

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors

Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. The Chairman is a Non-Executive Director. The number of Independent Non-Executive Directors is more than half of the Board's total strength. All Independent Non-Executive Directors comply with the legal requirements of being "Independent."

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 Non-Executive 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	4	Yes
Mrs. Neelima Thota	06938559	Independent Non-Executive Director	Director	3	3	No

* Mrs. Neelima Thota was appointed as Independent Director (Woman Director) with effect from 14th August 2014.

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

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 21-05-2014, 14-08-2014, 14-11-2014 and 13-02-2015.

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

Code of Conduct:

In pursuance of the amended Clause 49 of the Listing Agreement, the Board has suitably modified the 'Code of Conduct for Board of Directors and Senior Management' and same has been circulated and posted on the Company's website. The directors and senior management personnel have given their declarations confirming compliance of provisions of above Code of Conduct.

Declaration

As provided under Clause 49 of the Listing Agreements with the stock exchanges, it is hereby declared that all board members and senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended 31st March, 2015

Bhaskar Rao Madala

Whole-time Director

Place: Hyderabad

Date: 13-08-2015

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013. The terms of reference includes:

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) examination of the financial statement and the auditors' report thereon;
- d) approval or any subsequent modification of transactions of the company with related parties;
- e) scrutiny of inter-corporate loans and investments;
- f) valuation of undertakings or assets of the company, wherever it is necessary;
- g) evaluation of internal financial controls and risk management systems;
- h) monitoring the end use of funds raised through public offers and related matters.

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 2014-15 Audit Committee of the Board of Directors met four times on 21-05-2014, 14-08-2014, 14-11-2014 and 13-02-2015. All the members of the Committee attended all the meetings.

The Chairman of the Audit Committee was present at the 24th 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 14-08-2014 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 –

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Remuneration Policy:

The Committee has the mandate to review and recommend compensation payable to the Whole-time Director and Senior Executives of the Company. No director other than Mr. Bhaskar Rao Madala is drawing remuneration from Company. Mr. Bhaskar Rao Madala is drawing remuneration for the services rendered in the capacity of Whole-time Director of the Company. A sitting fee of Rs. 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 2014-15 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	30,000	30,000
Mr. B. S. Srinivasan	Director	Nil	Nil	30,000	30,000
Mr. P. Venkatramaiah	Director	Nil	Nil	30,000	30,000

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 2015:

Mr. Srinivasa Rao Madala holds 8,40,000 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 Company Secretary Mr. Baddam Laxman (ACS – 20625) acts as the Secretary to the Committee.

The role of the committee

The role includes considering and resolving of grievances of stakeholders and speedy disposal of requests received from security holders. During the year, the Committee met 4 times to review status and redressal of shareholders' / investors' complaints.

Status of complaints of shareholders/investors is as under:

Complaints pending as on 1st April, 2014	NIL
Number of complaints received during year ended 31st March, 2015	NIL
Number of complaints attended to/resolved during the year	NIL
Complaints pending as on 31st March, 2015	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, 2015	NIL
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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

6. General Body Meetings

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

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

- 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. Disclosures:**a) Details of Related Party Transactions:**

SoftSol Technologies Inc., USA (STI) holds 52.76% of the total shareholding of SoftSol India Limited. 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 STI & SRI as of 31.03.2015 are:

Details	Party Name	31-03-2015 (in Rs.)	31-03-2014 (in Rs.)
Sales	SoftSol Technologies Inc.	2,35,09,095	Nil
	SoftSol Resources Inc.	2,09,81,461	1,81,20,238
Investment	SoftSol Resources Inc.	-	95,34,04,053

No Loans and Advances to Subsidiary Company have been made in the financial year 2014-15. 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) All mandatory requirements have been appropriately complied with and non-mandatory requirements are dealt with at the end of the Report.
- 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.

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

Prohibition of Insider Trading:

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

Compliance Report:

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

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

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

8. Means of Communication

- a) In compliance with Clause 41 of Listing Agreement, the Company regularly intimates un-audited quarterly and audited annual financial results to Stock Exchanges immediately after they are taken on record by Board.
- b) The financial results were published in National English and vernacular daily newspapers viz. Business Standard/Indian Express (English) and Andhra Bhumi/Andhra Prabha/Andhra Jyothi (Telugu).
- c) The financial results and official press releases are posted on the Company's website www.softsolindia.com.
- d) The official news releases and the presentation made to the investors/ analysts are also displayed on the Company's website.

