

SoftSol India Limited

Board of Directors	Mr. Srinivasa Rao Madala Mr. Bhaskar Rao Madala Dr. T. Hanuman Chowdary Mr. B.S. Srinivasan	Chairman Whole time Director Director Director
Company Secretary	Mrs. Chavali Lalitha	
Statutory Auditors	M/s. Brahmayya & Co., Chartered Accountants, Hyderabad.	
Internal Auditors	M/s. Balarami & Nagarjuna, Chartered Accountants, Hyderabad.	
Bankers	ICICI Bank Limited, Madhapur, Hyderabad. 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@softsolindia.com Website: www.softsolindia.com	
Registrars & Share Transfer Agent	Karvy Computershare Private Limited, Plot No. 17 - 24, Vithalrao Nagar, Madhapur, Hyderabad-500 081. Phone: 040 - 23420815-820, Fax: 040 – 23420814; Email: jayaramanvk@karvy.com.	

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Letter to Shareholders

Dear members,

I take pleasure in presenting the Nineteenth Annual Report of your Company. I use this opportunity to present our accomplishments and what we hope to do in the future.

Your company had a consolidated revenues of Rs. 101.70 Crores reflecting a 37.8% increase over previous year, and Rs. 26.9 Crores net income reflecting a 189% increase over previous year. This year we have executed projects in record sizes compared to any time before in our company history. The results are a reflection of the same and also an indication of what we could do if economy remains strong. Unfortunately, our accomplishments did not always result in immediate increase in value for shareholders. Recognizing this fact, the company will initiate steps including company buy back of shares to assist in liquidity for the scrip.

Just as we have projected last year, as promised and as planned we have made significant accomplishments in addition to improving the financial performance.

I am proud to share with you that not only our team delivered excellent quality work for our clients, but also developed, improved and perfected certain processes, specialized tools, methodologies and best practices that are relevant for the area of our specialization, namely, Enterprise Technology Modernization. We are also creating Intellectual property as we perform our normal work. Once again this will improve profitability, and intrinsic value of our company.

Our company has been profitable since inception and carried no significant debt. We have maintained a very conservative fiscal discipline so far and have refrained from leveraging.

We have taken steps to ensure that all of our resources generate positive returns, whether it be human resources, infrastructure or capital resources.

The ground work performed by every one so far will go a long way. For instance, we have proven our ability to acquire large well known customers both within USA and Europe. We have also proved our ability to execute large mission critical projects to their satisfaction. We are now attempting to do the next step of translating that into recurring revenue stream and revenue optimization from such customers, SoftSol will see a significant change in revenues and profits over the next few years. With

the commitment demonstrated by our technical teams, leadership shown by our management teams, cooperation extended by our board, unwavering trust reposed by our clients, the patience and confidence exhibited by our shareholders I am hopeful we will continue to see positive results in 2009-2010 subject to the market conditions impacting companies of our profile.

Sincerely Yours

Srinivasa Rao Madala
Chairman

Notice of the 19th Annual General Meeting

Notice is hereby given that the Nineteenth Annual General Meeting of the members of SoftSol India Limited will be held on Wednesday, the 30th day of September, 2009 at 10.30 a.m., at the registered office of the Company situated at Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2009 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Srinivasa Rao Madala, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint M/s. Brahmaya & Co., Chartered Accountants as Statutory Auditor and to fix remuneration.

Special Business:

4. To consider and if thought fit, to pass with or without modifications, if any the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Article 140 of the Articles of Association of the Company and Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as “the said Act” including any statutory modifications or re-enactments thereof for the time being in force) approval of Shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Bhaskar Rao Madala as Whole-time Director of the Company for a further period of five years with effect from November 1, 2009 to October 31, 2014 on the following terms and conditions relating to remuneration:

1. Salary: Rs. 80,000 (Rupees eighty thousand only) per month.
2. Perquisites and Allowances not exceeding basic salary per month:
 - a) House Rent Allowance: 40% of the Basic Salary.
 - b) Medical Reimbursement: Expenses incurred for self and family subject to the ceiling of Rs.15,000/- per annum.
 - c) Leave Travel Allowance: For Self and family once in a year incurred in accordance with the rules of the Company.
 - d) Club Fees: Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
 - e) Personal Accident Insurance: Personal accident Insurance policy for an amount, the annual premium of which shall not exceed Rs.20,000/- per annum.
 - f) Contribution to provident fund, Superannuating and Annuity Fund: As per the rules of the Company applicable to other managerial personnel.
 - g) Gratuity: As per the rules of the Company applicable to the other managerial personnel.
 - h) Leave: Entitled to avail leave with full pay or encashment thereof as per the rules of the Company applicable to the other managerial personnel.

In addition to the above, the Whole-time Director shall be provided with a car and telephone at his residence, the maintenance and running expenses of which shall be borne by the Company. The use of the Company's car and telephone for office purpose shall not be treated as perquisites."

"RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid resolution be paid to Mr. Bhaskar Rao Madala, Whole-time Director as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided Schedule XIII to the said Act."

"FURTHER RESOLVED THAT the Board or any committee thereof be and is hereby authorized on behalf of the company to do all such acts, deeds, matters and things as it may be necessary for the purpose of giving effect to this resolution."

On behalf of the Board of Directors

Srinivasa Rao Madala
Chairman

Place: Hyderabad
Date: 30-07-2009

Notes:

- (a) A member of the Company entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.
- (b) The Register of Members and the Share Transfer Books will remain closed from 22-09-2009 to 30-09-2009, both days inclusive.
- (c) Members / Proxies are requested to bring annual report along with the attendance slip filled in for attending the meeting.
- (d) M/s. Karvy Computershare Private Limited, Plot No. 17- 24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081, Andhra Pradesh is the Registrar and Share Transfer Agent (RTA) for the physical shares of the Company and also the depository interface of the Company with both NSDL and CDSL. Share Transfer documents and all correspondence relating thereto, should be addressed to the RTA.
- (e) 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.

Explanatory Statement, as required under Section 173 of the Companies Act, 1956.**Item No.4**

Mr. Bhaskar Rao Madala was re-appointed as Whole-time Director of the Company on 30th September 2004 for a period of five years from November 1, 2004 to October 31, 2009. The Remuneration Committee and the Board of Directors of the company in its meeting held on June 30, 2009 recommended appointment of Mr. Bhaskar Rao Madala as Whole-time director of the company for another term of five years with effect from November 1, 2009.

Mr. Bhaskara Rao Madala is a graduate in Science and bachelor of education. He holds 30 years of experience in teaching and retired as High School Head master. He is an authorized representative and signatory of the Company for complete affairs of the Company since last twelve years.

Your directors recommend the resolution as set out in Item No.4 of the notice for approval of the members.

No director other than Mr. Bhaskara Rao Madala and Mr. Srinivasa Rao Madala Promoter director are, in any way, concerned or interested in this Resolution.

On behalf of the Board of Directors

Srinivasa Rao Madala
Chairman

Place: Hyderabad
Date: 30-07-2009

Director's Report

Dear Members of
SoftSol India Limited

The Directors present their Nineteenth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2009.

Financial Results	(Rs. in lakhs)	
	<u>2008-09</u>	<u>2007-08</u>
Gross Revenue	3707.91	1899.41
Total Expenditure	1264.00	1338.73
Operating Profit	2443.91	560.68
Other Income	905.00	465.59
Interest	2.80	3.32
Depreciation	292.57	312.95
Profit before Tax	3053.53	710.00
Provision for Taxation	401.73	-205.01
Profit after Tax	2651.79	915.01
Earning per Share (Rs.)	14.23	4.91

During the year under review, your Company recorded income of Rs. 3707.91 Lakhs from export of software in comparison with previous year's income of Rs. 1899.41 Lakhs. Your company achieved net profit of Rs. 2651.79 Lakhs for the year in comparison with the previous year's net profit of Rs. 915.01 Lakhs.

SoftSol Resources Inc., (SRI) a wholly owned subsidiary of your Company, recorded total revenue of US\$ 15.04 Millions in comparison with the previous year's revenue of US\$ 13.43 Millions. SRI recorded net profit of US\$ 62,087 for the year 2008 in comparison with the previous year's net profit of US\$ 35,054.

Management Discussions and Analysis Report

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

Dividend

In view of growth opportunities available to the Company, your directors recommend plough back of all profits. Consequently, there will be no dividend outflow from the Company.

Directors:

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

During the year under review Mr. Shanker Trivedi and Mr. Pradeep Kumar the non-resident directors of the Company were resigned as Directors with effective from 29th January 2009 because they are unable to attend any meeting of the Board since their appointment due to their pre-occupations.

Corporate Governance:

A report on Corporate Governance confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Report.

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 2008-2009 have been paid to the Exchange.

Auditors:

M/s. Brahmayya & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment as Auditors.

Fixed Deposits

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

Information u/s. 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.**Conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo:**

- a. Conservation of Energy: The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.
- b. Technology Absorption: Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up gradation of product and services development.
- c. Foreign Exchange earnings and outgo: Total foreign exchange earnings during the year were Rs. 3707.91 Lakhs (Previous year Rs. 1,899.41 Lakhs) and foreign exchange outgo was Rs. 12.44 Lakhs (previous year Rs. 128.04 Lakhs).

Particulars of Employees:

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not required as no employee falls under the category.

Directors' Responsibility Statement:

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

1. That, in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures;

2. That, the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. That, the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That, the Directors had prepared the annual accounts on a going concern basis.

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

Srinivasa Rao Madala
Chairman

Place: Hyderabad
Date: 30-07-2009

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:

2. Board of Directors

Composition of the Board:

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

The composition of the Board of Directors of the Company as on March 31, 2009 is as follows:

Name of the Director	Category	Designation	Directorship in other Companies @	Chairmanship in committees of Boards of other Companies §	Membership in committees of Boards of other Companies §
Mr. Srinivasa Rao Madala	Promoter Director	Chairman	Nil	Nil	Nil
Mr. Bhaskar Rao Madala	Promoter Director	Whole Time Director	Nil	Nil	Nil
Dr. T. Hanuman Chowdary	Independent Non-Executive Director	Director	Three	One	One
Mr. B.S. Srinivasan	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. Shanker Trivedi **	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. Pradeep Kumar**	Independent Non-Executive Director	Director	Nil	Nil	Nil

@ Directorships in private and foreign companies are excluded.

§ Membership of only Audit Committee and Share Transfers & Shareholders Grievance Committee has been considered.

** During the year under review Mr. Shanker Trivedi and Mr. Pradeep Kumar the non-resident directors of the Company were resigned as Directors with effective from 29th January 2009 because they are unable to attend any meeting of the Board since their appointment due to their pre-occupations.

Details of Board Meetings and Attendance:

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors at least seven days before the meeting.

During the financial year, Board of Directors of the Company met five times on 28-05-2008, 30-06-2008, 31-07-2008, 30-10-2008 and 29-01-2009. The attendance details of the directors at the Board Meetings and last Annual General Meeting is as follows:

Name of the Director	Number of meetings held	Number of meetings attended	Whether attended the AGM held on September 29, 2008
Mr. Srinivasa Rao Madala	5	1	No
Mr. Bhaskar Rao Madala	5	5	Yes
Dr. T. Hanuman Chowdary	5	5	Yes
Mr. B.S. Srinivas	5	5	Yes
Mr. Shankar Trivedi **	5	0	No
Mr. Pradeep Kumar **	5	0	No

** Mr. Shanker Trivedi and Mr. Pradeep Kumar resigned from the Board with effective from 29th January 2009.

Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended March 31, 2009. A declaration to this effect, duly signed by the Whole time Director is annexed hereto.

Details of the Director seeking re-appointment at the forthcoming Annual General Meeting

Name: Mr. Srinivasa Rao Madala
 Date of Birth: 01-06-1961
 Nationality: Indian
 Date of Appointment: 27-12-1998

Mr. Srinivasa Rao Madala is a B.E. (Mech.) from REC, Warangal, and P.G. Diploma in Industrial Engineering from NITIE, Mumbai. To his credit he has published a paper titled "A Search for optimal Frequency of Shutdown through Computer Simulation" in Maintenance Management International, Netherlands, 1987. Mr. Madala was employed by Tata Burroughs Limited (now called Tata Unisys Limited), Mumbai and was deputed to work in UNISYS, Atlanta in 1986. Prior to setting up his own ventures, Mr. Madala has provided his services as a consultant for Tata Burroughs Limited, Mumbai, UNISYS, Atlanta, Pasific Bell, San Ramon and Bellcore, New Jersey. He has experience in Application Development, Process Re-engineering, Systems Engineering and Project Management.

