>15,487,727</b>	<b>17,480,517</b>

Per our report of even date  
for J V S L & Associates  
Chartered Accountants  
(Firm Regn.No:015002S)

For and on behalf of Board of Directors

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholtime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer



Particulars	As at 31-03-2016		As at 31-03-2015	
	Number of shares	₹	Number of shares	₹
<b>1.Share Capital</b>				
<b>Authorised:</b>				
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	16,822,513	168,225,130
<b>ADD:</b>				
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
<b>Closing Balance</b>	<b>17,650,535</b>	<b>172,365,240</b>	<b>17,650,535</b>	<b>172,365,240</b>

### a. Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31-03-2016		As at 31-03-2015	
	Number of Shares held	% to paid up capital	Number of Shares held	% to paid up capital
Durga VLK Madala	9,557,408	56.81%	-	-
Softsol Technologies Inc.	-	-	8,875,444	52.76%
Sambasiva Rao Madala	918,400	5.46%	904,715	5.38%
Srinivasa Rao Madala	980,691	5.83%	840,000	4.99%
Adalat Corporation	1,755,370	10.43%	1,755,370	10.43%
Radhakrishna Ghanta (Trustee of AAM Trust)	1,250,000	7.43%	1,250,000	7.43%
Radhakrishna Ghanta (Trustee of SSM Trust)	1,250,000	7.43%	1,250,000	7.43%
<b>Total</b>	<b>15,711,869</b>	<b>93.39%</b>	<b>14,875,529</b>	<b>88.42%</b>

### b. Reconciliation of Number of Shares of fully paid-up:

	As at 31-03-2016		As at 31-03-2015	
	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	16,822,513	168,225,130
<b>Shares outstanding at the end of the year</b>	<b>16,822,513</b>	<b>168,225,130</b>	<b>16,822,513</b>	<b>168,225,130</b>

### (c) Calls unpaid on equity shares:

Particulars	As at 31-03-2016		As at 31-03-2015	
	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
<b>Total</b>	<b>28,200</b>	<b>141,000</b>	<b>28,200</b>	<b>141,000</b>

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

Particulars	As at 31-03-2016		As at 31-03-2015	
	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
<b>Total</b>	<b>799,822</b>	<b>3,999,110</b>	<b>799,822</b>	<b>3,999,110</b>

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>2. Reserves and Surplus</b>		
<b>(a) Capital Redemption Reserve</b>		
Balance as per last Balance sheet	18,050,950	18,050,950
<b>Closing Balance(a)</b>	<b>18,050,950</b>	<b>18,050,950</b>
<b>(b) Securities Premium Reserve</b>		
Balance as per last Balance sheet	670,113,578	670,113,578
<b>Closing Balance(b)</b>	<b>670,113,578</b>	<b>670,113,578</b>
<b>(c) General Reserve</b>		
Balance as per last Balance sheet	69,690,129	69,690,129
<b>Closing Balance(c)</b>	<b>69,690,129</b>	<b>69,690,129</b>
<b>(d) Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance sheet	903,580,327	897,787,533
Add: Profit for the year	9,464,761	12,128,234
Less: Depreciation on assets whose useful life is expired	-	6,335,440
: Interim dividend	20,187,016	-
: Tax on Interim dividend	4,109,602	-
Closing Balance(d)	888,748,470	903,580,327
<b>Total (a+b+c+d)</b>	<b>1,646,603,127</b>	<b>1,661,434,984</b>
<b>3. Other Long Term Liabilities</b>		
Deposits	35,162,426	33,718,844
Liabilities for Capital Goods	1,227,699	28,380
<b>Total</b>	<b>36,390,125</b>	<b>33,747,224</b>
<b>4. Long-term provisions</b>		
<b>Provision for Employee benefits:</b>		
Gratuity	2,086,830	2,164,841
Leave Encashment	179,900	158,178
<b>Total</b>	<b>2,266,730</b>	<b>2,323,019</b>

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>5. Trade Payables</b>		
<b>Trade Payables-Unsecured</b>		
(a) Due to Micro, Small and Medium enterprises (Refer sub-note(i) below)	-	-
(b) Others	2,880,248	2,880,248
<b>Total</b>	<b>2,880,248</b>	<b>2,880,248</b>

(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	4,889,981	4,646,117
Liabilities for other Finance	464,937	639,850
Unclaimed Dividend	70,053	-
Amount received against claims receivable	-	2,500,000
<b>Total</b>	<b>5,424,971</b>	<b>7,785,967</b>

**7. Short-term provisions****Provision for employee benefits:**

Gratuity	758,652	690,808
Leave Encashment	37,589	38,522
<b>Total</b>	<b>796,241</b>	<b>729,330</b>

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>9. Non-current investments</b>		
<b>Other Investments - (Trade - Unquoted)</b>		
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
<b>Investments in Mutual Funds- (Non trade-quoted)</b>		
Axis Mutual Fund (Previous year 6760746 Units of Rs.10/- Each)	-	67,607,460
Reliance Mutual Fund (Previous year 50,02,659.15 Units of Rs.10/- Each)	-	50,026,592
L & T Mutual Fund -3755424.24 Units of Rs.13.98 Each	52,500,000	-
ICICI Prudential Mutual Fund 9406568.29 Units of Rs.16.90 Each(Previous year 3034142.60 Units of Rs.20.59 each)	159,000,000	62,500,000
Blume Ventures Fund 1 & IA-1748 Units of Rs10,000/- Each( Previous year 600 Units of Rs.10,000/- each)	17,480,000	6,000,000
<b>Total</b>	<b>1,182,384,053</b>	<b>1,139,538,105</b>
Aggregate amount of Unquoted investments	953,404,053	953,404,053
Aggregate amount market value of quoted investments	253,401,806	199,504,920
Aggregate provision for diminution in value of investments	-	-
<b>10. Long-term loans and advances</b>		
<b>Unsecured, Considered Good</b>		
Capital Advances	287,360	-
Earnest Money Deposits	510,000	10,000
Security Deposits	5,248,886	4,810,115
Advance Income Tax(net of provisions)	21,845,749	12,986,197
<b>Total</b>	<b>27,891,995</b>	<b>17,806,312</b>
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.	Nil	Nil
<b>11. Other Non-Current Assets</b>		
<b>Bank Balances</b>		
Fixed Deposits with Banks held as margin money for Bank Guarantees-maturity of more than 12 months	1,405,872	1,405,872
<b>Total</b>	<b>1,405,872</b>	<b>1,405,872</b>

**8. FIXED ASSETS**

Sl. No	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2015 ₹	Additions ₹	As at 31.03.2016 ₹	As at 31.03.2015 ₹	For the year ₹	On Assets Whose Useful Life is expired ₹	TOTAL AS AT 31.03.2016 ₹	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>A</b>	<b>TANGIBLE ASSETS:</b>									
1	Land :									
	Own	13,918,307	-	13,918,307	-	-	-	-	13,918,307	13,918,307
	Leasehold (see note no.22.9.2)	5,540,142	-	5,540,142	391,728	56,000	447,728	447,728	5,092,414	5,148,414
2	Building	355,763,121	-	355,763,121	94,321,070	14,020,253	108,341,323	108,341,323	247,421,798	261,442,051
3	Plant & Equipment									
	a) Computers	31,038,592	-	31,038,592	30,781,847	162,977	30,944,824	30,944,824	93,768	256,745
	b) Others	138,676,754	454,848	139,131,602	97,069,984	11,385,354	108,455,338	108,455,338	30,676,264	41,606,770
4	Furniture & Fixtures	71,828,583	1,924,554	73,753,137	55,420,043	7,322,231	62,742,274	62,742,274	11,010,863	16,408,540
5	Office Equipment	11,968,042	14,500	11,982,542	11,541,141	125,231	11,666,371	11,666,371	316,170	426,900
6	Vehicles	9,664,368	-	9,664,368	8,713,966	501,817	9,215,782	9,215,782	448,588	950,402
7	Library Books	18,592	-	18,592	18,592	-	18,592	18,592	-	-
	<b>TOTAL-A</b>	<b>638,416,501</b>	<b>2,393,902</b>	<b>640,810,403</b>	<b>298,258,371</b>	<b>33,573,863</b>	<b>331,832,233</b>	<b>331,832,233</b>	<b>308,978,171</b>	<b>340,158,129</b>
	<b>PREVIOUS YEAR</b>	<b>583,604,440</b>	<b>54,812,061</b>	<b>638,416,501</b>	<b>246,420,774</b>	<b>45,680,446</b>	<b>298,258,371</b>	<b>298,258,371</b>	<b>340,158,129</b>	<b>337,183,666</b>
<b>B</b>	<b>INTANGIBLE ASSETS:</b>									
1	Computer Software	3,109,217	-	3,109,217	3,059,203	38,827	3,098,030	3,098,030	11,187	50,014
	<b>TOTAL-B</b>	<b>3,109,217</b>	<b>-</b>	<b>3,109,217</b>	<b>3,059,203</b>	<b>38,827</b>	<b>3,098,030</b>	<b>3,098,030</b>	<b>11,187</b>	<b>50,014</b>
	<b>PREVIOUS YEAR</b>	<b>3,109,217</b>	<b>-</b>	<b>3,109,217</b>	<b>2,707,274</b>	<b>173,638</b>	<b>3,059,203</b>	<b>3,059,203</b>	<b>50,014</b>	<b>401,943</b>