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

9. CEO/CFO Certification:

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

10. General Shareholders Information:

a) Registered Office & address for Correspondence

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

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

Wednesday, the 30th day of September 2015 at 10.00 A.M. at the Registered Office of the Company.

c) Financial Calendar

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

d) Book Closure

From September 24, 2015 to September 30, 2015 (both days inclusive)

e) Listing of Shares

The Company shares are listed on The Bombay Stock Exchange Limited and the Company has paid listing fees for the financial year 2015-16 to the Stock Exchange.

f) Stock Code/Symbol

The Bombay Stock Exchange Limited - 532344

g) 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 and Ms. Mercy Sowjanya

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

h) Share Transfer System

Equity Shares lodged for transfer in physical mode are normally registered within 15 days from the date of receipt. The Share Transfer Agent is handling all the Share Transfers and related transactions. As on March 31, 2015, no share transfer or complaints were pending.

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

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

i) Dematerialization of shares and liquidity**Dematerialisation of shares:**

Mode of Holding	Number of Shares	Percentage of holding
NSDL	16509156	98.14
CDSL	101086	0.60
Physical	212271	1.26
Total	16822513	100.00

Liquidity: The Company's Equity shares are traded on BSE Limited.
International Securities Identification Number: INE002B01016.

j) Category wise Shareholding as at March 31, 2015.

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters (Both Indian & Foreign)	9	11657229	69.30
Mutual Funds and UTI	0	Nil	Nil
Banks, Financial Institutions, Insurance Companies	0	Nil	Nil
FII's	0	Nil	Nil
Private Corporate Bodies	38	24306	0.14
Indian Public	1798	590873	3.51
Non-Resident Indians	8	2654044	15.78
Overseas Body Corporates	2	1896061	11.27
Total	1855	16822513	100

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

Name of the Shareholder	Number of shares held	Percentage
Promoters:		
SoftSol Technologies Inc	8875444	52.76
Sambasiva Rao Madala	904715	5.38
Srinivasa Rao Madala	840000	4.99
Durga VLK Madala	681964	4.05
Bhaskar Rao Madala	249966	1.49
Public:		
Adalat Corporation	1755370	10.43
Radha Krishna Ghanta (Trustee of AAM Trust)	1250000	7.43
Radha Krishna Ghanta (Trustee of SSM Trust)	1250000	7.43

l) Market Price Data:

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

Month	BSE– High	BSE– Low	Volume (number of Shares)	Month	BSE– High	BSE–	Volume (number of shares)
April 2014	50.00	40.60	7,528	October 2014	58.00	45.00	8,519
May 2014	54.60	38.55	10,020	November 2014	64.00	43.55	20,330
June 2014	53.90	43.15	11,059	December 2014	53.00	43.60	6,189
July 2014	55.65	41.45	36,468	January 2015	62.85	44.10	11,531
August 2014	56.70	40.35	28,823	February 2015	65.00	45.70	16,549
September 2014	56.00	41.50	31,477	March 2015	52.00	43.50	3,430

m) Distribution of Shareholding as at March 31, 2015.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	1635	88.09	2730490.00	1.63
5001 – 10000	136	7.33	1158880.00	0.69
10001 – 20000	37	1.99	560770.00	0.33
20001 – 30000	18	0.97	473960.00	0.28
30001 – 40000	3	0.16	112000.00	0.07
40001 – 50000	2	0.11	90980.00	0.05
50001 – 100000	4	0.22	233330.00	0.14
100001 & above	20	1.13	162864720.00	96.81
Total	1855	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

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

To
The Board of Directors of
SoftSol India Limited
Hyderabad.

This is to certify that:

a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of their knowledge and belief:

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

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

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

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

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

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

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

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

Bhaskar Rao Madala
Whole-time Director

Srinivas Mandava
Chief Financial Officer

Place: Hyderabad
Date: 13-08-2015