Mr. Madala is the driving force behind the SoftSol Group and has over 24 years of experience in system engineering, Application Development, Feasibility Studies, Project Management and Business Development. Mr. Madala is the Promoter and Chairman of SoftSol India Limited and SoftSol Resources Inc., U.S.A. He also co-founded SoftSol Technologies, Inc., U.S.A., the parent company, wherein he is a Director.

Mr. Madala does not own any shares in the Company and he is not holding any other directorships in Public Limited Companies in India.

3. Audit Committee

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

- a) Overseeing the Company financial reporting process.
- b) Reviewing periodical financial results, financial statements and adequacy of internal control systems.
- c) Approving Internal Audit plans and reviewing efficacy of the function.
- d) Discussion and review of periodic audit reports, and
- d) Discussions with external auditors about the scope of the audit including the observations of the auditors.

Composition and Attendance:

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

During the financial year 2008-09 Audit Committee of the Board of Directors met four times on 30-06-2008, 31-07-2008, 30-10-2008 and 29-01-2009. All the members of the Committee attended all the meetings.

4. Remuneration Committee

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

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

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. 4,000 (Rupees four thousand only) is being paid to non-executive directors for attending each board meeting.

The Remuneration Committee comprises of three non-executive directors Dr. T.Hanuman Chowdary, Mr. B.S.Srinivasan and Mr. Srinivasa Rao Madala. Dr. T. Hanuman Chowdary is the Chairman of the Committee.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2008-09 are as follows:

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total (In Rs.)
Mr. Srinivasa Rao Madala	Director	Nil	Nil	Nil	Nil
Mr. Bhaskara Rao Madala	Whole-time Director	13,46,400	Nil	Nil	13,46,400
Dr. T. Hanuman Chowdary	Director	Nil	Nil	20,000	20,000
Mr. B. S. Srinivasan	Director	Nil	Nil	20,000	20,000
Mr. Shanker Trivedi **	Director	Nil	Nil	Nil	Nil
Mr. Pradeep Kumar **	Director	Nil	Nil	Nil	Nil

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.

** Mr. Shanker Trivedi and Mr. Pradeep Kumar resigned from the Board with effective from 29th January 2009.

5. Share Transfers and Shareholders Grievance Committee

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

Scope of the Committee

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

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

Meetings and Attendance:

During the year under review, five meetings were held on 28-05-2008, 30-06-2008, 31-07-2008, 30-10-2008 and 29-01-2009. All the members of the Committee attended all the meetings.

6. General Body Meetings

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

Year/Period	Day, Date and Time	Location
2005-2006	Friday, 29 th September 2006 at 11.00 A.M.	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2006-2007	Saturday, 29 th September 2007 at 10.30 A.M.	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2007-2008	Tuesday, 30 th September 2008 at 10.30 A.M.	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.

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

7. Disclosures:

Details of Related Party Transactions:

SoftSol Technologies Inc., (STI) holds 47.57% of the total shareholding of SoftSol India Limited. SoftSol India Limited (SIL) holds 100% shareholding of SoftSol Resources Inc., (SRI) and hence SRI is a wholly owned subsidiary of SIL. The transactions details of the Company with the STI & SRI as of 31.03.2009 are:

Details	Party Name	31.03.2009 (in Rs.)	31.03.2008 (in Rs.)
Sales	SoftSol Technologies Inc.	18,82,02,000	1,89,92,890
	SoftSol Resources Inc.	3,77,04,000	80,77,500
Onsite Expenditure	SoftSol Technologies Inc.	--	78,41,068
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 2008-09.

There are no pecuniary relationship or transactions with non-executive director's vis-à-vis the Company, which has potential conflict with the interests of the Company at large.

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

The Company has complied with all the applicable mandatory requirements of the revised Clause 49 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.

8. Means of Communication

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

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 required to be given under Clause-49 (V) was placed before the Board of Directors of the Company.

10. General Shareholders Information: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@softsolindia.com, Website: www.softsolindia.com

Annual General Meeting: (Date, Time and Venue)

Wednesday, the 30th day of September 2009 at 10.30 A.M. at the Registered Office of the Company.

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.

Book Closure

From September 22, 2009 to September 30, 2009 (both days inclusive)

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 2008-09.

Stock Code/Symbol

The Bombay Stock Exchange Limited - 532344

Share Transfer Agent

Karvy Computershare Private Limited, Plot No. 17 - 24, Vithalrao Nagar, Madhapur, Hyderabad-500 081, Andhra Pradesh, Phone: 040 - 23420815-820, Fax: 040 – 23420814. Email: jayaramanvk@karvy.com.

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, 2009, 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.

Dematerialization of Shares

The Shares of the Company are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on March 31, 2009, 13195703 Equity Shares of the Company forming 70.73 % of the Share Capital of the Company, stand dematerialized. International Securities Identification Number: INE002B01016.

Market Price Data:

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

Month	BSE-High	BSE-Low	Month	BSE-High	BSE-Low
April 2008	64.05	51.60	October 2008	46.70	20.30
May 2008	68.70	54.10	November 2008	36.80	25.55
June 2008	61.70	44.30	December 2008	38.10	28.00
July 2008	53.00	38.60	January 2009	33.65	24.25
August 2008	59.95	44.65	February 2009	33.30	24.10
September 2008	56.90	36.10	March 2009	29.80	21.85

Category wise Shareholding as at March 31, 2009.

Category	No. of Shares held	Percentage of Shareholding (%)
Promoters	10832458	58.06
Mutual Funds and UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies	Nil	Nil
FII's	Nil	Nil
Private Corporate Bodies	279640	1.50
Indian Public	1815803	9.73
Non-Resident Indians	2991546	16.04
Overseas Body Corporates	2736061	14.66
Clearing Members	300	0.01
Total	18655808	100.00

Distribution of Shareholding as at March 31, 2009.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	2059	84.18	3835370	2.0558
5001 – 10000	216	8.83	1879670	1.0075
10001 – 20000	64	2.62	955860	0.5123
20001 – 30000	27	1.10	697960	0.3741
30001 – 40000	11	0.45	411680	0.2206
40001 – 50000	13	0.53	595470	0.3191
50001 – 100000	18	0.74	1414170	0.7580
100001 & above	38	1.55	176767900	94.7522
Total	2446	100	18655808	100

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2009.

On behalf of the Board of Directors

Place: Hyderabad
Date: 30-07-2009

Bhaskar Rao Madala
Whole-time Director

Declaration

To the Board of Directors of
SoftSol India Limited.

I, Bhaskar Rao Madala, Whole time Director of SoftSol India Limited certifies that:

- a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2009 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 their 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit committee
 - i. There has not been any significant changes in internal control over financial reporting during the year under reference;
 - 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 has not been any 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.

Place: Hyderabad
Date: 30-07-2009

Bhaskar Rao Madala
Whole-time Director

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

To
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, 2009 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit or 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.

Place: Hyderabad
Date: 30-07-2009

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

Management's Discussion and Analysis Report

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India.

A. Industry structure and developments

The shift in the role of Information Technology (IT) from merely supporting business to transforming business is driving productivity gains and helping to create new business models. The increasing acceptance of outsourcing and off-shoring of activities as an economic necessity has contributed to the continued growth in our revenue.

Organizations are increasingly turning to offshore technology service providers to meet their need for high quality, cost competitive technology solutions. As a result, offshore technology service providers have become main stream in the industry and continue to grow in recognition and sophistication. The effective use of offshore technology services offers a variety of benefits, including lower total cost of ownership of IT infrastructure, lower labor costs, improved quality and innovation, faster delivery of technology solutions and more flexibility in scheduling.

According to NASSCOM Strategic Review Report 2009, IDC estimates total spending of \$ 557 billion on IT services in 2008, an increase of 5.5% over last year. Within the IT services market, outsourcing was the fastest growing segment in 2008, estimated to have grown by 21%. IDC forecasts worldwide IT services spending of approximately \$672 billion by 2012, reflecting a compound annual growth rate, or CAGR, of 4.8%. However, Forrester Global IT 2009 Market Outlook, predicts that U.S. IT purchases will slowdown from 4.05% growth in 2008 to 1.6% growth in 2009. According to NASSCOM Strategic Review Report 2009, IDC forecasts a cumulative annual growth rate (CAGR) of over 6.21% in worldwide IT services and IT enabled services (IT-ITeS) spending and a CAGR of over 18.79% in offshore IT spending, for the period 2007-12. The combined market for Indian IT-ITeS exports in fiscal 2009 was nearly \$ 60 billion.

Key factors supporting this projection are the growing impact of technology led innovation, the increasing demand for global sourcing and gradually evolving socio-political attitudes. Key factors contributing to the growth of India-based IT services are:

- India based sourcing offers significant cost advantages in terms of accessing highly skilled talent at lower wage costs and productivity gains that can be derived from having a very competent employee base. According to NASSCOM's Strategic Review Report 2009, the cost advantage achievable from outsourcing to India is unlikely to go away due to an absolute cost advantage vis-à-vis other key markets and the prospect of further reductions in infrastructure and overhead costs.
- India-based IT companies have proven their ability to deliver IT services that satisfy the requirements of international clients who expect the highest quality standards.
- The Indian IT industry has been the primary beneficiary of the rapid transformation of the telecom sector since it was deregulated to allow private participation, with the cost of international connectivity declining rapidly and service level quality improving significantly. This cost advantage is likely to continue due to growing consumer base

B. Opportunities and threats Global IT services and products

India continues to be a premier destination for outsourcing IT services. We have the most experienced human resource coupled with world-class infrastructure in Hyderabad to address customer needs.

or postpone their technology spending significantly. Reduction in spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.

According to World Economic Outlook Update published by International Monetary Fund in April 2009, GDP of United States is projected to contract by 2.8% in calendar 2009 and during the same period GDP of Europe is projected to contract by 4.2%. Forrester Global IT 2009 Market Outlook, predicts that U.S. IT purchases will slowdown from 4.05% growth in 2008 to 1.6% growth in 2009.

With offshore outsourcing receiving increasing political and media attention there have been concerted efforts to enact new legislation to restrict offshore outsourcing or impose disincentives on companies which have been outsourcing. This may adversely impact our ability to do business in these jurisdictions and could adversely affect our revenues and operating profitability.

We manage mission critical IT infrastructure/applications and therefore we need to maintain stable communication links with our clients. Breakdown in telecommunication links, geo-political disturbances or natural disaster could temporarily impact our ability to service customers. This could adversely affect the customer decision to procure IT services from India or increase the nature and scope of services sourced from India.

Your Company has a Risk Assessment and minimization process, which is monitored on a periodic basis. 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 centers.

C. Outlook, Risks and Concerns

Our revenues are highly dependent on clients primarily located in United States and Europe. Economic recession or factors that affect economic health of United States or Europe may affect our business.

Intense competition in the market for technology services could affect our cost advantage, which could affect our share of business from our clients and decrease our revenue.

Legislation in certain countries in which we operate may restrict companies in those countries from outsourcing work to us.

We are investing substantial cash in new facilities and physical infrastructure, and our profitability could be reduced if our business does not grow substantially.

We have added more lines of business to our portfolio in Enterprise modernization practice. We expect significant traction in these areas from new as well as existing customers. We expect to consolidate and prepare for growth in the coming years.

Your Company's software development facility at vizag will be operational in the current year.

D. Internal Control Systems and their adequacies

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

The internal control systems are implemented with a view to achieve good ethical culture within the organization. The internal control systems would ensure that any vulnerability in the achievement of company's objectives caused by risk factors whether internal or external, existing or emerging, is detected and reported in a timely manner and is meted out with appropriate corrective action.

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

E. Financial Performance of the company

Your company had a consolidated revenues of Rs 101.70 crores and Rs 26.9 crores net income in the current year. We expect to achieve significant growth in revenue and net income in the coming year.

F. Human Resources

We have continued to develop innovative methods for accessing and attracting skilled professionals. We have designed our compensation to attract and retain top quality talent and motivate higher levels of performance. We also have portion of compensation linked to performance of the business unit to which the employee belongs. We periodically reward high performers with incentives.