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>12. Current Investments</b>		
<b>Current Investments - (Quoted)</b>		
<b>Investments in Mutual Funds: (Non trade - quoted)</b>		
Axis Mutual Fund -6760746 Units of Rs.10/- Each (Previous year 52,50,000 units of Rs.10/- each)	67,607,460	52,500,000
Reliance Mutual Fund -5002659.15 Units of Rs.10/- Each ( Previous year 5,50,000 Units of Rs.10/- each)	50,026,592	5,500,000
TATA Mutual Funds(Previous year 6,00,286 Units of Rs.10/- each ) L & T Mutual Fund -6893935.81 Units of Rs.15.62 Each (Previous year Units of 1,03,91,584.81 Units of Rs.12.51 each)	-	6,002,862
Kotak Mutual Fund-4295025.99 Units of Rs.10.76 Each ( Previous year 35,99,250.62 Units of Rs.11.11 each)	107,682,172	130,000,000
ICICI Prudential Mutual Fund -1168287.65 Units of Rs.15.63 Each ( Previous year 46,11,533.26 Units of Rs.13.93 each)	46,200,467	40,000,000
(Out of the above units 40,82,877 of ICICI Prudential Mutual Fund and units 37,55,424 of L & T Mutual Fund agregating to Rs.10,90,00,000/- under lien to Citi bank agianst Bank Guarantee for arrangement of Loan to M/s Softsol Resources Inc.( Subsidiary)	17,753,482	64,253,482
<b>Total</b>	<b>289,270,172</b>	<b>298,256,344</b>
Aggregate amount market value of quoted investments	330,811,520	3,205,852,515
Aggregate amount of unquoted investments	-	-
Aggregate provision for diminution in value of investments	-	-
<b>13. Trade Receivables</b>		
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	4,656,133	15,540,621
Others	19,352,574	29,765,480
<b>Total</b>	<b>24,008,707</b>	<b>45,306,101</b>
<b>14. Cash and Bank Balances</b>		
<b>(a) Cash and Cash Eauivalents</b>		
I. Cash on hand	74,161	26,931
II. Balance with scheduled banks in India		
(i) In Current Accounts	14,418,513	5,054,366
(ii) In Fixed Deposits maturing less than twelve months	-	11,143,760
<b>(b) Other Bank Balance</b>		
(i) In unpaid dividend accounts	70,053	-
(ii) In Fixed Deposits with Banks held as margin money for Bank Guarantees-maturity of less than 12 months	925,000	1,255,460
<b>Total</b>	<b>15,487,727</b>	<b>17,480,517</b>

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>15. Short-term loans and advances</b>		
<b>Unsecured, Considered Good</b>		
Advance for Expenses	85,711	6,589,241
Prepaid Expenses	431,519	2,467,253
Advance for Capital Goods	1,329,452	270,182
Balance with Central Government Departments-CENVAT input credit	1,359,870	1,179,949
<b>Total</b>	<b>3,206,552</b>	<b>10,506,625</b>
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.	Nil	Nil
<b>16. Other current assets</b>		
Rent Receivable	13,547,501	8,667,613
Interest Accrued on Deposits	534,744	2,090,379
<b>Total</b>	<b>14,082,245</b>	<b>10,757,992</b>
Particulars	Year ended 31-03-2016 ₹	Year ended 31-03-2015 ₹
<b>17. Revenue from operations</b>		
Sale of Software Products/Services:		
Exports	19,849,735	44,490,556
Domestic:		
Services	16,919,257	5,350,457
<b>Total</b>	<b>36,768,992</b>	<b>49,841,013</b>
<b>18. Other Income</b>		
Interest on Deposits	295,328	6,577,855
Interest on IT refund	520,448	1,022,290
Rent for premises	91,383,993	85,751,779
Dividend on Mutual Funds	-	134,052
Excess Provisions written back	17,078	86,650
Gain on redemption of Mutual funds	13,111,626	8,580,763
Foreign exchange Fluctuation gain	2,157,918	607,964
Miscellaneous Receipts	44,712	150,000
<b>Total</b>	<b>107,531,103</b>	<b>102,911,353</b>

Particulars	Year ended 31-03-2016 ₹	Year ended 31-03-2015 ₹
<b>19. Employee Benefits</b>		
Salaries and Wages	51,754,255	54,341,427
Contribution to provident and other funds	2,228,624	2,804,888
Staff welfare expenses	1,153,237	1,862,697
<b>Total</b>	<b>55,136,116</b>	<b>59,009,012</b>
<b>20. Finance Costs</b>		
Loan Processing Charges	2,836,171	-
<b>Total</b>	<b>2,836,171</b>	<b>-</b>
<b>21. Other Expenses</b>		
Power and fuel	5,687,007	5,812,011
Repairs to : Buildings	8,200,428	1,906,741
: Machinery	7,198,372	5,162,526
: Others	2,616,749	1,414,860
Insurance	690,349	513,449
Rates and taxes	3,222,014	3,719,853
Payments to Auditor for: as auditor	113,965	84,270
: for taxation matters	148,350	46,068
: for other services	34,350	-
Legal and Professional Charges	4,759,213	1,802,981
Director's Sitting Fee	170,544	123,596
Internet & Communication Expenses	1,781,974	1,616,756
Fees and Subscriptions	333,236	192,276
Travelling Expenses	1,966,312	2,141,051
Staff training & Recruitment Charges	-	695,739
Advertisement Charges	71,635	53,054
Commission	147,146	171,090
STPI Charges	197,220	70,787
Printing & Stationery	230,082	304,265
Security Service Charges	2,380,179	2,127,387
Miscellaneous expenses	2,005,899	3,244,953
<b>Total</b>	<b>41,955,024</b>	<b>31,203,713</b>



**21. SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS****22.1 Significant Accounting Policies – (AS-1):****A. Basis of Preparation of Financial Statements :**

Financial statements have been prepared and presented under historical cost convention in accordance with the accounting principles generally accepted in India (GAAP). GAAP comprises the mandatory accounting standards as specified U/s 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) rules 2014 and other applicable provisions of the Act. All incomes and expenditures, having a material bearing on the financial statements, are recognized on an accrual basis.

**B. Use of Estimates:**

The preparation of financial statements in conformity with the GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of incomes and expenses during the reporting year. Such estimates include, estimate of useful life of fixed assets, provision for doubtful debts etc. Actual results could differ from those estimates. Changes in estimates are reflected in financial statements in the year in which changes are made and, if material, their effects are disclosed in the financial statements.

**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) Fixed assets are carried at cost of construction or acquisition less accumulated depreciation. Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Assets under installation or under construction as at the Balance sheet date are shown as Capital work-in-progress. Advances paid towards acquisition of assets are included under Capital Advances.

Fixed assets which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon is charged to Statement of Profit & Loss.

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

**E. Depreciation:**

- i) Depreciation on Tangible assets is provided under Written down value method over the useful lives of assets estimated by the management. Depreciation on additions/deletions during a period is charged on prorata basis from the date of addition or deletion, as the case may be.
- ii) The Management estimated the useful life of fixed assets as follows.

Buildings	60 Years
Plant and Machinery	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture and Fixtures	10 Years
Vehicles - Motor cars	8 Years

- iii) Intangible assets are amortized over their estimated useful life of asset.
- iv) 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 Statement of 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.

**22.2. 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	8,01,431	11,77,763	53,279	(64,417)
Interest Cost on benefit obligation	2,04,813	1,57,226	15,343	25,420
Net Actuarial (Gain)/Loss Recognized in the year	(5,56,724)	(1,88,324)	(47,854)	(40,601)
Past Service Cost	NIL	NIL	NIL	NIL
Expenses recognized in Statement of Profit & Loss	4,49,250	11,46,665	20,768	(79,598)

**b. Balance Sheet**

Particulars	Gratuity		Leave Encashment	
	As at Mar 31, 2016	As at Mar 31, 2015	As at Mar 31, 2016	As at Mar 31, 2015
	₹	₹	₹	₹
Opening defined benefit obligation	28,55,649	17,08,984	1,96,700	2,76,298
Interest Cost	2,04,813	1,57,226	15,343	25,420
Current service cost	8,01,431	11,77,763	53,279	(64,417)
Benefits paid	(4,59,687)	-	-	-
Actuarial (Gain)/Loss on obligation	(5,56,724)	(1,88,324)	(47,854)	(40,581)
Closing defined benefit obligation	28,45,482	28,55,649	2,17,468	1,96,700

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	7.80 %	7.80 %
Employee turnover	NIL	NIL
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.

### 22.3. 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.

### 22.4. 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<br>Sri.Madala Bhaskara Rao, WTD<br>Sri. Mandava Srinivas, CFO<br>Sri . B.Laxman, Company Secretary |
| ii) Subsidiary Comapnay     | SoftSol Resources Inc., USA  |
| iii) Holding Company        | SoftSol Technologies Inc., USA (upto 21-09-2015)   |

**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

	<b>Key Management Personnel</b> ₹	<b>Holding/ Subsidiaries</b> ₹
Remuneration to Key Management Personnel (Incl. PF Contribution) (Previous year)	28,21,200 (23,67,600)	--- ---
Sales to Holding Company (Previous year)	---	1,01,59,861 (2,35,09,095)
Trade receivables from Holding Company (Previous year)	---	70,24,654 (2,34,71,550)
Sales to subsidiary company (Previous year)	---	96,89,874 (2,09,81,461)
Trade receivables from subsidiary company (Previous year)	---	84,49,219 (1,58,35,786)

**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.

**22.5. Earnings per Equity Share (AS-20):**

	<b>Current Year</b> ₹	<b>Previous Year</b> ₹
Net profit after tax (₹)	94,64,761	1,21,28,234
Weighted average number of equity shares	1,68,36,613	1,68,36,613
Basic Earnings per equity share ₹	0.56	0.72
Nominal value of shares (fully paid up) (₹)	10	10

**22.6. 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 -).

**22.7. Impairment of Assets (AS-28):**

	<b>Current Year</b> ₹	<b>Prev. Year</b> ₹
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

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

Particulars	As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>A) Contingent liabilities:</b>		
(i) Claims against the company not acknowledged as debt Service tax demand for the period from 2007-08 to 2011-12, against which Rs. 2,23,544/- was paid under protest and company filed appeal before CESTAT Bangalore	6,18,962	6,18,962
(ii) Guarantees given by the bankers	23,30,812	26,61,332
(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	10,90,00,000	9,00,00,000
<b>B) Commitments:</b> Capital commitments for investments in venture funds	1,20,00,000	NIL

**22.9. Other explanatory information:****22.9.1. Additional Information as required under Schedule III to the Companies Act, 2013 to the extent applicable to the company:**

	Current year ₹	Previous year ₹
a) Value of Imports calculated on CIF Basis	Nil	Nil
b) Expenditure in Foreign Currency	Nil	Nil
c) Amount remitted during the year in foreign currency on account of dividends	1,78,96,964	Nil
No of Shares	1,49,14,137	Nil
Year to which dividend paid	2015-16	Nil
d) Earnings in foreign exchange - Export of Software on FOB basis	1,98,49,735	4,44,90,556

**22.9.2.** 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.

**22.9.3.** Trade Receivables include ₹84,49,219/- (Previous year ₹1,58,35,786) due from SoftSol Resources Inc., a wholly owned foreign subsidiary of this company. Maximum amount outstanding at any time during the year is ₹2,48,65,293/-(Prev. Years ₹2,00,27,037/-)

**22.9.4.** 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.

**22.9.5.** 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 J V S L & Associates  
Chartered Accountants

For and on behalf of Board of Directors

(Firm Regn.No:015002S)

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholetime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer



## 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

Note:- In compliance with the provisions the Company's Act 2013 and SEBI LODR Regulations 2015 the subsidiary company audited financial statements for the current year is as at 31.03.2016 but its previous financial year figures are as at 31.12.2014 (as per its last year audited statement in the previous year).

### Auditors

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

## Board of Director's Report 2016

Dear Members

Your Directors take pleasure in presenting their report for the financial year 2016

### The Financial Highlights :

(USD in 000's)

Particulars	2016	2014
Total Revenue	8,663	10,250
Other Income	32	41
Total Operating Expense	8,650	10,159
Provision for Taxation	19	44
Net Profit	26	88

### 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**

**May 10, 2016**

**INDEPENDENT AUDITOR'S COMPILATION REPORT**

To Management  
Softsol Resources, Inc.  
Fremont, CA

Management is responsible for the accompanying financial statements of Softsol Resources, Inc. (a California corporation), which comprise the balance sheet as of March 31, 2016 and the related statements of income, stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

**Chugh CPAs LLP**  
Cerritos, CA  
May 10, 2016

**BALANCE SHEET AS OF MARCH 31,2016**

	As of 31.03.2016 in USD	As of 31.03.2016 in Rs.	As of 31.12.2014 in USD
<b>1USD = 66.33</b>			
<b>Assets</b>			
<b>Current Assets</b>			
Cash	1,063,188	70,521,260	936,606
Accounts Receivable	1,174,797	77,924,285	1,269,412
Less: Allowance for doubtful Accounts	-	-	(97,717)
Employee Advances	25,050	1,661,567	9,200
Receivable from related party	1,388,670	92,110,481	2,004,531
Prepaid Expenses	3,393	225,058	56,705
Deffered tax asset	59,153	3,923,618	51,429
<b>Total Current Assets</b>	<b>3,714,251</b>	<b>246,366,269</b>	<b>4,230,166</b>
<b>Noncurrent Assets</b>			
Property and Equipment	289,374	19,194,177	289,374
Less: Accumulated Depreciation	(283,772)	(18,822,597)	(278,336)
<b>Total Property &amp; Equipment</b>	<b>5,602</b>	<b>371,581</b>	<b>11,038</b>
<b>Other Assets</b>			
Intangible assets	30,000	1,989,900	30,000
Less: Accumulated Amortisation	(9,000)	(596,970)	(6,500)
Deferred Tax Assets-Non Current	12,736	844,779	12,487
Refundable Deposits	16,965	1,125,288	16,965
<b>Total Non Current Assets</b>	<b>56,303</b>	<b>3,362,997</b>	<b>63,990</b>
<b>Total Assets</b>	<b>3,770,554</b>	<b>250,100,847</b>	<b>4,294,156</b>
<b>Liabilities and Stock Holders equity</b>			
<b>Current Liabilities</b>			
Bank Line of credit	750,000	49,747,500	750,000
Account Payable	190,311	12,623,329	496,779
Account Payable-Related parties	127,376	8,448,850	263,493
Income Tax Payable	2,201	145,992	28,498
Accrued Expenses and Other Liabilities	38,357	2,544,220	147,701
<b>Total Current Liabilities</b>	<b>1,108,245</b>	<b>73,509,891</b>	<b>1,686,471</b>
<b>Total Liabilities</b>	<b>1,108,245</b>	<b>73,509,891</b>	<b>1,686,471</b>
<b>Stockholders Equity</b>			
Common Stock, \$ 100 par, 1,000,000 shares authorised, 13,120 shares issued and outstanding	1,312,000	87,024,960	1,312,000
Retained Earnings	1,350,309	89,565,996	1,295,685
<b>Total Stockholders Equity</b>	<b>2,662,309</b>	<b>176,590,956</b>	<b>2,607,685</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>3,770,554</b>	<b>250,100,847</b>	<b>4,294,156</b>