Auditor's Report

To
The Members of
SoftSol India Limited, Hyderabad(AP)

We have audited the attached balance sheet of SoftSol India Limited, Hyderabad(AP) as at 31st March, 2009, and the Profit and Loss account for the year ended on that date annexed thereto, and its Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, the Profit and Loss Account and the Cash-flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash- flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act, 1956, in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss account, of the PROFIT of the company for the year ended on that date; and
 - (c) in the case of the Cash-flow Statement, of the cash flows of the company for the year ended on that date.

For M/s. Brahmaya & Co.,
Chartered Accountants

Place : Hyderabad
Date : 30th June,2009

D.Seetharamaiah
Partner
Membership No:2907

Annexure to Auditor's Report

(Referred to in paragraph 3 of our report of even date)

- 1.1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed during the year on such verification.
- 1.3. During the year the company has not disposed of a substantial part of its fixed assets that would affect the going concern status of the company.
- 2.1. No inventories are held, since the company is engaged in developing software and providing I.T. Solutions, Accordingly clause 4(ii) is not applicable to the company for the year under report.
- 3.1.1 The company has neither granted nor taken any loans secured or unsecured to /from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- 3.1.2 In view of the comment in paragraph 3.1.1 above, the clause 4(iii) (b), (c), (d), (e), (f) and (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public and consequently, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the activities of the Company.
- 9.1 According to the information furnished to us, the company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, and Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company.
- 9.2 According to the records of the Company and the information and explanations given to us, there are no undisputed dues of Income Tax, Sales Tax, Service tax, Customs Duty and Cess which are not paid for a period of more than six months.
- 9.3 According to the records of the Company and the information and explanations given to us, the following is the disputed demand in respect of Income Tax, which has not been deposited.

Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax	18,238,564	2000-2001	Hon'ble High Court of A.P.

10. The company has no accumulated losses as at the end of the financial year 31-03-2009 and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations furnished to us by the company, the company has not defaulted in repayment of its dues to financial institutions and banks at the date of the Balance Sheet. Default in repayment of debentures does not arise, since the Company has not issued any debentures.
12. According to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is neither a chit fund nor a nidhi/ mutual benefit fund /society. Hence the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.
14. According to the information furnished to us, the company is not trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the information and explanation given to us, the company has not obtained any term loans during the year.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act, or to any others.
19. According to the information and explanations given to us, the company has not issued any debentures during the year under report.
20. The company has not raised any money through public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.
21. According to the information and explanations given to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

For M/s. Brahmaya & Co.,
Chartered Accountants

Place : Hyderabad
Date : 30th June, 2009

D.Seetharamaiah
Partner
Membership No:2907

BALANCE SHEET AS AT 31st MARCH 2009

Particulars	SCH. No.	As At 31st March 2009 (in Rupees)	As At 31st March 2008 (in Rupees)
I SOURCES OF FUNDS			
1. Shareholder's funds			
(a) Capital	01	190,416,190	190,416,190
(b) Reserves and Surplus	02	1,461,462,960	1,196,284,253
		<u>1,651,879,150</u>	<u>1,386,700,443</u>
2. Loan funds			
Secured Loan	03	-	2,701,378
3. Deferred tax liability			
		1,871,429	5,577,473
T O T A L		<u>1,653,750,579</u>	<u>1,394,979,294</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	04	391,709,760	394,514,952
Less: Depreciation		<u>104,460,333</u>	<u>76,516,295</u>
b) Net Block		287,249,427	317,998,657
Add: i) Capital Work In Progress		38,182,383	22,492,563
ii) Unallocated Capital Expenditure	05	2,163,955	896,824
		<u>327,595,765</u>	<u>341,388,044</u>
2. Investments			
	06	953,584,053	953,410,053
3. Current Assets, Loans and Advances			
Stock of Work in progress		3,340,260	62,898,075
Sundry debtors	07	112,398,957	31,513,992
Cash and bank balances	08	240,778,164	29,264,462
Loans and advances	09	74,098,812	40,647,786
		<u>430,616,193</u>	<u>164,324,315</u>
Less : Current Liabilities and Provisions	10	58,045,432	64,143,118
Net Current Assets		<u>372,570,761</u>	<u>100,181,197</u>
T O T A L		<u>1,653,750,579</u>	<u>1,394,979,294</u>

NOTES ON ACCOUNTS 15
Schedules, Accounting policies and Note On accounts forms an integral part of Balance Sheet

per our report of even date
For M/s. Brahmaya & Co.
Chartered Accountants

For and on behalf of the Board

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 30-06-2009

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	SCH. No.	Current Year (in Rupees)	Previous Year (in Rupees)
<u>INCOME</u>			
Software Exports		370,790,814	189,940,746
Other Income	11	90,499,406	46,558,752
		<u>461,290,220</u>	<u>236,499,498</u>
<u>EXPENDITURE</u>			
Personnel Cost	12	99,033,475	92,180,726
Operation and other expenses	13	27,366,150	41,692,343
		<u>126,399,625</u>	<u>133,873,069</u>
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES		334,890,595	102,626,429
Finance Charges	14	280,457	331,660
Depreciation	04	29,257,475	31,295,385
PROFIT BEFORE TAXES		305,352,663	70,999,384
Provision for Taxation			
Current Income tax		43,500,000	8,050,000
Minimum Alternative Tax (Credit)		--	(8,050,000)
Deferred tax		(3,706,044)	(20,821,142)
Fringe Benefit Tax:			
Current Year		380,000	320,000
PROFIT FOR THE YEAR AFTER TAXATION		265,178,707	91,500,526
Add: Balance brought forward from previous year		368,713,394	277,212,868
SURPLUS CARRIED TO BALANCE SHEET		633,892,101	368,713,394
Earning Per Share (Basic & Diluted)		14.23	4.91
NOTES ON ACCOUNTS	15		
Schedules, Accounting policies and Note On accounts forms an integral part of Balance Sheet			

per our report of even date
For M/s. Brahmaya & Co.
Chartered Accountants

For and on behalf of the Board

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 30-06-2009

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

(Rs. In Lakhs)

	Year ended 31-03-2009	Year ended 31-03-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	3,053.53	709.99
Adjustments for:		
Depreciation	292.57	312.95
Interest (Net)	(84.08)	(0.69)
Dividend Received	(15.53)	(10.27)
Provision for Leave Encashment	1.22	2.67
Provision for Gratuity	9.55	20.71
Excess Provision written Back	(6.81)	--
Credit Balances written Back	(5.19)	---
Loss on redemption of mutual fund investments	--	0.03
Operating Profit before Working Capital changes	3,245.26	1,035.40
Adjustments for Working Capital:		
Trade and other payables	30.10	434.28
Trade and other receivables	(824.52)	333.02
Inventories	595.58	(628.98)
Net Cash generated from operations	3,046.41	1,173.73
Direct Taxes Paid	(435.35)	(116.18)
Net Cash from operating activities (A)	2,611.07	1,057.55
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	48.86	1.54
Dividend Paid	(12.82)	(0.01)
Dividends Received	15.53	10.27
Purchase of Fixed Assets	(676.76)	(1,032.24)
Sale of Fixed Assets	160.82	--
Sale of investments	815.53	1,165.29
Purchase of Investments	(817.27)	(1165.32)
Net Cash flow from Investing Activities (B)	(466.11)	(1,020.47)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings (Net)	(27.01)	(16.75)
Interest Paid	(2.80)	(3.32)
Net Cash flow from Financing Activities (C)	(29.82)	(20.07)
Net Increase in Cash and Cash Equivalents (A+B+C)	2,115.14	17.01
Cash and cash Equivalents as at beginning of the year	292.64	275.64
Cash and cash Equivalents as at end of the year	2,407.78	292.64

per our report of even date
For M/s. Brahmaya & Co.
Chartered Accountants

For and on behalf of the Board

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 30-06-2009

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2009**

Particulars	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)		
01. SHARE CAPITAL				
Authorised				
50,000,000 Equity Shares of Rs.10/- each	500,000,000	500,000,000		
Issued				
19,681,430 Equity Shares of Rs. 10/-each	196,814,300	196,814,300		
Subscribed				
19,455,630 Equity shares Rs. 10/- each	194,556,300	194,556,300		
Paid Up Capital				
18,627,608 Equity shares of Rs.10/- each fully paid up	186,276,080	186,276,080		
28,200 Equity shares of Rs.10/- each and Rs.5/- each paid up	141,000	141,000		
	<u>186,417,080</u>	<u>186,417,080</u>		
Add: Forfeited shares (amount originally paid up)				
799,822 Equity shares of Rs. 5/- each	3,999,110	3,999,110		
TOTAL	190,416,190	190,416,190		
02. RESERVES AND SURPLUS				
	Balance as at 31.03.2008	Additions	Deletions	Balance as at 31.03.2009
Securities Premium Account	757,880,730	--	--	757,880,730
General Reserve	69,690,129	--	--	69,690,129
Surplus: Balance in Profit and Loss Account	368,713,394	633,892,101	368,713,394	633,892,101
TOTAL	1,196,284,253	633,892,101	368,713,394	1,461,462,960
03. SECURED LOANS				
From State Bank of India on Hyphothication of Vehicles			--	2,701,378
TOTAL			--	2,701,378
06. INVESTMENTS				
(At cost, Non-trade, Long -term, unquoted)				
Government Securities				
National Saving certificates			6,000	6,000
Investments In Wholly Owned Subsidiary				
13,120 common stock of \$ 100 each fully paid up			953,404,053	953,404,053
Investments In Euity Shares in Tierra Infra Private Ltd				
1,74,000, Euity Shares of Rs. 1/- each			174,000	--
TOTAL			953,584,053	953,410,053

04. FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 31.03.2008 Rs.	ADDITIONS DURING YEAR Rs.	DELETIONS DURING YEAR Rs.	AS ON 31.03.2009 Rs.	UP TO 31.03.2008 Rs.	FOR THE YEAR Rs.	ON DELETIONS Rs.	TOTAL UPTO 31.03.2009 Rs.	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
	Tangible assets										
1.	Land	13,918,307	-	-	13,918,307	-	--	--	-	13,918,307	19,458,449
	Own	5,540,142	--	--	5,540,142	--	55,961	--	55,961	5,484,181	--
	Leasehold	202,188,500	765,128	--	202,953,628	--	9,241,010	--	26,611,399	176,342,229	184,818,111
2.	Building	8,143,040	60,320	--	8,203,360	--	1,132,310	--	6,482,283	1,721,077	2,793,069
3.	Computers	21,187,984	614,460	--	21,802,444	--	2,842,912	--	17,374,780	4,427,664	6,656,116
4.	Computers - Imported	33,271,234	1,302,176	1,364,851	33,208,559	1,364,851	3,625,729	63,284	10,309,672	22,898,887	26,524,007
5.	Air Condition System	11,062,734	--	--	11,062,734	--	1,215,777	--	3,538,199	7,524,535	8,740,312
6.	Generator	5,872,985	--	--	5,872,985	--	638,645	--	1,920,364	3,952,621	4,591,266
7.	Lift	3,789,053	--	1,196,000	2,593,053	1,196,000	216,356	41,818	1,254,013	1,339,040	2,709,578
8.	UPS	35,142,165	7,273,531	8,711,934	33,703,762	8,711,934	3,548,035	137,160	16,088,112	17,615,650	22,464,928
9.	Furniture and Fixtures	31,084,479	1,030,478	5,627,005	26,487,952	5,627,005	3,302,455	1,045,912	11,067,558	15,420,394	22,273,464
10.	Electrical Installation	9,792,625	87,190	--	9,879,815	--	1,114,582	--	3,007,622	6,872,193	7,899,585
11.	Office Equipment	463,645	--	--	463,645	--	26,459	--	299,891	163,754	190,213
12.	Office Equipment - Imp	3,359,733	309,120	496,082	3,172,771	496,082	375,292	25,264	714,964	2,457,807	2,994,797
13.	Net Working Equipment	811,094	459,040	--	1,270,134	--	142,809	--	208,952	1,061,182	744,951
14.	Fire Fighting Equipment	91,746	--	--	91,746	--	2,445	--	76,619	15,127	17,572
15.	Canteen Equipment	99,794	--	--	99,794	--	3,213	--	79,907	19,887	23,100
16.	Motors and Borewell	7,352,834	2,272,210	--	9,625,044	--	1,398,606	--	4,349,589	5,275,455	4,401,851
17.	Vehicles	195,685	--	--	195,685	--	7,970	--	146,358	49,327	57,297
18.	Xerox Machine - Imp	18,592	--	--	18,592	--	822	--	14,872	3,720	4,542
19.	Library	1,128,581	417,027	--	1,545,608	--	366,087	--	859,218	686,390	635,449
20.	Software	394,514,952	14,590,680	17,395,872	391,709,760	17,395,872	29,257,475	1,313,438	104,460,333	287,249,427	317,998,657
21.	Capital workin progress	22,492,563	17,485,426	1,795,606	38,182,383	1,795,606	--	--	--	38,182,383	22,492,563
	Less : Internal Transfers	417,007,515	32,076,106	19,191,478	429,892,143	19,191,478	29,257,475	1,313,438	104,460,333	325,431,810	340,491,220
		-	1,795,606	1,795,606	--	1,795,606	--	--	--	--	--
	T O T A L	417,007,515	30,280,500	17,395,872	429,892,143	17,395,872	29,257,475	1,313,438	104,460,333	325,431,810	340,491,220
	Previous Year Total	344,767,698	72,239,817	--	417,007,515	--	31,295,385	--	76,516,297	340,491,218	299,546,788