**STATEMENT OF INCOME FOR THE YEAR ENDED  
MARCH 31, 2016**

	As of 31.03.2016 in USD	As of 31.03.2016 in ₹	As of 31.12.2014 in USD
	1USD = 64.46		
<b>Revenue</b>			
Consulting Income	8,663,314	558,437,220	10,250,105
<b>Total Revenue</b>	<b>8,663,314</b>	<b>558,437,220</b>	<b>10,250,105</b>
<b>Cost of Sales</b>			
See Schedule I-Analysis of Cost of Sales	(7,541,193)	(486,105,301)	(8,813,239)
<b>Gross Profit</b>	<b>1,122,121</b>	<b>72,331,920</b>	<b>1,436,866</b>
<b>Operating Expenses</b>			
Selling Expenses			
See Schedule II	(245,993)	(15,856,709)	485,796
General & Administrative Expenses		-	
See Schedule III	(863,771)	(55,678,679)	859,466
<b>Total operating expenses</b>	<b>(1,109,764)</b>	<b>(71,535,387)</b>	<b>1,345,262</b>
<b>Income from operations</b>	<b>12,357</b>	<b>796,532</b>	<b>91,604</b>
<b>Other Income ( Other Expenses)</b>			
Interest Income	26,588	1,713,862	-
<b>Rental Income</b>	36,840	2,374,706	-
Other Income	-	-	57,470
Interest Expense	(31,422)	(2,025,462)	(16,326)
<b>Total Other Income</b>	<b>32,006</b>	<b>2,063,107</b>	<b>41,144</b>
<b>Income from Operations before Income Taxes</b>	<b>44,363</b>	<b>2,859,639</b>	<b>132,748</b>
<b>Provision for Income Taxes</b>			
Provision for Income Taxes	(19,303)	(1,244,271)	44,326
Total Provision for Income Tax	(19,303)	(1,244,271)	44,326
<b>Net Income</b>	<b>25,060</b>	<b>1,615,368</b>	<b>88,422</b>

**Statement of Retained Earnings**

	Common Stock	Retained Earnings	Common Stock	Amount Rs.
Retained Earnings, December 31, 2014	1,312,000	1,325,249	2,637,249	169,997,071
Net Income		25,060		1,615,368
<b>Retained Earnings, March 31, 2016</b>	<b>1,312,000</b>	<b>1,350,309</b>	<b>2,637,249</b>	<b>171,612,438</b>

**Schedule-I**  
**Analysis of Cost of Sales**

	As of 31.03.2016 in USD	As of 31.03.2016 in ₹	As of 31.12.2014 in USD
Consulting Outsourced	1,255,745	80,945,323	2,213,341
Salaries & Wages -Consultants	5,322,020	343,057,409	5,615,342
Taxes-Payroll-Consultants	403,662	26,020,053	411,997
Per Diem - consultant	1,929	124,343	14,500
Insurance Medical & Dental	437,472	28,199,445	400,245
Rebate Charges	39,988	2,577,626	26,632
Relocation Expenses	1,812	116,802	3,500
Reimbursement of Expenses	-	-	1,166
Leagal & Immigration-Consultants	45,498	2,932,801	107,350
Travel-Consultancy	33,067	2,131,499	19,165
<b>Total Cost of Sales</b>	<b>7,541,193</b>	<b>486,105,301</b>	<b>8,813,238</b>

**Schedule-II**  
**Analysis of Selling Expenses**

	As of 31.03.2016 in USD	As of 31.03.2016 in ₹	As of 31.12.2014 in USD
Salaries & Wages	161,911	10,436,783	348,672
Taxes-Payroll	11,521	742,644	24,351
Recruiting	46,782	3,015,568	36,636
Auto Expenses	-	-	3,031
Conference and Meetings	309	19,918	-
Travel -Sales	7,725	497,954	10,399
Insurance Medical & Dental	-	-	10,212
Business Development	17,745	1,143,843	52,494
<b>Total Selling Expenses</b>	<b>245,993</b>	<b>15,856,709</b>	<b>485,795</b>

## Schedule-III

### General & Administrative Expenses

	As of 31.03.2016 in USD	As of 31.03.2016 in ₹	As of 31.12.2014 in USD
Auto Expenses	4,150	267,509	9,970
Bad debt Expenses	56,894	3,667,387	-
Bank Charges	3,435	221,420	1,893
Charitable Contribution	-	-	150
Depreciation & Amortisation	6,349	409,257	20,057
Dues & Publication	28,923	1,864,377	18,781
Finance and Accounts	71,500	4,608,890	120,000
Frieght & Postage	3,130	201,760	3,521
Internet Access & Web Hosting	2,830	182,422	5,196
Insurance	79,017	5,093,436	49,122
Janitorial	7,590	489,251	6,909
Meals & Entertainment	2,037	131,305	5,133
Miscellaneous Expenses	7,884	508,203	665
Office Expenses	-	-	7,023
Officers Salaraias & Wages	181,385	11,692,077	176,539
Outside Services	64,425	4,152,836	79,982
Professional Fees	51,033	3,289,587	30,986
Repairs & Maintenance	1,242	80,059	350
Rent	98,380	6,341,575	124,887
Salaries & Wages	101,863	6,566,089	103,938
Staffwelfare	5,505	354,852	
Supplies	16,377	1,055,661	19,924
Taxes, Permits & Licenses	12,955	835,079	13,021
Taxes Payroll	10,182	656,332	9,147
Penalties	-	-	600
Taxes-State Prior Year	-	-	422
Telephone	35,450	2,285,107	40,687
Travel	-	-	622
Utilites	11,235	724,208	9,943
<b>Total General &amp; Administrative Expenses</b>	<b>863,771</b>	<b>55,678,679</b>	<b>859,468</b>

**Statement of Cash Flow for the Year ended March 31, 2016**

	Year Ended 31.03.2016 in USD	Year Ended 31.03.2016 in ₹	Year Ended 31.12.2014 in USD
<b>Cash Flows from Operating Activities</b>			
Net Income	25,060	1,662,230	88,422
<b>Adjustments to reconcile Net Income to Net Cash provided by Opertaions :</b>			
Amortisation and Depreciation	6,350	421,196	20,057
Accounts written off	38,120	2,528,500	-
Provision for Bad and Doubtful Accounts	18,774	1,245,279	(13,403)
Deferred Taxes	(7,974)	(528,915)	4,395
<b>Decrease/( Increase) in operating assets and liabilities:</b>			
Accounts Receivable	1,574,512	104,437,381	(243,698)
Accounts Receivable related	(1,288,670)	(85,477,481)	(707,846)
Prepaid Expenses	71,527	4,744,386	(3,057)
Accounts payable related parties		-	113,493
Accrued expenses and other liabilities	(33,158)	(2,199,370)	(58,164)
Income Taxes	1,826	121,119	(48,766)
Employee Advances	(17,285)	(1,146,514)	(297)
Accounts Payable	(409,963)	(27,192,846)	141,512
Accounts Payable related parties	127,376	8,448,850	-
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>106,495</b>	<b>7,063,813</b>	<b>(707,352)</b>
<b>Cash Flow from Investing Activities :</b>			
Acquisition of equipment	-	-	(4,877)
Net Cash provided by(used in) Investing Activities	-	-	(4,877)
<b>Cashflow from Financing activities</b>			
Advances from line of credit	-	-	750,000
<b>Net Decrease in Cash</b>	<b>106,495</b>	<b>7,063,813</b>	<b>37,771</b>
Cash at the Beginning of the Year	956,693	63,457,447	898,836
<b>Cash at the end of the Year</b>	<b>1,063,188</b>	<b>70,521,260</b>	<b>936,607</b>
<b>Supplementary Disclosure</b>			
Interest paid during the Year	21,812	1,446,790	96,635
Income Tax paid during the Year	5,715	379,076	15,378

## Notes to Financial Statements (March 31st, 2016)

### 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 institutions 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

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 March 31, 2016 was \$ 4,349.



### **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 March 31, 2016 was \$ 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.

There were no fixed price projects during the year ended March 31, 2016.

### **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 March 31, 2016.

### **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 2012-2014. In evaluating the Company's tax provisions and accruals, future taxable income, and 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 Risk

### Cash

Cash is maintained with one major financial institutions in the United States. Deposits with one banks exceed the amount of the \$250,000 Federal Deposit Insurance Corporation insurance provided on such deposits. The Company has not experienced any losses in such accounts and believes it is inot subject to any significant credit risk as all its depisits are maintained in high quality financial institutions.

### 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 four major customers, totaled approximately \$6 million that accounts for 71% of the Company's total revenue for the year. Accounts receivable from these three customers as of March 31, 2016 was approximately \$543,000 which is 55% 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 March 31, 2016, the employee advances balance was \$ 25,050.

## Note 5 - 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) 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 referred to as rental income.

Details of transactions between the Company and its related parties for the year ended March 31, 2016 are as follows:

<b>Softsol Technologies Inc.</b>	<b>Amount</b>
Consulting Income	\$ 1,762,410
Accounts Receivable	1,288,670
Receivable - nontrade	100,000
Rental Income	36,840
Other Income	26,588
<b>Softsol India Limited</b>	<b>Amount</b>
Consulting Outsourced	\$ 132,376
Accounts Payable	127,376

## Note 6 - Line of Credit

In February 2014, the Company was granted a line of credit (“LOC”) from Citibank NA of a maximum of \$750,000. and renewable every year. In August 2015, the line maximum amount increased to \$1,250,000. The line of credit bears an interest of greater of Citibank NA Prime Rate or minimum interest rate plus margin of 0% per annum. In 2015, interest rate was at 3.75%. The LOC is secured by irrevocable standby letter of credit in favor of Citibank NA not to exceed \$800,000 issued by Citibank NA, Hyderabad (SIL). As at March 31, 2016, the total amount outstanding under this LOC was \$750,000. Interest expense during the year was approximately \$27,000.

## Note 7 - 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 March 31, 2016 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 was no matching contribution from the employer for the year ended December 31, 2015.

## Note 8 - 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. As of March 31, 2016 the accumulated contributions was \$19,893. This account is included in the accrued expenses and other liabilities account.

## Note 9 - Vacation Leave

The Company provides paid vacation leave to certain employees of the Company. Vacation leave credits are expensed within the year and are not carried forward the following year, therefore, no accrual is recognized in the financial statements.

## Note 10 - Income Taxes

The company accounts for income taxes under the provisions of FA SB 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 March 31, 2016 is derived in the United States.

The components of income tax expense (benefit) relating to earning from operations for the year ended March 31, 2016 are as follows:

	Current	Deferred	Total
State	\$ 10,853	\$ (1,802)	\$ 9,051
Federal	16,425	(6,173)	10,252
<b>Total</b>	<b><u>\$ 27,278</u></b>	<b><u>\$ (7,975)</u></b>	<b><u>\$ 19,303</u></b>

## SoftSol Resources Inc., USA

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The components of deferred tax assets as at March 31, 2016 are as follows:

Deferred tax assets - Current	
Bad debt	\$ 51,159
State income tax - current	3,256
State income tax - deferred	<u>4,738</u>
	59,153
Deferred tax assets - Noncurrent	
Depreciation - Federal	8,748
Depreciation - State	<u>3,988</u>
	12,736
Less: Valuation Allowance	<u>-</u>
Net deferred tax asset	<u>\$ 71,889</u>

### Note 11 - 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
2017	\$69,716
2018	\$11,676

Rent expense related to this lease including common area maintenance charges of approximately \$24,400 totaled approximately \$70,400 for the year ended March 31, 2016.

The Company also leases storage space on a month to month basis.

### 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 "Accounting for Contingences". 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 March 31, 2016.

### Note 14 - Subsequent Events

Subsequent events have been evaluated through May 10, 2016, which is the date the financial statements were available to be issued.

## Independent Auditor's Report on Consolidated Financial Statements

TO THE MEMBERS OF  
SOFTSOL INDIA LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Softsol India Limited ('the Company') and its subsidiary company (the Company and its subsidiary company together referred as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ('the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The respective Board of Directors of the Company and its subsidiary company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 the internal financial controls relevant to the Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

**Other Matter**

We did not audit the financial statements of Softsol Resources Inc., subsidiary, whose financial statements reflect total assets of Rs.25,01,00,847/- as at March 31, 2016, total revenues of Rs. 55,84,37,220/- and net cash inflows amounting to Rs.70,63,813/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group companies, incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary company incorporated in India.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For J V S L & ASSOCIATES  
Chartered Accountants  
(Firm Regn No. 15002S)

Place: Hyderabad  
Date: 30.05.2016

J. VENKATESWARLU  
Partner  
ICAI Ms. No. 022481

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Softsol India Limited ('the Company') and its subsidiary company as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company, is based on the corresponding reports of the auditors of such subsidiary company.

For J V S L & ASSOCIATES  
Chartered Accountants  
(Firm Regn No. 15002S)

Place: Hyderabad  
Date: 30.05.2016

J. VENKATESWARLU  
Partner  
ICAI Ms. No. 022481



## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016

Particulars	Note No	As at 31-03-2016		As at 31-03-2015	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	01	172,365,240		172,365,240	
(b) Reserves and surplus	02	1,747,297,352		1,748,753,262	
			<b>1,919,662,592</b>		<b>1,921,118,502</b>
<b>(2) Non-current liabilities</b>					
(a) Other Long term liabilities	03	36,390,125		33,747,224	
(b) Long-term provisions	04	2,266,730		2,323,019	
			<b>38,656,855</b>		<b>36,070,243</b>
<b>(3) Current liabilities</b>					
(a) Trade payables	05	15,503,208		34,629,887	
(b) Other current liabilities	06	57,862,683		65,756,762	
(c) Short-term provisions	07	796,241		729,330	
			<b>74,162,132</b>		<b>101,115,979</b>
<b>Total</b>			<b><u>2,032,481,579</u></b>		<b><u>2,058,304,724</u></b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	08	309,349,748		340,848,998	
(ii) Intangible assets		878,911,444		879,028,206	
(b) Non-current investments	09	228,980,000		186,134,052	
(c) Deferred tax assets (net)		4,768,397		4,000,502	
(d) Long-term loans and advances	10	29,017,286		18,868,153	
(e) Other non-current assets	11	1,405,872		1,405,872	
			<b>1,452,432,747</b>		<b>1,430,285,783</b>
<b>(2) Current assets</b>					
(a) Current Investments	12	289,270,172		298,256,344	
(b) Trade receivables	13	185,594,251		228,270,299	
(c) Cash and Bank Balances	14	86,008,987		76,102,687	
(d) Short-term loans and advances	15	5,093,176		14,631,619	
(e) Other current assets	16	14,082,245		10,757,992	
			<b>580,048,832</b>		<b>628,018,941</b>
<b>Total</b>			<b><u>2,032,481,579</u></b>		<b><u>2,058,304,724</u></b>

Significant accounting policies and notes on financial statements 22

Per our report of even date  
for J V S L & Associates  
Chartered Accountants  
(Firm Regn.No:015002S)

For and on behalf of Board of Directors

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholetime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

Particulars	Note No	Year Ended 31.03.2016 ₹	Year Ended 31.03.2015 ₹
<b>Revenue from operations</b>	17	585,516,338	657,703,494
<b>Other income</b>	18	111,619,672	106,437,138
<b>Total Revenue</b>		<b>697,136,010</b>	<b>764,140,631</b>
<b>Expenses</b>			
Employee benefits expense	19	500,430,373	519,507,818
Finance costs	20	4,861,633	1,001,600
Depreciation and amortization expense	08	34,021,947	47,084,581
Other expenses	21	144,202,325	171,716,986
<b>Total expenses</b>		<b>683,516,278</b>	<b>739,310,985</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>13,619,733</b>	<b>24,829,646</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>13,619,733</b>	<b>24,829,646</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>13,619,733</b>	<b>24,829,646</b>
<b>Tax expense:</b>			
(1) Current tax		3,444,271	6,119,400
(2) Prior Period Taxes		(904,667)	1,157,323
<b>Profit / (Loss) after tax for the year</b>		<b>11,080,128</b>	<b>17,552,923</b>
<b>Earnings per equity share</b>			
(i) Basic		0.66	1.04
(ii) Diluted		0.66	1.04
Significant accounting policies and notes on financial statements	22		

Per our report of even date  
for J V S L & Associates  
Chartered Accountants  
(Firm Regn.No:015002S)