Particulars	As at 31.03.2008 (in Rupees)	Incurred During the year	As at 31.03.2009 (in Rupees)
05. UNALLOCATED CAPITAL EXPENDITURE			
Store and Spares	3,510	--	3,510
Repairs & Maintenance	--	2,770	2,770
Bank Charges	7,223	5,911	13,134
Travelling & Conveyance	154,810	148,467	303,277
Legal & Professional Charges	636,689	1,109,854	1,746,543
Printing & Stationary	292	129	421
Rent	94,300	--	94,300
TOTAL	896,824	1,267,131	2,163,955

Particulars	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
07. SUNDRY DEBTORS (Unsecured, Considered Good)		
Debts due over six months	--	--
Other debts	112,398,957	31,513,992
TOTAL	112,398,957	31,513,992
08. CASH AND BANK BALANCES		
Cash in hand	328,411	137,236
Balance with scheduled banks in:		
Current Accounts	11,464,502	24,461,183
Unpaid Dividend Accounts	140,983	1,422,632
Fixed Deposits	228,844,268	3,243,411
TOTAL	240,778,164	29,264,462
09. LOANS AND ADVANCES (Unsecured, considered good ,recoverable in cash or in kind or for value to be received)		
Intercompany Loans including interest accrued thereon	1,543,800	1,889,518
Advances for : Capital Works	39,493,859	8,052,260
Advances for Expenses	55,000	25,500
Deposits recoverable	2,005,542	1,819,742
Rent Receivable Account	5,834,783	4,244,802
Prepaid Expenditure	703,083	575,361
Advance Income Tax & TDS (Net of Provisions)	11,861,701	15,222,482
Interest Accrued	4,551,044	748,121
Staff Advances	--	20,000
MTA Credit Receivable	8,050,000	8,050,000
TOTAL	74,098,812	40,647,786

Particulars	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
10. CURRENT LIABILITIES AND PROVISIONS		
Liabilities		
Creditors for : Capital Goods	2,682,443	10,385,008
: Expenses	3,829,092	5,326,148
: Other Finance	955,425	1,450,296
Deposits Refundable	50,437,489	45,559,034
Unclaimed Dividend (not due for remittance to Investor Education and protection fund)	140,983	1,422,632
T O T A L	58,045,432	64,143,118

Particulars	Current Year (in Rupees)	Previous Year (in Rupees)
11. OTHER INCOME		
Interest earned (Others, gross)	8,688,459	400,974
T D S : Current year Rs.13,11,459/-		
T D S : previous year Rs.33,403/-		
Rents Received	63,932,643	44,840,042
Dividends from mutual funds	1,552,799	1,026,868
Foreign Exchange Gain	14,848,209	--
Miscellaneous receipts	277,000	1,775
Excess Provision Written Back	680,964	289,093
Credit Balance Written Back	519,332	--
T O T A L	90,499,406	46,558,752

12. PERSONNEL COST		
Salaries, Wages and Bonus	87,651,558	79,853,359
Contribution to provident and other funds	3,530,524	3,580,845
Staff welfare Expenses	6,888,570	6,474,956
Gratuity	962,823	2,271,566
T O T A L	99,033,475	92,180,726

14. FINANCE CHARGES		
Interest on Fixed Loans	280,457	331,660
T O T A L	280,457	331,660

Particulars	Current Year (in Rupees)	Previous Year (in Rupees)
13. OPERATION AND OTHER EXPENSES		
Rent	510,427	453,333
Taxes and Licenses	3,009,273	1,884,658
Insurance	383,908	1,088,966
Repairs and Maintenance to :		
Equipment	1,506,468	183,524
Buildings	1,470,483	1,039,560
Others	4,466,985	2,307,104
Onsite Expenses	--	7,841,068
Advertisement	49,987	5,000
Commission	--	864,828
Communication Costs	1,705,757	1,422,850
Soft Link Charges	1,881,563	2,110,659
Printing and Stationery	334,283	328,247
S T P I - Service Charges	300,000	277,500
Staff Training and Recruitment Expenses	231,085	--
Director's sitting fees	40,000	50,000
Auditor's Remuneration:		
Statutory Audit	82,725	67,416
Tax Matters	98,090	55,000
Certification	--	22,466
Legal and Professional Services	1,813,404	2,428,860
Travelling and Conveyance	3,930,683	7,032,251
General Expenses	2,032,991	2,554,031
Electricity Charges	1,101,524	3,707,049
ISO Expenses	385,394	28,160
Security Service Charges	2,021,120	1,889,393
Foreign Exchange Loss	--	4,046,764
Short term Capital Loss	--	3,388
Prior Period Expenses	10,000	--
Sundry debit balances written off	--	268
T O T A L	<u>27,366,150</u>	<u>41,692,343</u>

SCHEDULE – 15: Notes on accounts

- 1) Significant accounting policies:
 - a) Financial statements are based on historical cost, Convention and in accordance with generally accepted accounting practices.
 - b) The preparation of financial statements requires the management of the company to make certain estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure for the year.
 - c)
 - i) Tangible fixed assets are stated at cost net of depreciation provided.
 - ii) Intangible assets are stated at cost net of the amount amortized.
 - d) Depreciation on the tangible assets is provided on written down value method as per schedule XIV to the companies Act, 1956. Intangible assets are amortized over their estimated useful life. Leasehold Land is amortized equally over the lease period. The lease rentals are charged to revenue.
 - e) Long-term investments are carried at cost. Provision for diminution, if any, in the value of each such investment is made to recognize a decline, other than that of temporary nature.
 - f) The contingent liabilities are indicated by way of a note and will be provided/ paid on crystallization.
 - g) Contributions to Provident fund are remitted to Provident Fund Commissioner. Gratuity and leave encashment are provided on the basis of actuarial valuation.
 - h) Borrowing costs that are directly attributable to the acquisition, construction of fixed assets are capitalized as part of the cost of such assets.
 - i) Sales include revenue recognized by the company under proportionate completion method as per the Accounting Standard –9 issued by Institute of Chartered Accountants of India for the services rendered and delivered as per the contracts entered.
 - j) Export sales in foreign currency are accounted for at the exchange rate prevailing at the time of sale. Gain/Loss arising out of fluctuations in the exchange rate is taken to revenue on realization.
 - 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 it's carrying amount, the carrying amount is reduced to it's recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.
 - l) Expenditure in foreign currency is accounted for at the exchange rate prevalent when such expenditure is incurred. Disbursements made out of foreign currency bank accounts are reported at a rate prevailing on the date of disbursement.
 - m) Prior year adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the company are disclosed.
 - n) Current Assets and Current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is accounted for in the Profit and Loss account.
 - o) Differed Tax assets and liabilities are recognized for future tax consequences attributable to the timing difference that results between the profits considered for income tax and the profit as per financial statements. Deferred tax assets and liabilities are measured as per the tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. However, deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred asset can be realized.
2. The Land of one acre purchased by the company during the financial year 2005-06 was covered under Special Economic Zone vide notification No.S.O.565(E) Dt.11.04.2007 by Government of Andhra Pradesh. The company entered into lease agreement with Andhra Pradesh Industrial Infrastructure Corporation Limited for a period of 99 years on payment of Rs.1,000\ per annum towards lease rentals. As per the deed the company is given as an

option to reconvert the leasehold land to freehold land after a period of 10 years subject to the provisions of SEZ Act, 2005 and SEZ rules without any further payment.

Accordingly the Land, which is treated as freehold during earlier years has been shown as Leasehold Land.

3. Details of purchase and sale of Mutual Funds :

S.No.	Particulars	Purchase		Sale	
		No. Units	Amount Rs.	No. Units	Amount Rs.
1	ICICI MUTUAL FUND	81,52,019	8,15,52,799	81,52,019	8,15,52,799

4. None of the suppliers provided information to the Company regarding their status as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Accordingly the information regarding the dues to such suppliers could not be furnished.

5. In terms of Accounting Standard 22 "Accounting for Taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, the Company has accounted for the deferred taxes during the year.

Major components of Deferred Tax on account of timing differences:

Particulars	Amount Rs.
Deferred Tax Liability on account of depreciation	25,75,827
Deferred Tax asset on account of Provision of Gratuity	3,24,565
Net deferred tax liability	22,51,262

6. Fixed Deposit for Rs.20,75,000/- (Previous year Rs.32,43,411/-) are in lien with Bankers towards margin against guarantees issued by them.

7. As required by Accounting Standard (AS 28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the management has carried out the assessment of impairment of assets and no impairment loss exists during the year.

8. 6 year National saving certificates of the face value of Rs.6,000/- (Previous year Rs.6,000/-) shown under investments are in the name of the employees of the company and were pledged with various Government Departments as security.

9. a) In the opinion of the management, the Current Assets, Loans and Advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business.

b) Sundry Debtors includes an amount of Rs.1,01,90,000/- (Previous year Rs.59,95,749/-) due from a wholly owned foreign subsidiary Company viz., SoftSol Resources Inc.

10. Managerial remuneration included under respective heads of account.

Whole Time Director :

Particulars	Current Year Rs.	Previous Year Rs.
Remuneration	12,60,000	10,85,000
Provident Fund Contribution	86,400	78,480
Total	<u>13,46,400</u>	<u>11,63,480</u>

	As at 31.03.2009 Rs	As at 31.03.2008 Rs.
11. Contingent liabilities not provided for on account of :		
a) Guarantees given by the bankers	20,75,000	32,43,411
b) Claims against the company not acknowledged as debts	10,91,266	9,95,521
c) Disputed demands of Income Tax	1,82,38,564	1,82,38,564
12. Value of imports calculated on C.I.F basis by the Company during the financial year in Respect of Capital goods	6,14,460	32,70,785
13. a) Expenditure in foreign currency during the Year on account of traveling excluding the tickets purchased in India	6,29,936	16,92,386
b) Onsite Expenses paid	--	78,41,068
14. Contracts to be executed on account of Capital contracts	1,45,00,000	17,60,791
15. Earnings in foreign currency on export of Software	37,07,90,814	18,99,40,746
16. There are no separate reportable segments as per the accounting Standard -17 " Segmental Reporting " issued by the Institute of Chartered Accountants of India.		
17. The details of related party transactions in terms of Accounting Standard (AS) 18 are as follows :		
i) Key Management Personnel		
Mr. Madala Bhaskara Rao, Whole time Director		
ii) a) Subsidiary : M/s SoftSol Resources Inc USA (SRI)		
b) Associate : M/s SoftSol Technologies Inc, USA (STI)		

Transactions :

Nature of relation	Remuneration		Sales		Onsite expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Key Management personnel	13,46,400	11,63,480	—	—	—	—
Subsidiary	—	—	3,77,04,000	80,77,500	—	—
Associate	—	—	18,82,02,000	1,89,92,890	—	78,41,068

Balances Receivable as at

Nature of relation	Current Year	Previous Year
	Amt. Rs.	Amt Rs.
Subsidiary	7,24,52,494	1,86,65,990
Associate	1,01,90,000	59,95,749

18. Employee Benefits :

The following table summaries the components of the net benefit recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans.

i) Profit and Loss Account

	Leave encashment	Gratuity
Current service cost	13,627	1,46,287
Interest cost	21,360	1,90,198
Actuarial Gain / loss	10,743	1,62,352
Net benefit expense	45,730	4,98,837

ii) Balance Sheet :

	Leave encashment	Gratuity
Opening balance of benefit obligations	2,67,005	23,77,476
Current service cost	21,360	1,90,198
Interest cost	13,627	1,46,287
Actuarial Gain / loss	10,743	1,62,352
Benefits paid	-	(7,938)
Closing balance of benefit obligations	3,12,735	28,68,375

The principal assumptions used in determining the Leave encashment and Gratuity benefits obligation for the Company's plans are as under:

Leave encashment :

Discount rate	8%
Further salaries raise	4%
Attrition Rate	1%
Mortality	Lic 94-96
Withdrawal	Ignored

Gratuity :	
Discount rate	8%
Mortality	Lic 94-96
Further salaries raise	4%
Attrition Rate	1%

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

19. Earnings per share (E.P.S.)

	Current Year	Previous Year
i) Net Profit as per Profit and Loss Account		
Available for Equity Shareholders (Rs.)	26,51,78,707	9,15,00,526
ii) Number of Equity Shares	18,641,708	18,641,708
iii) Nominal value of the share (Rs.)	10	10
iv) Earning Per Share (Basic and Diluted)	14.23	4.91

20. Previous year figures have been regrouped wherever necessary.

per our report of even date
For M/s. Brahmaya & Co.
Chartered Accountants

For and on behalf of the Board

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 30-06-2009

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

Balance Sheet Abstract & Company's General Business Profile
Schedule VI, Part IV, The Companies Act, 1956.