For and on behalf of Board of Directors

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholetime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31-03-2016	Year ended 31-03-2015
	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax and Extraordinary Items	13,619,733	24,829,646
<b>Adjustments for :</b>		
Profit for the switch over period gap	1,960,976	-
Depreciation	34,021,947	47,109,452
Provision for Bad and Doubtful debts	-	(838,894)
Interest (Net)	(2,529,638)	(7,600,145)
Provision for Leave Encashment	20,788	(7,052)
Provision for Gratuity	(10,167)	(1,146,665)
Gain on redemption of units of Mutual Funds	(13,111,626)	(8,580,763)
Excess Provision/Credit Balances Written back	(17,078)	(86,650)
Foreign exchange fluctuation gain	9,787,573	2,347,683
Interest Expenses	2,025,462	1,001,600
Dividend Received	-	(134,052)
<b>Operating Profit before Working Capital changes</b>	<b>45,767,969</b>	<b>56,894,160</b>
<b>Adjustments for Working Capital:</b>		
Increase/(Decrease) in trade payables	(19,126,679)	(9,282,993)
Increase/(Decrease) in other current liabilities	(7,894,079)	3,352,991
Increase/(Decrease) in short term provisions	56,290	1,289,218
Increase/(Decrease) in other long term liabilities	2,659,979	726,636
Increase/(Decrease) in long term provisions	(56,289)	1,018,216
(Increase)/Decrease in trade receivables	42,676,048	(59,682,589)
(Increase)/Decrease in Short term loan and advances	9,538,443	(8,127,684)
(Increase)/Decrease in other current assets	(4,879,888)	417,761
(Increase)/Decrease in Loans and advances	(1,289,581)	(571,615)
(Increase)/Decrease in Deferred tax asset	(767,895)	-
(Increase)/Decrease in Other non-current assets	-	255,460
<b>Net Cash generated from operations</b>	<b>66,684,318</b>	<b>(13,710,439)</b>
Direct Taxes Paid	(11,399,160)	(10,053,904)
<b>Net Cash from operating activities(A)</b>	<b>55,285,158</b>	<b>(23,764,343)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest received	4,085,274	23,634,381
Purchase of Fixed Assets	(2,393,902)	(2,963,545)
Purchase of Investments	(154,879,776)	(402,804,784)
Sale of Investments	121,020,000	118,917,250
Gain on redemption of units of Mutual Funds	13,111,626	8,580,763
Dividend paid	(20,187,016)	-
Dividend Tax paid	(4,109,602)	-
Dividend Received	-	134,052
<b>Net Cash flow from Investing Activities(B)</b>	<b>(43,353,396)</b>	<b>(254,501,883)</b>
<b>C. CASH FROM FINANCING ACTIVITIES</b>		
Advance from line of credit	-	46,942,500
Interest paid	(2,025,462)	(1,001,600)
<b>Net Cash flow from Financing Activities(C)</b>	<b>(2,025,462)</b>	<b>45,940,900</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>9,906,300</b>	<b>(232,325,326)</b>
Cash and cash Equivalents as at beginning of the year	76,102,687	308,428,013
Cash and cash Equivalents as at end of the year	<b>86,008,987</b>	<b>76,102,687</b>

Per our report of even date  
for J V S L & Associates  
Chartered Accountants  
(Firm Regn.No:015002S)

For and on behalf of Board of Directors

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholtime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer

Particulars	As at 31-03-2016		As at 31-03-2015	
	Number of shares	Amount ₹	Number of shares	Amount ₹
<b>1.Share Capital</b>				
<b>Authorised:</b>				
Equity Shares of Rs 10/- each.	50,000,000	500,000,000	50,000,000	500,000,000
<b>Issued, subscribed and paid up:</b>				
Equity Shares of Rs 10/- each fully paid up	16,822,513	168,225,130	16,822,513	168,225,130
<b>ADD:</b>				
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
<b>Closing Balance</b>	<b>17,650,535</b>	<b>172,365,240</b>	<b>17,650,535</b>	<b>172,365,240</b>

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

Name of the Share Holder	As at 31-03-2016		As at 31-03-2015	
	Number of Shares held	% to paid up capital	Number of Shares held	% to paid up capital
Durga VLK Madala	9,557,408	56.81%	-	-
Softsol Technologies Inc.	-	-	8,875,444	52.76%
Sambasiva Rao Madala	918,400	5.46%	904,715	5.38%
Srinivasa Rao Madala	980,691	5.83%	840,000	4.99%
Adalat Corporation	1,755,370	10.43%	1,755,370	10.43%
Radhakrishna Ghanta (Trustee of AAM Trust)	1,250,000	7.43%	1,250,000	7.43%
Radhakrishna Ghanta (Trustee of SSM Trust)	1,250,000	7.43%	1,250,000	7.43%
<b>Total</b>	<b>15,711,869</b>	<b>93.39%</b>	<b>14,875,529</b>	<b>88.42%</b>

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

Particulars	As at 31-03-2016		As at 31-03-2015	
	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	16,822,513	168,225,130
<b>Shares outstanding at the end of the year</b>	<b>16,822,513</b>	<b>17,030,710</b>	<b>16,822,513</b>	<b>17,030,710</b>

## (c) Calls unpaid on equity shares:

Particulars	As at 31-03-2016		As at 31-03-2015	
	Number of Equity Shares	₹	Number of Equity Shares	₹
(i) Calls unpaid by Directors and Officers	-	-	-	-
(ii) Others	28,200	141,000	28,200	141,000
<b>Total</b>	<b>28,200</b>	<b>141,000</b>	<b>28,200</b>	<b>141,000</b>

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

Particulars	As at 31-03-2016		As at 31-03-2015	
	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
<b>Total</b>	<b>799,822</b>	<b>3,999,110</b>	<b>799,822</b>	<b>3,999,110</b>

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>2. Reserves and Surplus</b>		
<b>(a) Capital Redemption Reserve</b>		
Balance as per last Balance sheet	18,050,950	18,050,950
<b>Closing Balance(a)</b>	<b>18,050,950</b>	<b>18,050,950</b>
<b>(b) Securities Premium Reserve</b>		
Balance as per last Balance sheet	670,113,578	670,113,578
<b>Closing Balance(b)</b>	<b>670,113,578</b>	<b>670,113,578</b>
<b>(c) General Reserve</b>		
Balance as per last Balance sheet	69,690,129	69,690,129
<b>Closing Balance(c)</b>	<b>69,690,129</b>	<b>69,690,129</b>
<b>(d) Foreign Currency Transilation Reserve</b>		
Balance as per last Balance sheet	36,370,182	29,987,574
Add: Additions during the year	9,799,604	6,382,608
<b>Closing Balance(d)</b>	<b>46,169,786</b>	<b>36,370,182</b>
<b>(e) Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance sheet	954,528,423	943,310,940
Add : Profit for the switch over period gap	1,960,976	-
: Profit for the year	11,080,128	17,552,923
Less : Depreciation on assets whose useful life is expired	-	6,335,440
: Interim dividend	20,187,016	-
: Tax on Interim dividend	4,109,602	-
<b>Closing Balance(e)</b>	<b>943,272,909</b>	<b>954,528,423</b>
<b>Total (a+b+c+d+e)</b>	<b>1,747,297,352</b>	<b>1,748,753,262</b>
<b>3. Other Long Term Liabilities</b>		
Deposits Payable	35,162,426	33,718,844
Liabilities for Capital Goods	1,227,699	28,380
<b>Total</b>	<b>36,390,125</b>	<b>33,747,224</b>
<b>4. Long-term provisions</b>		
<b>Provision for :</b>		
<b>Employee retirement benefits:</b>		
Gratuity	2,086,830	2,164,841
Leave Encashment	179,900	158,178
<b>Total</b>	<b>2,266,730</b>	<b>2,323,019</b>

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>5.Trade Payables</b>		
<b>Trade Payables-Unsecured</b>		
(a) Due to Micro, Small and Medium enterprises (Refer sub-note(i) below)		
(b) Others	15,503,208	34,629,886
<b>Total</b>	<b>15,503,208</b>	<b>34,629,886</b>
(i) There are no defaults as on the balance sheet date 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	-	-
<b>6.Other current liabilities</b>		
<b>Other Payables:</b>		
Expenses Payable	7,434,201	13,890,723
Liabilities for Other Finance	464,937	639,850
Unclaimed Dividend	70,053	-
Bankline Credit	49,747,500	46,942,500
Income Tax Liability	145,992	1,783,690
Amount received against claims receivable	-	2,500,000
<b>Total</b>	<b>57,862,683</b>	<b>65,756,762</b>
<b>7.Short-term provisions</b>		
<b>Provision for employee benefits:</b>		
Gratuity	758,652	690,808
Leave Encashment	37,589	38,522
<b>Total</b>	<b>796,241</b>	<b>729,330</b>

**8. FIXED ASSETS**

Sl. No	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK			
		As at 01.04.2015 ₹	Additions ₹	Foreign exchange adjustment ₹	As at 31.03.2016 ₹	As at 31.03.2015 ₹	For the year ₹	Amortisation During the year ₹	Foreign exchange adjustments ₹	TOTAL AS AT 31.03.2016 ₹	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>A</b>	<b>TANGIBLE ASSETS:</b>											
1	<b>Land :</b>											
	Own	13,918,307	-	-	13,918,307	-	-	-	-	-	13,918,307	13,918,307
	Leasehold (see note no.22.10.1)	5,540,142	-	-	5,540,142	391,728	56,000	-	-	447,728	5,092,414	5,148,414
2	Building	355,763,121	-	-	355,763,121	94,321,070	14,020,253	-	-	108,341,323	247,421,798	261,442,051
3	Plant & Equipment											
	a) Computers	31,038,592	-	-	31,038,592	30,781,847	162,977	-	-	30,944,824	93,768	256,745
	b) Others	138,676,754	454,848	-	139,131,602	97,069,984	11,385,354	-	-	108,455,338	30,676,264	41,606,770
4	Furniture & Fixtures	71,828,583	1,924,554	-	73,753,137	55,420,043	7,322,231	-	-	62,742,274	11,010,863	16,408,540
5	Office Equipment	11,968,042	14,500	-	11,982,542	11,541,141	125,231	-	-	11,666,372	316,170	426,901
6	Vehicles	9,664,368	-	-	9,664,368	8,713,967	501,817	-	-	9,215,785	448,583	950,401
7	Library Books	18,592	-	-	18,592	18,592	-	-	-	18,592	-	-
8	Subsidiary's Assets	18,111,919	-	-	19,194,177	17,421,050	280,337	-	1,081,636	18,783,022	371,581	690,868
	TOTAL-A	656,528,420	2,393,902	1,082,258	660,004,580	315,679,422	33,854,199	-	-	350,615,258	309,349,748	340,848,998
	PREVIOUS YEAR	600,702,710	54,812,061	1,013,649	656,528,420	262,063,542	46,788,243	6,157,151	670,485	315,679,422	340,848,998	338,639,168
<b>B</b>	<b>INTANGIBLE ASSETS:</b>											
1	Computer Software	3,109,217	-	-	3,109,217	3,059,203	38,827	-	-	3,098,030	11,187	50,014
2	Goodwill	877,507,327	-	-	877,507,327	-	-	-	-	-	877,507,327	877,507,327
3	Subsidiary's Assets	1,877,700	-	112,200	1,989,900	406,835	128,920	-	35,671	596,970	1,392,930	1,470,865
	TOTAL-B	882,494,244	-	112,200	882,606,444	3,466,038	167,747	-	-	3,695,000	878,911,444	879,028,206
	PREVIOUS YEAR	882,419,544	-	74,700	882,494,244	2,977,724	296,338	178,291	13,685	3,466,038	879,028,206	879,441,820

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

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>09.Non-current investments</b>		
<b>Investments in Mutual Funds-(Trade-quoted) :</b>		
Axis Mutual Fund (Previous year 6760746 Units of Rs.10/- Each)	-	67,607,460
Reliance Mutual Fund (Previous year 50,02,659.152 Units of Rs.10/- Each)	-	50,026,592
L & T Mutual Fund -3755424.25 Units of Rs.13.98 Each	52,500,000	-
ICICI Prudential Mutual Fund 9406568.29 Units of Rs.16.90 Each(Previous year 3034142.60 Units of Rs.20.59 each)	159,000,000	62,500,000
Blume Ventures Fund 1 & IA-1748 Units of Rs10,000/- Each ( Previous year 600 Units of Rs.10,000/- each)	17,480,000	6,000,000
<b>Total</b>	<b>228,980,000</b>	<b>186,134,052</b>
Aggregate amount of market value of quoted investments	253,401,806	110,415,110
Aggregate provision for diminution in value of investments	-	-
<b>10.Long-term loans and advances</b>		
<b>(a) Unsecured, Considered Good</b>		
Capital Advances	287,360	-
Earnest Money Deposits	510,000	10,000
Security Deposits	6,374,176	5,871,956
Advance Income Tax( Net of provisions)	21,845,749	12,986,197
<b>Total</b>	<b>29,017,285</b>	<b>18,868,153</b>
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	NIL	NIL
<b>11.Other Non-Current Assets</b>		
<b>(a) Secured, Considered Good</b>		
Fixed Deposits with Banks held as margin money for Bank Guarantees-maturity of more than 12 months	1,405,872	1,405,872
<b>Total</b>	<b>1,405,872</b>	<b>1,405,872</b>



Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>12.Current Investments</b>		
<b>Investments in Mutual Funds:(Trade-quoted)</b>		
Axis Mutual Fund -6760746 Units of Rs.10/- Each (Previous year 52,50,000 units of Rs.10/- each)	67,607,460	52,500,000
Reliance Mutual Fund -5002659.15 Units of Rs.10/- Each ( Previous year 5,50,000 Units of Rs.10/- each)	50,026,592	5,500,000
TATA Mutual Funds(Previous year 6,00,286 Units of Rs.10/- each ) L & T Mutual Fund -6893935.81 Units of Rs.15.62 Each (Previous year Units of 1,03,91,584.81 Units of Rs.12.51 each)	-	6,002,862
Kotak Mutual Fund-4295025.99 Units of Rs.10.76 Each ( Previous year 35,99,250.62 Units of Rs.11.11 each)	107,682,172	130,000,000
ICICI Prudential Mutual Fund -1168287.65 Units of Rs.15.63 Each ( Previous year 46,11,533.26 Units of Rs.13.93 each)	46,200,467	40,000,000
(Out of the above units 40,82,877 of ICICI Prudential Mutual Fund and units 37,55,424 of L & T Mutual Fund agregating to Rs.10,90,00,000/- under lien to Citi bank agianst Bank Guarantee for arrangement of Loan to M/s Softsol Resources Inc.( Subsidiary)	17,753,482	64,253,482
<b>Total</b>	<b>289,270,172</b>	<b>298,256,344</b>
Aggregate amount of market value of quoted investments	330,811,520	3,205,852,515
Aggregate provision for diminution in value of investments	-	-
<b>13.Trade Receivables</b>		
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	4,656,133	15,540,621
Others	180,938,118	218,845,785
	185,594,251	234,386,406
Less: Allowance for bad and doubtful debts	-	6,116,107
<b>Total</b>	<b>185,594,251</b>	<b>228,270,299</b>
<b>14.Cash and Bank Balances</b>		
<b>(a) Cash and Cash Eauivalents</b>		
I. Cash on hand	74,161	26,931
II. Balance with scheduled banks in India		
(i) In Current Accounts	84,939,773	63,676,536
(ii) In Fixed Deposits maturing less than twelve months	-	11,143,760
<b>(b) Other Bank Blance</b>		
(i) In unpaid dividend accounts	70,053	-
(ii) In Fixed Deposits with Banks held as margin money for Bank Guarantees-maturity of less than 12 months	925,000	1,255,460
<b>Total</b>	<b>86,008,987</b>	<b>76,102,687</b>
<b>15.Short-term loans and advances</b>		
<b>Unsecured, Considered Good</b>		
Staff Advances	1,661,567	575,828
Prepaid Expenses	656,577	6,016,419
Advance for Capital Goods	1,329,452	270,182
Balance with Central Government Departments-CENVAT input credit	1,359,870	1,179,949
Advance for Expenses	85,711	6,589,241
<b>Total</b>	<b>5,093,176</b>	<b>14,631,619</b>
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	NIL	NIL