I. Registration Details:

Registration No. 11771 State Code: 01 Balance Sheet Date: 31.03.2009

II. Ca1. Capital raised during the year

Public Issue Nil Right Issue: Nil

Bonus Issus: Nil Private Placement: Nil

III. Position of Mobilization and Deployment of Funds
(Amount in Rs. Thousands)

Total Liabilities: 1651879 Total Assets: 1651879

Sources of Funds

Paid up Capital: 190416 Reserves & Surplus: 1461463

Secured Loans: Nil Unsecured Loans: Nil

Deferred Tax Liability 1871

Application of Funds:

Net Fixed Assets: 327596 Investments: 953548

Net Current Assets: 372570 Misc. Expenditure: Nil

Accumulated Losses: Nil

IV. Performance of the Company

Turnover: 461290 Total Expenditure: 155937

Profit/Loss before Tax: 305353 Profit/Loss after Tax: 265179

Earning per Share: 14.23 Dividend Rate: Nil

V. Generic Names of Three Principle' products/Services of Company
(As per monetary Terms)

Item Code No. (ITC Code): N.A

Product Description: Software Development

on behalf of the Board of Directors

Place : Hyderabad
Date: 30-06-2009

Bhaskar Rao Madala
Whole-time Director

SoftSol Resources Inc., USA

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

Name of the Subsidiary Company	SoftSol Resources Inc., USA
1. Financial Year of the Subsidiary ended on	December 31, 2008
2. Shares of Subsidiary Company held on the above date and extent of holding	
i) Number of Shares	13,120 Ordinary Shares of USD 100 each
ii) Extent of holding	100%
3. Net Aggregate Amount of Profits / (Losses) of the Subsidiary for the above financial year so far as they concern Members of Soft Sol India Limited	
i) Dealt within the Accounts of SoftSol India Limited	Nil
ii) Not Dealt within the Accounts of SoftSol India Limited	USD 62,087
4. Net Aggregate Amount of Profits / (Losses) of the Subsidiary for the previous financial year so far as they concern Members of Soft Sol India Limited	
i) Dealt within the Accounts of SoftSol India Limited	Nil
ii) Not Dealt within the Accounts of Soft Sol India Limited	USD 35,054

**For and on behalf of the Board
of SoftSol India Limited**

**(Bhaskar Rao Madala)
Whole - Time Director**

**(Dr. T. Hanuman Chowdary)
Director**

**Place: Hyderabad
Date: 30-06-2009**

**(B.S. Srinivasan)
Director**

**(C. Lalitha)
Company Secretary**

SoftSol Resources Inc., USA

SoftSol Resources Inc., USA

Board of Directors

Mr. Srinivasa Rao Madala President & CEO
Dr. Durga V.L.K. Madala Director

Registered Office

48383, Fremont Blvd,
Suite No. 116, Fremont,
California - 94538.
Tel No. (510) 824-2000,
Web site: www.softsolusa.com

Auditors

Neeka Accountancy Corporation
An Accountancy Corporation
California, USA.

Board of Director's Report 2008

Dear Members

Your Directors take pleasure in presenting their report for the financial year 2008.

The Financial Highlights :

(USD in OOO's)

Particulars	2008	2007
Total Revenue	15,044	13,432
Other Income	8	37
Total Operating Expense	14,869	13,384
Provision for Taxation	121	52
Net Profit	62	33

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

SoftSol Resources Inc., USA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheet of Softsol Resources, Inc. as of December 31, 2008, and the related statements of income, retained earnings, and cash flows for the year then ended. All information included in these financial statements is the representation of the management of SoftSol Resources, Inc. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Softsol Resources, Inc. as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States. The information included in the accompanying Schedules 1 to 4 is presented only for supplementary analysis purposes.

The Neeka Accountancy Corporation
Certified Public Accountants and Management Consultants
June 27, 2009

SoftSol Resources Inc., USA

BALANCE SHEET AS OF DECEMBER 31, 2008

	As of 31.12.2008 in USD	As of 31.12.2008 in Rs.	As of 31.12.2007 in USD
	1USD = 50.95		
Assets			
Current Assets			
Cash and Cash Equivalents	739,688.00	37,687,103.60	307,707.00
Accounts Receivable	2,095,440.00	106,762,668.00	2,806,559.00
Less: Allowance for doubtful Accounts	(75,248.00)	(3,833,885.60)	(72,451.00)
Receivables from STI	22,629.00	1,152,947.55	513.00
Investment in securities	--	--	111,458.00
Employee Advances	70,386.00	3,586,166.70	81,432.00
Prepaid Expenses	101,933.00	5,193,486.35	52,819.00
Deffered tax asset	33,342.00	1,698,774.90	32,368.00
Total Current Assets	2,988,170.00	152,247,261.50	3,320,405.00
Property & Equipment			
Property and Equipment	355,243.00	18,099,630.85	319,632.00
Less: Accumulated Depreciation	(279,327.00)	(14,231,710.65)	(245,023.00)
Total Property & Equipment	75,916.00	3,867,920.20	74,609.00
Other Assets			
Investment	203,322.00	10,359,255.90	203,322.00
Deferred Tax Assets	26,594.00	1,354,964.30	24,066.00
Refundable Deposits	11,613.00	591,682.35	9,032.00
Total Other Assets	241,529.00	12,305,902.55	236,420.00
Total Assets	3,305,615.00	168,421,084.25	3,631,434.00
Liabilities and Stock Holders equity			
Current Liabilities			
Account Payable	791,690.00	40,336,605.50	652,010.00
SVB Line of credit	--	--	556,078.00
See Schedule-1-Statement of Other Current Liabilities	331,619.00	16,895,988.05	321,476.00
Total Current Liabilities	1,123,309.00	57,232,593.55	1,529,564.00
Total Liabilities	1,123,309.00	57,232,593.55	1,529,564.00
Stockholders Equity			
Common Stock, \$ 100 par, 1,000,000 shares authorised, 13,120 shares issued and outstanding	1,312,000.00	66,846,400.00	1,312,000.00
Retained Earnings	870,306.00	44,342,090.70	784,194.00
Accrued other comprehensive Income	--	--	5,676.00
Total Stockholders Equity	2,182,306.00	111,188,490.70	2,101,870.00
Total Liabilities and Stockholders Equity	3,305,615.00	168,421,084.25	3,631,434.00

SoftSol Resources Inc., USA

STATEMENT OF INCOME OF INCOME FOR THE YEAR ENDED - DECEMBER 31, 2008

	As of 31.12.2008 in USD	As of 31.12.2008 in Rs. 1USD = 45.46	As of 31.12.2007 in USD
Revenue			
Consulting Income	15,044,692.00	683,931,698.32	13,432,575.00
Total Revenue	15,044,692.00	683,931,698.32	13,432,575.00
Cost of Sales			
See Schedule 2-Analysis of Cost of Sales	(12,436,700.00)	(565,372,382.00)	11,420,046.00
Gross Profit	2,607,992.00	118,559,316.32	2,012,529.00
Operating Expenses			
See Schedule 3-Analysis of Selling expenses	857,099.00	38,963,720.54	702,172.00
General & Administrative Expenses	1,507,739.00	68,541,814.94	1,220,797.00
See Schedule 4-Analysis of G & A Expenses			
Total operating expenses	2,364,838.00	107,505,535.48	1,922,969.00
Income from operations	243,154.00	11,053,780.84	89,560.00
Other Income (Other Expenses)			
Dividend Income	1,145.00	52,051.70	30,651.00
Other Income	7,020.00	319,129.20	6,501.00
Interest Expense	(67,515.00)	(3,069,231.90)	(40,938.00)
Total Other Income	(59,350.00)	(2,698,051.00)	(3,786.00)
Income from Operations before Income Taxes	183,804.00	8,355,729.84	85,774.00
Provision for Income Taxes			
Federal Income Tax-Current	87,148.00	3,961,748.08	55,826.00
State Income Tax-Current	38,177.00	1,735,526.42	16,748.00
Federal Income Tax-Deferred	(2,773.00)	(126,060.58)	(16,008.00)
State Income Tax-Deferred	(835.00)	(37,959.10)	(3,621.00)
Total Provision for Income Tax	121,717.00	5,533,254.82	52,945.00
Net Income	62,087.00	2,822,475.02	32,829.00
Other Comprehensive income			
Unrealised gain(Losses) on securities	--	--	2,225.00
Comprehensive Income	62,087.00	2,822,475.02	35,054.00
Earnings per Share (13,120 shares)	4.73	215.03	2.50
Statement of Retained Earnings			
Retained Earnings, January 1, 2008	789,870.00	35,907,490.20	751,293.00
Prior period Expenditure	18,349.00	834,145.54	--
Federal Taxes / Penalties	--	--	72.00
Net Income	62,087.00	2,822,475.02	32,829.00
Retained Earnings, December 31, 2008	870,306.00	39,564,110.76	784,194.00

SoftSol Resources Inc., USA

Schedule - 1 Analysis of their current liabilities

	As of 31.12.2008 in USD	As of 31.12.2008 in Rs.	As of 31.12.2007 in USD
Federal Income tax Payable	87,097.00	4,437,592.15	55,826.00
State Income Tax Payable	38,228.00	1,947,716.60	7,108.00
Accrued Expenses	9,574.00	487,795.30	--
Payroll Taxes Payable	--	--	166,069.00
Flexible Spending Payable	13,559.00	690,831.05	28,426.00
Accrued Wages & Salaries	176,122.00	8,973,415.90	54,237.00
401K Payable	7,039.00	358,637.05	9,810.00
Total Other Current Liabilities	331,619.00	16,895,988.05	321,476.00

Schedule-2 Analysis of Cost of Sales

	As of 31.12.2008 in USD	As of 31.12.2008 in Rs.	As of 31.12.2007 in USD
Consulting Outsourced	4,783,493.00	217,457,591.78	3,189,082.00
Consulting Outsourced-SIL	--	--	300,000.00
Salaries & Wages -Consultants	6,243,201.00	283,815,917.46	6,604,516.00
Taxes-Payroll-Consultants	471,459.00	21,432,526.14	493,311.00
Per Diem - consultant	354,040.00	16,094,658.40	370,485.00
Insurance Medical & Dental	349,788.00	15,901,362.48	266,538.00
Leagal & Immigration-Consultants	233,124.00	10,597,817.04	180,127.00
Professional Development	365.00	16,592.90	2,425.00
Travel-Consultancy	1,230.00	55,915.80	13,562.00
Total Cost of Sales	12,436,700.00	565,372,382.00	11,420,046.00

Schedule-3 Analysis of Selling Expenses

	As of 31.12.2008 in USD	As of 31.12.2008 in Rs.	As of 31.12.2007 in USD
Salaries & Wages	751,817.00	34,177,600.82	595,299.00
Taxes-Payroll	45,955.00	2,089,114.30	41,136.00
Insurance Medical & Dental	58,289.00	2,649,817.94	65,737.00
Advertising & Promotion	1,038.00	47,187.48	--
Total Selling Expenses	857,099.00	38,963,720.54	702,172.00

SoftSol Resources Inc., USA

Schedule-4 General & Administrative Expenses

	As of 31.12.2008 in USD	As of 31.12.2008 in Rs.	As of 31.12.2007 in USD
Auto Expenses	29,453.00	1,338,933.38	23,194.00
Bad debt Expenses	165,361.00	7,517,311.06	86,017.00
Bank Charges	41,735.00	1,897,273.10	29,193.00
Charitable Contribution	9,750.00	443,235.00	10,000.00
Depreciation	34,304.00	1,559,459.84	37,819.00
Dues & Publication	25,752.00	1,170,685.92	11,631.00
Equipment Rental	3,263.00	148,335.98	4,357.00
Frieght & Postage	11,155.00	507,106.30	10,239.00
Internet Access & Web Hosting	1,903.00	86,510.38	1,308.00
Insurance	80,362.00	3,653,256.52	25,035.00
Janitorial	7,831.00	355,997.26	6,451.00
Meals & Entertainment	26,932.00	1,224,328.72	14,879.00
Miscellaneous Expenses	917.00	41,686.82	(2,466.00)
Late Charges	118.00	5,364.28	--
Office Expenses	19,130.00	869,649.80	25,411.00
Officers Salraies & Wages	138,539.00	6,297,982.94	108,806.00
Outside Services	43,648.00	1,984,238.08	67,187.00
Professional Fees	140,625.00	6,392,812.50	53,550.00
Professional Development	53.00	2,409.38	548.00
Realized Losses In Investment	5,862.00	266,486.52	--
Promotional	--	--	2,387.00
Recruiting	45,626.00	2,074,157.96	42,799.00
Rent	197,888.00	8,995,988.48	148,698.00
Salaries & Wages	241,495.00	10,978,362.70	196,887.00
Repairs & Manitenance	655.00	29,776.30	--
Small Tools	3,542.00	161,019.32	--
Supplies	21,952.00	997,937.92	49,025.00
Taxes, Permits & Licenses	786.00	35,731.56	8,747.00
Taxes Payroll	24,327.00	1,105,905.42	23,132.00
Taxes-Property	973.00	44,232.58	770.00
Taxes-State Prior Year	3,165.00	143,880.90	407.00
Telephone	55,143.00	2,506,800.78	61,092.00
Travel	94,127.00	4,279,013.42	143,965.00
Repairs & Maintenance	--	--	693.00
Staff welfare	5,557.00	252,621.22	4,664.00
Utilities	25,810.00	1,173,322.60	24,372.00
Total General & Administrative Expenses	1,507,739.00	68,541,814.94	1,220,797.00

SoftSol Resources Inc., USA

Statement of Cash Flow for the Year ended December 31, 2008

	Year Ended 31.12.2008 in USD	Year Ended 31.12.2008 in Rs.	Year Ended 31.12.2007 in USD
Cash Flows from Operating Activities			
Net Income	187,412	9,548,641	32,829
Adjustments to reconcile Net Income to Net Cash provided by Operations :			
Depreciation	34,304	1,747,789	37,819
Provision for Bad and Doubtful Accounts	--	--	86,017
Prior period adjustment	18,349	934,882	--
Changes in Operating Assets & Liabilities:			
Increase in Accounts Receivable	713,916	36,374,020	(204,497)
Decrease/(Increase) in Cost & Estimated Earnings in excess of billings	--	--	--
Decrease/(Increase) in Pre paid Expenses	(49,114)	(2,502,358)	525
Decrease/(Increase) in Employee Advances	11,046	562,794	89,190
Increase in receivable others	(22,116)	(1,126,810)	119,757
Decrease in investment in securities	111,458	5,678,785	--
Increase in Accounts Payable	139,680	7,116,696	(1,783,285)
Increase/(Decrease) in Accrued production Cost	-	-	--
Decrease Accrued Liabilities	(52,248)	(2,662,036)	221,109
Increase in Income Tax Payable	(62,934)	(3,206,487)	54,267
Increase in deferred tax asset	(3,502)	(178,427)	(19,629)
Net Cash Provided by (used in) Operating Activities	1,026,251	52,287,488	(1,365,898)
Cash Flow from Investing Activities :			
Sale/(Purchase) of property and equipment	(35,611)	(1,814,380)	(37,580)
Increase in refundable deposit	(2,581)	(131,502)	--
Investment in Stock	--	--	(6,927)
Net Cash provided by(used in) Investing Activities	(38,192)	(1,945,882)	(44,507)
Cash Flow from Financing Activities :			
SVB Line of Credit	(556,078)	(28,332,174)	556,078
Net Cash Provided by (used in) Financing Activities	(556,078)	(28,332,174)	556,078
Net Increase(Decrease) in Cash & Cash Equivalents	431,981	22,009,432	(854,327)
Cash & Cash Equivalents at the Beginning of the Year	307,707	15,677,672	1,162,034
Cash & Cash Equivalents at the end of the Year	739,688	37,687,104	307,707
Supplementary Disclosure			
Interest paid during the Year	67,515	3,439,889	40,938
Income Tax paid during the Year	--	--	19,768

SoftSol Resources Inc., USA

Notes to Financial Statements (Dec 31st, 2008)

Note - 1 - Nature of Business

SoftSol Resources, Inc. (the "Company" or "SRI") was incorporated in the state of California on January 11, 1993. It is a provider of E-commerce, network technology, internet infrastructure and other special technology areas. The company's IT services include application development, system integration, IT consulting and staffing, IT project management, domestic and offshore outsourcing. SoftSol 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 and Cash Equivalents

Cash and cash equivalents consist primarily of cash in checking accounts and money market accounts. All short-term investments with an original maturity of 90 days or less are considered cash equivalents. Occasionally, the Company has cash deposited in two 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, the Company has written off all accounts that are deemed uncollectible. Therefore, Accounts Receivable represents the net realizable value. In addition the company carries a nominal reserve for uncollectible debts as amount provided for general bad debts.

Property and Equipment

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

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

SoftSol Resources Inc., USA

The cost of significant additions and replacement of components is capitalized and depreciated while expenditures for maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the books and the resulting gain or loss is reflected in the determination of net income or loss. Depreciation expense for the year ended December 31, 2008 is \$ 37,443

Investment

The Company accounts for investment in private equity securities of less than 20% owned company using the cost method.

Investment Securities

Investment Securities, which consist primarily of debt and equity securities, have been categorized as available for sale and as a result, are stated at fair value based generally on quoted market prices. Investment securities available for current operations are classified as current assets. Unrealized holding gains and losses, net of applicable deferred taxes, are included as a component of stockholder's equity until realized.

For the purpose of determining gross realized gains and losses, the cost of investment securities sold is based upon specific determination.

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. That method is used because 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.

Income Taxes

The Company accounts for income taxes in accordance with statement of Financial Accounting Standards No. 109 "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.

Earnings per share

In accordance with the provisions of SFAS 128, "Earnings per share", basic earnings per share is computed on the basis of the weighted average number of shares outstanding during the period. There are no dilutive securities, both the basis and dilutive earnings per share amount are the same.

SoftSol Resources Inc., USA

Note 3 - Related Party Transactions

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

Mr. Srinivasa Rao Madala , President of the Company, also owns Argonaut General Staffing, Nevada Corporation.

Softsol Technologies, Inc. (known as STI and formerly Medsoft, Inc.), a Nevada Corporation is owned by Mrs. Durga Madala, spouse of Mr. Srinivasa Rao Madala. The secretary of STI is Mr. Madala. STI is in the business of obtaining and executing fixed price technology based contracts.

The company has entered into professional services agreement with SIL India, SoftSol Technologies, Inc, TDK, LLC and Argonaut General Staffing. Argonaut and STI occupy the office space from the Company. The following are transactions of the Company with these related parties of the year ended December 31, 2008.

Inter-Company transactions with SoftSol Technologies, Inc.

The company's total revenue for the year included \$ 3,762,799 earned from SoftSol Technologies, Inc., for staffing services provided. This is approximately 24.5% of the total revenue earned by the company. This amount included \$ 177,262 for project related expenses reimbursements. As of December 31, 2008 STI owed SRI an amount of \$ 501,569.

Inter-company transactions with TDK, LLC

The company's sales included an amount of \$571,964 billed to TDK, LLC. The bellings included expenses reimbursements of \$ 77,785 for rent and other admin charges. As of December 31, 2008, an amount of \$ 231,241 was due from TDK, LLC is owned by STI.

Inter-company transactions with SoftSol India Limited

The company's contracted consulting with SoftSol India Limited amounted \$ 650,000 in 2008. The company's AP included \$ 200,000 payable to SoftSol India Limited as of December 31, 2008.

Note 4 - Commitments and Contingencies

The Company had entered in agreement with Dollinger-Fremont Associates to lease 11,730 square feet office located at 48383 Fremont Boulevard, Fremont, California on December 1,2005. The sublease had initial terms of 5 years, expiring on April 30, 2008 and was renewed for another 5 years. New lease agreement will expires on April 30, 2013.

SoftSol Resources Inc., USA

The future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount (in USD)</u>
2009	125,276
2010	129,500
2011	133,722
2012	137,945
2013	46,451

The Company also leases apartments for use by employees assigned in different locations. These leases are normally on short-term basis depending on the length of the project.

Rent expense totaled \$197,888 for the year ended December 31, 2008.

Note 5 - Concentration of Credit Risk

The Majority of cash and cash equivalents are maintained with two major financial institutions in the United States. Deposits with these banks exceed the amount of the \$250,000 Federal Deposit Insurance Corporation (FDIC) insurance provided on such deposits.

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.

Two customers accounted for 64% of the company's total sales. The Company's sales to its major customer, Cisco totaled \$5.9 million that accounted for 39% of the company's total revenue for the year. Accounts Receivable.

Note 6 - Employee Advances

The advances given to employees are for travel related expenses to which the employees will support these expenses with receipts and any amount that cannot be substantiated by receipts will be refunded to the Company. As of December 31, 2008, the employee advances has balance of \$ 70,386.

Note 7 - Investment in Securities

Investment includes private equity investment in Vianeta Communications, a privately held company. The investment is a Series A Preferred Stock received as payment for consulting services rendered by the Company. It is accounted for using cost method, as the Company's ownership interest is less than 20%. Management believes that the carrying value of the investment approximated its fair value as on December 31, 2008, and therefore, no impairment charges were required.

Note 8 - Income Taxes

The company accounts for income taxes under the provisions of Statement of Financial Accounting Standards No.109, "Accounting for Income Taxes," (SEAS 109). Under SFAS 109, 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 tax bases of assets and liabilities.

All of the income before tax as shown in the Statement of Income for the year ended December 31,2008 is derived in the United States.

Note 9 - Vacation Leave

Since year 2005, the employees are no longer entitled to paid vacation leave. All accrued vacation has been paid as of December 31, 2008.

Note 10 - Employee Pension Plan

The Company had a 401 (K) plan known as the SoftSol Resources & MedSoft, Inc. 401 (K) plan (the "Plan") which was terminated on December 31, 2001. Total accumulated contribution as of December 31,2008 of \$9,810 is payable to participants.

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

Note 11 - Flexible Spending

The Company has a voluntary flexible spending plan wherein a certain amount of money opted by the employee at the beginning of the plan year to be deducted from employee's payroll every month. Contributed amount will be used to reimburse the employees for their eligible medical expenses and childcare expenses. The Company has \$13,559 as accumulated contributions into this account as of December 31, 2008.

Note 12 - Line of Credit

The Company has an approved line of credit with Silicon Valley Bank (SVB) for \$2.5 million with an interest rate of equal to the SVB prime rate plus 1.5% per annum. Interest expenses for year was \$ 67,515. The line of credit is collateralized by the accounts receivable of the company.

Note 13-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.

Auditor's Report On Consolidated Financial Statements

To,
The Shareholders of
SOFTSOL INDIA LIMITED
Hyderabad

We have examined the attached consolidated Balance Sheet of M/s. SoftSol India Limited ("the Company") and its subsidiary as at 31st March, 2009 and also the Consolidated Profit & Loss Account for the year then ended annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provided a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary i.e., SoftSol Resources Inc., USA. The financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, is so far as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS)21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the financial statements.