Particulars	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>16. Other current assets</b>		
Rent Receivable	13,547,501	8,667,613
Interest Accrued on Deposits	534,744	2,090,379
<b>Total</b>	<b>14,082,245</b>	<b>10,757,992</b>
Particulars	Year ended 31-03-2016 ₹	Year ended 31-03-2015 ₹
<b>17. Revenue from operations</b>		
Sale of Software Products/Services:		
Exports	568,597,081	652,353,037
Domestic:		
Services	16,919,257	5,350,457
<b>Total</b>	<b>585,516,338</b>	<b>657,703,494</b>
<b>18. Other Income</b>		
Interest Income	2,009,190	6,577,855
Interest on IT refund	520,448	1,022,290
Rental Income	93,758,699	85,751,779
Dividend on Mutual Fund	-	134,052
Excess Provision written back	17,078	86,650
Gain on redemption of Mutual funds	13,111,626	8,580,763
Foreign exchange gain(net)	2,157,918	607,964
Miscellaneous receipts	44,712	3,675,785
<b>Total</b>	<b>111,619,672</b>	<b>106,437,138</b>
<b>19. Employee Benefits</b>		
Salaries and Wages	495,992,851	513,617,896
Contribution to provident and other funds	2,228,624	2,804,888
Staff welfare expenses	2,208,898	3,085,034
<b>Total</b>	<b>500,430,373</b>	<b>519,507,818</b>
<b>20. Finance Costs</b>		
Loan Processing Charges	4,861,633	1,001,600
<b>Total</b>	<b>4,861,633</b>	<b>1,001,600</b>

Particulars	Year ended 31-03-2016 ₹	Year ended 31-03-2015 ₹
<b>21. Other Expenses</b>		
Power and fuel	5,687,007	5,812,011
Rent	6,341,575	7,661,817
Repairs to : buildings	8,200,428	1,906,741
: machinery	7,545,940	5,795,658
: Others	2,616,749	1,414,860
Consulting Outsource	71,255,449	114,807,009
Insurance	5,783,785	3,527,084
Rates and taxes	4,713,425	5,105,750
Payments to Auditor : as auditor	113,965	84,270
: for taxation matters	148,350	46,068
: for other services	34,350	-
Legal and Professional Charges	12,201,636	8,610,868
Director's Sitting Fee	170,544	123,596
Internet & Communication Expenses	4,451,263	4,647,691
Fees and Subscriptions	333,236	192,276
Travelling Expenses	1,966,312	2,179,211
Staff training & Recruitment Charges	-	695,739
Advertisement Charges	71,635	53,054
Commission	147,146	171,090
Printing & Stationery	230,082	304,265
STPI Charges	197,220	70,787
Security vice Charges	2,380,179	2,127,387
Bad Debts	3,667,387	-
Donations	-	9,203
Miscellaneous expenses	5,944,663	6,370,551
<b>Total</b>	<b>144,202,325</b>	<b>171,716,986</b>

**22. SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**22.1.** 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.133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Financial statements of subsidiary was prepared for the year ended 31st March 2016 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 31.03.2016 and SoftSol Resources Inc. USA, A wholly owned subsidiary, incorporated in United State of America as at 31.03.2016.

**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.

**22.2 Significant Accounting Policies – (AS-1):****A. Basis of Preparation of Financial Statements :**

Financial statements have been prepared and presented under historical cost convention in accordance with the accounting principles generally accepted in India (GAAP). GAAP comprises the mandatory accounting standards as specified U/s 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) rules 2014 and other applicable provisions of the Act. All incomes and expenditures, having a material bearing on the financial statements, are recognized on an accrual basis.

**B. Use of Estimates:**

The preparation of financial statements in conformity with the GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of incomes and expenses during the reporting year. Such estimates include, estimate of useful life of fixed assets, provision for doubtful debts etc. Actual results could differ from those estimates. Changes in estimates are reflected in financial statements in the year in which changes are made and, if material, their effects are disclosed in the financial statements.

**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) Fixed assets are carried at cost of construction or acquisition less accumulated depreciation. Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets. Assets under installation or under construction as at the Balance sheet date are shown as Capital work-in-progress. Advances paid towards acquisition of assets are included under Capital Advances. Fixed assets which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon is charged to Statement of Profit & Loss.
- ii) Computer software is classified as an “Intangible Asset”.

**E. Depreciation:**

- i) Depreciation on Tangible assets is provided under Written down value method over the useful lives of assets estimated by the management. Depreciation on additions/deletions during a period is charged on prorata basis from the date of addition or deletion, as the case may be.
- ii) The Management estimated the useful life of fixed assets as follows.

Buildings	60 Years
Plant and Machinery	10 Years
Office Equipment	5 Years
Computers	3 Years
Furniture and Fixtures	10 Years
Vehicles - Motor cars	8 Years

- iii) Intangible assets are amortized over their estimated useful life of asset.
- iv) 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.

**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 Statement of 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.

**22.3. 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	8,01,431	11,77,763	53,279	(64,417)
Interest Cost on benefit obligation	2,04,813	1,57,226	15,343	25,420
Net Actuarial (Gain)/Loss Recognized in the year	(5,56,724)	(1,88,324)	(47,854)	(40,601)
Past Service Cost	NIL	NIL	NIL	NIL
Expenses recognized in Statement of Profit & Loss	4,49,250	11,46,665	20,768	(79,598)

**b. Balance Sheet**

Particulars	Gratuity		Leave Encashment	
	As at Mar 31, 2016 ₹	As at Mar 31, 2015 ₹	As at Mar 31, 2016 ₹	As at Mar 31, 2015 ₹
Opening defined benefit obligation	28,55,649	17,08,984	1,96,700	2,76,298
Interest Cost	2,04,813	1,57,226	15,343	25,420
Current service cost	8,01,431	11,77,763	53,279	(64,417)
Benefits paid	(4,59,687)	-	-	-
Actuarial (Gain)/Loss on obligation	(5,56,724)	(1,88,324)	(47,854)	(40,581)
Closing defined benefit obligation	28,45,482	28,55,649	2,17,468	1,96,700

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	7.80 %	7.80 %
Employee turnover	NIL	NIL
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.

**22.4. 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.





**22.8. 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

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

Particulars	As at 31st March 2016 ₹	As at 31st March 2015 ₹
<b>A) Contingent liabilities:</b>		
(i) Claims against the company not acknowledged as debt Service tax demand for the period from 2007-08 to 2011-12, against which Rs. 2,23,544/- was paid under protest and company filed appeal before CESTAT Bangalore	6,18,962	6,18,962
(ii) Guarantees given by the bankers	23,30,812	26,61,332
(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	10,90,00,000	9,00,00,000
<b>B) Commitments:</b>		
Capital commitments for investments in venture funds	1,20,00,000	NIL

**22.10 Other explanatory information:**

**22.10.1** 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.

**22.10.2.** 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.

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

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Per our report of even date  
for J V S L & Associates  
Chartered Accountants  
(Firm Regn.No:015002S)

For and on behalf of Board of Directors

J. Venkateswarlu  
Partner  
ICAI Ms.No.022481

Bhaskara Rao Madala  
(DIN : 00474589)  
Wholetime Director

Dr. T. Hanuman Chowdary  
(DIN:00107006)  
Director

Place: Hyderabad  
Date: 30.05.2016

B. Laxman  
Company Secretary

Srinivas Mandava  
Chief Financial Officer

**SOFTSOL INDIA LIMITED**  
(CIN: L7220TG1990PLC011771)

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

**Share Transfer Agent:** M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032  
CIN : U74140TG2003PTC041636

**ATTENDANCE SLIP**

**26th 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 Friday, the 30th day of September, 2016 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.
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**SOFTSOL INDIA LIMITED**

(CIN: L7220TG1990PLC011771)

**Regd. Off.: 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.softsolindia.com**

**Share Transfer Agent:** M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032  
CIN : U74140TG2003PTC041636

**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 26th Annual General Meeting of the company at Friday, the 30th day of September, 2016 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:

1. To receive and adopt the audited financial statements of the Company (both standalone and consolidated) for the financial year ended on 31 March 2016 and together with the reports of the board of directors and auditors thereon.
2. To appoint a Director in place of Mr. Bhaskara Rao Madala (DIN: 00474589), who retires by rotation and does not, offer him for re-appointment.
3. To re-appoint M/s. JVSL & Associates, Chartered Accountants (FRN: 015002S), as auditors of the company.

Signed this.....day of September 2016 (Affix Revenue Stamp)

Signature of Shareholder.....Signature of Proxy holder(s).....

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