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

- a) In the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the company as at 31st March 2009.
- b) In the case of the Consolidated Profit and Loss account of the company and its subsidiary for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of the Company and its subsidiary for the year then ended.

For M/s. Brahmayya & Co.,
Chartered Accountants

D.Seetharamaiah
Partner
Membership No:2907

Place : Hyderabad
Date : 30th June, 2009

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009

Particulars	Sch. No.	As At 31st March 2009 (in Rupees)	As At 31st March 2008 (in Rupees)
I SOURCES OF FUNDS			
1. Shareholder's funds			
(a) Capital	01	190,416,190	190,416,190
(b) Reserves and Surplus	02	1,505,805,051	1,227,855,356
		<u>1,696,221,241</u>	<u>1,418,271,546</u>
2. Loan funds			
Secured Loan	03	--	2,701,378
3. Deferred tax liability			
		1,871,429	5,577,473
TOTAL		<u>1,698,092,670</u>	<u>1,426,550,397</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	04	1,296,367,044	1,308,254,057
Less: Depreciation		<u>118,692,044</u>	<u>86,309,865</u>
b) Net Block		1,177,675,000	1,221,944,192
Add: I) Capital Work In Progress		38,182,383	22,492,563
ii) Unallocated Capital Expenditure	05	2,163,955	896,824
		<u>1,218,021,338</u>	<u>1,245,333,579</u>
2. Investments			
	06	10,539,256	12,587,756
3. Current Assets, Loans and Advances			
Stock of work in progress		3,340,260	62,898,075
Sundry debtors	07	216,480,687	134,821,045
Cash and bank balances	08	278,465,268	41,924,520
Loans and advances	09	86,523,886	48,269,465
		<u>584,810,101</u>	<u>287,913,105</u>
Less : Current Liabilities and Provisions	10	<u>115,278,025</u>	<u>119,284,043</u>
Net Current Assets		<u>469,532,076</u>	<u>168,629,062</u>
TOTAL		<u>1,698,092,670</u>	<u>1,426,550,397</u>
NOTES ON ACCOUNTS			
Schedules, Accounting policies and Note On accounts forms an integral part of Balance Sheet	15		

per our report of even date
For M/s. Brahmaya & Co.
Chartered Accountants

For and on behalf of the Board

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 30-06-2009

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

Particulars	SCH. No.	Current Year (in Rupees)	Previous Year (in Rupees)
INCOME			
Software Exports		1,017,018,512	739,986,737
Other Income	11	<u>91,704,733</u>	<u>48,194,867</u>
		1,108,723,245	788,181,604
EXPENDITURE			
Personnel Cost	12	504,438,890	467,697,328
Operation and other expenses	13	<u>255,575,191</u>	<u>210,929,136</u>
		760,014,081	678,626,464
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES		348,709,164	109,555,140
Finance Charges	14	3,349,689	2,032,634
Depreciation	04	<u>30,816,935</u>	<u>32,866,764</u>
PROFIT BEFORE TAXES		314,542,540	74,655,742
Provision for Taxation			
Current Income tax		49,197,275	10,246,873
Deferred tax		(3,870,064)	(20,821,142)
Minimum Alternative Tax(Credit)		--	(8,050,000)
Fringe Benefit Tax:			
Current Year		<u>380,000</u>	<u>320,000</u>
PROFIT FOR THE YEAR AFTER TAXATION		268,835,329	92,960,011
Add: Balance brought forward from previous year		<u>400,705,850</u>	<u>307,745,839</u>
SURPLUS CARRIED TO BALANCE SHEET		669,541,179	400,705,850
Earning Per Share (Basic & Diluted)		14.42	4.99
NOTES ON ACCOUNTS	15		
Schedules, Accounting policies and Note On accounts forms an integral part of Balance Sheet			

per our report of even date
For M/s. Brahmaya & Co.
Chartered Accountants

For and on behalf of the Board

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 30-06-2009

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	(Rs. In Lakhs)	
	Year ended 31-03-2009	Year ended 31-03-2008
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before Tax and Extraordinary Items	3,149.02	746.56
Adjustments for :		
Depreciation	310.05	328.67
Prior Period Adjustment	9.35	--
Interest (Net)	(84.08)	16.32
Dividend Received	(15.53)	(23.00)
Provision for Leave Encashment	1.22	2.67
Provision for Gratuity	9.55	20.71
Excess Provision Written back	(6.81)	--
Credit Balances Written back	(5.19)	--
Loss/(Profit) on redemption of Mutual Fund Investments	--	0.03
Effect Exchange in rate difference	--	(35.42)
Operating Profit before working Capital changes	3,367.57	1,056.54
Adjustments for Working Capital :		
Trade and other receivables	361.86	225.79
Trade and other payables	(779.97)	118.59
Inventories	595.58	(628.98)
Net Cash generated from operations	3,545.04	771.94
Direct Taxes Paid	(469.20)	(19.48)
Net Cash flow from Operating Activities	3,075.84	752.46
B CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	48.86	1.64
Dividend Received	2.71	23.00
Purchase of Fixed Assets	(694.90)	(1,110.27)
Sale of Fixed Assets	160.82	--
Sale of Investments	872.32	1,172.66
Purchase of Investments	(817.27)	(1,165.32)
Net Cash flow from Investing Activities	(427.47)	(1,078.29)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Secured Loan	(310.33)	(16.75)
Interest Paid	(2.80)	(20.33)
Dividend Paid	--	(0.01)
Net Cash flow from Financing Activities	(313.13)	(37.09)
Net Increase in Cash and Cash Equivalents	2,335.23	(362.92)
Cash and Cash Equivalents as at beginning of the year	449.42	782.17
Closing Cash and Cash Equivalents	2,784.65	419.25

For and on behalf of the Board

For M/s. Brahmaya & Co.
Chartered AccountantsD. Seetaramaiah
PartnerBhaskar Rao Madala
Whole time DirectorDr. T. Hanuman Chowdary
DirectorPlace: Hyderabad
Date: 30-06-2009B.S. Srinivasan
DirectorC. Lalitha
Company Secretary

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31st MARCH 2009

Particulars	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)		
01. SHARE CAPITAL				
Authorised				
50,000,000 Equity Shares of Rs.10/- each	500,000,000	500,000,000		
Issued				
19,681,430 Equity Shares of Rs. 10/-each	196,814,300	196,814,300		
Subscribed				
19,455,630 Equity shares Rs. 10/- each	194,556,300	194,556,300		
Paid Up Capital				
18,627,608 Equity shares of Rs.10/- each fully paid up	186,276,080	186,276,080		
28,200 Equity shares of Rs.10/- each and Rs.5/- each paid up	141,000	141,000		
	186,417,080	186,417,080		
Add: Forfeited shares (amount originally paid up)				
799,822 Equity shares of Rs. 5/- each	3,999,110	3,999,110		
TOTAL	190,416,190	190,416,190		
02. RESERVES AND SURPLUS				
	Balance as at 31.03.2008	Additions	Deletions	Balance as at 31.03.2009
Securities Premium Account	757,880,730	-	-	757,880,730
General Reserve	72,810,498	-	-	72,810,498
Foreign Currency Translation Reserve (Arising on Consolidation)	(3,541,722)	9,114,366	-	5,572,644
Surplus: Balance in Profit and Loss Account	400,705,850	669,541,179	400,705,850	669,541,179
TOTAL	1,227,855,356	678,655,545	400,705,850	1,505,805,051
03. SECURED LOAN				
From State Bank of India on Hyphothication of Vehicles			--	2,701,378
TOTAL			--	2,701,378
06. INVESTMENTS				
(At cost, Non-trade, Long -term, unquoted)				
Government Securities				
National Saving certificates			6,000	6,000
Investments of sebsidiary				
Investments in Equity Shares in Tierra Infra Private Limited				
1,74,000 Equity Shares of Rs. 1/- each			174,000	--
TOTAL			10,539,256	12,587,756

04. FIXED ASSETS

NAME OF THE ASSETS	GROSS BLOCK AS AT 31.03.2009 (in Rupees)	ACCUMULATED DEPRECIATION (in Rupees)	NET BLOCK AS AT 31.03.2009 (in Rupees)
Tangible fixed assets			
Land	13,918,307	--	13,918,307
Leasehold Land	5,540,142	55,961	54,84,181
Building	202,953,628	26,611,399	176,342,229
Computers	8,203,360	6,482,283	1,721,077
Computers - Imported	21,802,444	17,374,780	4,427,664
Air Condition System	33,208,559	10,309,672	22,898,887
Generator	11,062,734	3,538,199	7,524,535
Lift	5,872,985	1,920,364	3,952,621
UPS	2,593,053	1,254,013	1,339,040
Furniture & Fixtures	33,703,762	16,088,112	17,615,650
Electrical Installation	26,487,952	11,067,558	15,420,394
Office Equipment	9,879,815	3,007,622	6,872,193
Office Equipment - Imp	463,645	299,891	163,754
Net working equipment	3,172,771	714,964	2,457,807
Fire Fighting Equipment	1,270,134	208,952	10,61,182
Canteen Equipment	91,746	76,619	15,127
Motor & Borewell	99,794	79,907	19,887
Vehicles	9,625,044	4,349,589	5,275,455
Xerox Machine - Imp	195,685	146,358	49,327
Library	18,592	14,872	3,720
Subsidiary's assets	18,099,631	14,231,711	3,867,920
Intangible fixed assets			
Good Will	886,557,653	--	886,557,653
Software	1,545,608	859,218	686,390
TOTAL	1,296,367,044	118,692,044	1,177,675,000

Particulars	As at 31.03.2008 (in Rupees)	Incurred During the year	As at 31.03.2009 (in Rupees)
05. UNALLOCATED CAPITAL EXPENDITURE			
Store and Spares	3,510	--	3,510
Repairs & Maintenance	--	2,770	2,770
Bank Charges	7,223	5,911	13,134
Travelling & Conveyance	154,810	148,467	303,277
Legal & Professional Charges	636,689	1,109,854	1,746,543
Printing & Stationary	292	129	421
Rent	94,300	--	94,300
TOTAL	896,824	1,267,131	2,163,955

Particulars	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
07. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts due over six months	--	--
Other debts	216,480,687	134,821,045
TOTAL	216,480,687	134,821,045

08. CASH AND BANK BALANCES

Cash in hand	328,411	12,436,285
Balance with scheduled banks:		
Current Accounts	49,151,606	24,461,183
Unpaid Dividend Accounts	140,983	1,422,632
Fixed Deposits	228,844,268	3,604,420
TOTAL	278,465,268	41,924,520

09. LOANS AND ADVANCES

(Unsecured, considered good, recoverable in cash or in kind or for value to be received)		
Inter Corporate Loans including interest accrued thereon	1,543,800	1,889,518
Advances for : Capital Works	39,493,859	8,052,260
Advances for Expenses	55,000	3,280,337
Deposits recoverable	2,597,224	1,819,742
Rent Receivable Account	5,834,783	4,244,802
Staff Advances	3,586,167	20,000
Prepaid Expenditure	5,896,569	2,686,536
Advance Income Tax & TDS (Net of Provisions)	11,861,701	15,222,482
Interest Accrued	4,551,044	748,121
Differed tax asset	3,053,739	2,255,667
MTA Credit Receivable	8,050,000	8,050,000
TOTAL	86,523,886	48,269,465

SoftSol India Limited
Consolidated Financial Statements

Particulars	As at 31.03.2009 (in Rupees)	As at 31.03.2008 (in Rupees)
10. CURRENT LIABILITIES AND PROVISIONS		
Liabilities		
Creditors for : Capital Goods	2,682,443	10,385,008
: Trade Payables	40,336,606	42,291,529
: Expenses	14,339,771	18,175,544
: Other Finance	7,340,732	1,450,296
Deposits Refundable	50,437,489	45,559,034
Unclaimed Dividend (not due for remittance to Investor Education and protection fund)	140,983	1,422,632
TOTAL	115,278,024	119,284,043
Particulars	As at Current Year (in Rupees)	As at Previous Year (in Rupees)
11. OTHER INCOME		
Interest earned (Others, gross)	8,688,459	400,974
T D S : Current year Rs.13,11,459/-		
T D S : previous year Rs.33,403/-		
Rents Received	63,932,643	44,840,042
Dividends from mutual funds	1,604,851	2,300,417
Foreign Exchange Gain	14,848,209	--
Excess provision Written Back	680,964	289,093
Credit Balance Written Back	519,332	--
Miscellaneous receipts	596,129	364,341
Prior period Adjustment	834,146	--
T O T A L	91,704,733	48,194,867
12. PERSONNEL COST		
Salaries, Wages and Bonus	491,806,414	453,139,183
Contribution to provident and other funds	3,530,524	3,580,845
Staff welfare Expenses	8,139,129	8,705,734
Gratuity	962,823	2,271,566
T O T A L	504,438,890	467,697,328
14. FINANCE CHARGES		
Interest on Fixed Loans	3,349,689	2,032,634
TOTAL	3,349,689	2,032,634

	Current Year (In Rupees)	Previous Year (In Rupees)
13. OPERATION AND OTHER EXPENSES		
Rent	9,506,415	453,333
Taxes and Licenses	4,339,023	9,436,537
Insurance	4,037,165	2,129,170
Repair and Maintenance to :		
Equipment	3,184,533	1,357,062
Buildings	1,470,483	1,039,560
Others	4,466,985	2,307,104
Onsite Expenses	--	7,841,068
Advertisement	49,987	5,000
Commission	--	864,828
Communication Costs	4,806,174	4,441,000
Soft Link Charges	1,881,563	2,110,659
Printing and Stationery	334,283	328,247
STPI - Service Charges	300,000	277,500
Staff Training and Recruitment Expenses	2,305,243	--
Director's sitting fees	40,000	50,000
Auditor's Remuneration :		
Statutory Audit	82,725	67,416
Tax Matters	98,090	55,000
Certification	--	22,466
Legal and Professional Charges	10,192,864	7,468,251
Travelling and Conveyance	8,209,696	13,013,997
Consulting outsourced	179,753,592	136,893,857
General Expenses	8,771,299	5,661,374
Bank Charges	--	1,441,179
Electricity Charges	1,101,524	3,707,049
ISO Expense	385,394	28,160
Security Service Charges	2,021,120	1,889,393
Foreign Exchange Loss	--	4,046,764
Donations	443,235	415,500
Shortterm capital loss	266,487	3,388
Sundry Debit balance Written off	--	268
Prior Period Expenditure	10,000	--
Baddebts	7,517,311	3,574,006
TOTAL	255,575,191	210,929,136

SHEDULE – 15 : Notes to accounts

1. Consolidated Financial Statement have been prepared to meet the requirements of Clause 32 of the Listing Agreement with the Stock Exchange.
 - a) **Basis Of Consolidation:**

The Consolidation of accounts is done in accordance with the requirements of the accounting standard (AS 21) “Consolidation of financial Statements” issued by the Institute of Chartered Accounts of India. Financial statements of subsidiaries were prepared for the year ended 31st December 2008 and the same have been adopted for consolidation.
 - b) **Companies included in Consolidation:**

The Consolidated Financial statement include the financial statement of SoftSol India Limited and its subsidiary i.e., SoftSol Resources Inc. USA, A wholly owned subsidiary incorporated in United State of America.
 - c) **Principles of Consolidation:**

The Consolidated Financial statements have been prepared based on a line by line consolidation of profit and loss account and balance sheet. All inter company balance and transactions are eliminated on consolidation.
2. **Significant accounting policies :**
 - a) Financial statements are based on historical cost, convention and in accordance with generally accepted accounting practices.
 - b) The preparation of financial statements requires the management of the company to make certain estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure for the year.
 - c)
 - i) Tangible fixed assets are stated at cost net of depreciation provided.
 - ii) Intangible assets are stated at cost net of the amount amortized.
 - d) Depreciation on the tangible assets is provided on written down value method as per schedule XIV to the companies Act, 1956. Intangible assets are amortized over their estimated useful life. Leasehold Land is amortized equally over the lease period. The lease rentals are charged to revenue.
 - e) Long-term investments are carried at cost. Provision for diminution, if any, in the value of each such investment is made to recognize a decline, other than that of temporary nature.
 - f) The contingent liabilities are indicated by way of a note and will be provided/ paid on crystallization.
 - g) Contributions to Provident fund are remitted to Provident Fund Commissioner. Gratuity and leave encashment are provided on the basis of actuarial valuation.
 - h) Borrowing costs that are directly attributable to the acquisition, construction of fixed assets are capitalized as part of the cost of such assets.

- i) Sales include revenue recognized by the company under proportionate completion method as per the Accounting Standard – 9 issued by Institute of Chartered Accountants of India for the services rendered and delivered as per the contracts entered.
 - j) Export sales in foreign currency are accounted for at the exchange rate prevailing at the time of sale. Gain / Loss arising out of fluctuations in the exchange rate is taken to revenue on realization.
 - 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 recognised in the Profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the asset is reflected at the recoverable amount subject to a maximum at depreciated historical cost.
 - l) Expenditure in foreign currency is accounted for at the exchange rate prevalent when such expenditure is incurred. Disbursements made out of foreign currency bank accounts are reported at a rate prevailing on the date of disbursement.
 - m) Prior year adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the company are disclosed.
 - n) Current Assets and Current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is accounted for in the Profit and Loss account.
 - o) Differed Tax assets and liabilities are recognized for future tax consequences attributable to the timing difference that results between the profits considered for income tax and the profit as per financial statements. Deferred tax assets and liabilities are measured as per the tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. However, deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred asset can be realized.
3. The Land of one acre purchased by the company during the financial year 2005-06 was covered under Special Economic Zone vide notification No. S.O. 565 (E) dt. 11.04.2007 by Government of Andhra Pradesh. The company entered into lease agreement with Andhra Pradesh Industrial Infrastructure Corporation Limited for a period of 99 years on payment of Rs. 1000/- per annum towards lease rentals. As per the deed the company is given an option to reconvert the leasehold land to freehold land after a period of 10 years subject to the provisions of SEZ Act, 2005 and SEZ rules without any further payment.

Accordingly the Land, which is treated as freehold during earlier years has been shown as Leasehold Land.

4. Details of purchase and sale of Mutual Funds ::

S.NO.	Particulars	Purchase		Sale	
		No. Units	Amount Rs.	No. Units	Amount Rs.
1	ICICI MUTUAL FUND	81,52,019	8,15,52,799	81,52,019	8,15,52,799

5. None of the suppliers provided information to the Company regarding their status as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Accordingly the information regarding the dues to such suppliers could not be furnished.
6. In terms of Accounting Standard 22 "Accounting for Taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, the Company has accounted for the deferred taxes during the year
- Major components of Deffered Tax on account of timing differences :

Particulars	Amount in Rs.
Deferred Tax Liability on account of depreciation	25,75,827
Deferred Tax asset on account of Provision of Gratuity	3,24,565
Net deferred tax liability	22,51,262

7. Fixed Deposit for Rs. 20,75,000/- (Previous year Rs. 32,43,411) are in lien with Bankers towards margin against guarantees issued by them.
8. As required by Accounting Standard (AS 28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the management has carried out the assesment of impairment of assets and no impairment loss exists during the year.
9. 6 years National saving certificates of the face value of Rs. 6,000/- (Previous year Rs. 6,000/-) shown under investments are in the name of the employees of the company and were pledged with various Government Departments as security.
10. a) In the opinion of the management, the Current Assets, Loans and Advances are expeted to realized at least the amount at which they are stated, if realized in the ordinary course of business.
b) Sundry Debtors includes an amount of Rs. 1,01,90,000/- (Previous year Rs. 59,95,749/-) due from a wholly owned foreign subsidiary Company viz., SoftSol Resources Inc.
11. Managerial remuneration included under respective heads of account.

Whole Time Director:

Particulars	Current Year Rs.	Previous Year Rs.
Remuneration	12,60,000	10,85,000
Provident Fund Contribution	86,400	78,480
Total	13,46,400	11,63,480

SoftSol India Limited
Consolidated Financial Statements

	As at 31.03.2009	As at 31.03.2008
12. Contingent liabilities not provided for on account of :		
a) Gurantees given by the bankers	20,75,000	32,43,411
b) Claims against the company not acknowledged		
As debts	10,91,266	9,95,521
c) Disputed demands of Income Tax	1,82,38,564	1,82,38,564
	Current Year Rs.	Previous Year Rs.
13. Vvalue of imports calculated on C.I.F. basis by the Company during the financial year in Respect of Capital goods	6,14,460	32,70,785
14. a) Expenditure in foreign currency during the year on account of travelling excluding the tickets purchased in India	6,29,936	16,92,386
b) Onsite Expenses paid	---	78,41,068
15. Contracts to be executed on account of Capital contracts	1,45,00,000	17,60,791
16. Earnings in foreign currency on export of Software	37,07,90,814	18,99,40,746
17. There are no separate reportable segments as per the accounting Standard - 17 "Segmental Reporting" Issued by the Institute of Chartered Accountants of India.		

i) Key Management Personnel

Mr. Madala Bhaskara Rao, Whole time Director

- ii) a) Subsidiary : M/s. SoftSol Resources Inc USA (SRI)
-
- b) Associate : M/s. SoftSol Technologies Inc, USA (STI)

Transactions :

Nature of relation	Remuneration		Sales		Onsite expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Key Management Personnel	13,46,400	11,63,480	--	--	--	--
Subsidiary	--	--	3,77,04,000	80,77,500	--	--
Associate	--	--	18,82,02,000	1,89,92,890	--	78,41,068

Balances Receivable as at :

Nature of relation	Current Year Amt. Rs.	Previous Year Amt. Rs.
Subsidiary	7,24,52,494	1,86,65,990
Associate	1,01,90,000	59,95,749

19. Employee Benefits :

The following table summaries the components of the net benefit recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans.

i) Profit and Loss account :

	Leave encashment	Gratuity
Current service cost	13,627	1,46,287
Interest Cost	21,360	1,90,198
Actuarial Gain / Loss	10,743	1,62,352
Net benefit expense	45,730	4,98,837

ii) Balance Sheet :

	Leave encashment	Gratuity
Opening balance of benefit obligations	2,67,005	23,77,476
Current service cost	21,360	1,90,198
Interest Cost	13,627	1,46,287
Actuarial Gain / Loss	10,743	1,62,352
Benefit Paid	--	(7938)
Closing balance of benefit obligations	3,12,735	28,68,375

The principal assumptions used in determining the Leave encashment and Gratuity benefits obligation for the Company's plans are as under :

Leave encashment :	
Discount rate	8%
Further salaries raise	4%
Attrition Rate	1%
Mortality	LIC 94-96
Withdrawal	Ignored
Gratuity :	
Discount rate	8%
Mortality	LIC 94-96
Further salaries raise	4%
Attrition Rate	1%

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

20. Earnings per share (E.P.S.)

	Current Year	Previous Year
i) Net Profit as per Profit and Loss Account Available for Equity Shareholders (Rs.)	26,88,35,329	9,15,00,526
ii) Number of Equity Shares	18,641,708	18,641,708
iii) Nominal value of the share (Rs.)	10	10
iv) Earning per Share (Basic and Diluted)	14.42	4.91

21. Previous year figures have been regrouped whearever necessary.

per our rept of even date
For M/s. Brahmaya & Co.
Chartered Accountants

For and on behalf of the Board

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 30-06-2009

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

SOFTSOL INDIA LIMITED

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

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING VENUE:

DP ID: Regd. Folio No.

Client ID

Name and address of the Shareholder / Proxy:

Number of Shares held

I hereby record my presence at the the 19th Annual General Meeting of the company held on Wednesday the 30th Day of September 2009 at the registered office of the company situated at Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081 at 10.30 a.m

(Signature of Shareholder / proxy)



SOFTSOL INDIA LIMITED

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

PROXY FROM

DP ID: Regd. Folio No.

Client ID

I/We of being a member(s) of SoftSol India Limited hereby

appoint of

..... or failing him

of as my / our proxy to vote for me / us and on my / our behalf at the 19th Annual General Meeting of the company held on Wednesday the 30th Day of September 2009 at the registered office of the company situated at Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081 at 10.30 a.m or any adjournment thereof.

Signed this Day of Spetember, 2009.



Note: The duly stamped, completed and signed proxy, in order to be effective, must be received by the Company, not less than 48 hours before the commencement of the meeting.



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