



November 14, 2022

PAVULURI & Co.

CHARTERED ACCOUNTANTS

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To
The Board of Directors
Softsol India Limited
Plot No.4, Software Units Layout
Madhapur
Hyderabad 500 081

Dear Sirs/Madam,

Statutory Auditor's report, in terms of clause(xi) of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"), in respect of the proposed Buy-back of equity shares by SoftSol India Limited ("the Company") (CIN: L72200TG1990PLC011771) in terms of the Regulation 6 of SEBI Buyback Regulations and Sections 68 to 70 of the Companies Act, 2013 (as amended) read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014.

1. This report is issued in accordance with the terms of our engagement letter dated November 14, 2022.
2. The Board of Directors of SoftSol India Limited ("the Company") have approved a proposed buy-back of equity shares at its meeting held on November 14, 2022, in pursuance of the provisions of section 68, 69 and 70 of the Companies Act, 2013 and the SEBI Buyback Regulations.
3. We have been requested by the management of the Company to provide report on the accompanying statement of permissible capital payment (including premium) as at 31 March 2022 ("Annexure A") prepared by the management of the Company, which we have initialed for identification purpose only.

Management's Responsibility for the Statement

4. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013, as amended ("Act") read with the proviso to Section 68(2)(b) of the Act, Regulation 4(i) of the Securities and Exchange of India (Buy-back Regulations) Regulations, 2018, as amended ("**Buyback Regulations**"), is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment (including premium), the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an

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appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

5. The Board of Directors is also responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting and will not be rendered insolvent within a period of one year from the date of the Board meeting at which the proposal for buyback was approved by the Board of Directors of the Company and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016. Further, a declaration is required to be signed by at least two directors of the Company in this respect in accordance with the requirements of the section 68 (6) of the Act and the SEBI Buyback Regulations.

Auditors' Responsibility

6. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance on whether:
 - i. we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at and for the year ended 31 March 2022.
 - ii. the amount of permissible capital payment as stated in **Annexure A**, has been properly determined considering the audited standalone and consolidated financial statements for the year ended 31 March 2022 in accordance with Section 68(2)(c) of the Companies Act, 2013, as amended ("Act") read with the proviso to Section 68(2)(b) of the Act, Regulation 4(i) of the Securities and Exchange of India (Buy-back Regulations) Regulations, 2018, as amended ("Buyback Regulations")
 - iii. the Board of Directors in their meeting held on November 14, 2022, have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date
7. The standalone and consolidated audited financial statements, referred to in paragraph 6 above, have been audited by us, on which we have issued unmodified audit opinion vide our report dated May 30, 2022. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards

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require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of the Chartered Accountants of India (the ICAI) ("the guidance note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. Based on our examination as stated above and the representation, information and explanations given to us, we report that:
 - a) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for the year ended 31 March 2022 which have been approved by the Board of Directors of the Company on May 30, 2022.
 - b) The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith is, has been determined in accordance with Section 68(2)(c) of the Companies Act, 2013, as amended ("Act") read with the proviso to Section 68(2)(b) of the Act, Regulation 4(i) of the Securities and Exchange of India (Buy-back Regulations) Regulations, 2018, as amended ("**Buyback Regulations**") based on the audited financial statements for the year ended March 31, 2022. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements of the Company as at and for the year ended 31 March 2022.
 - c) The Board of Directors of the Company, in their meeting held on November 14, 2022 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date of the meeting of the Board of Directors; and
 - d) We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned therein is unreasonable in the circumstances as at the date of declaration.

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Restriction on Use

11. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the provisions of section 68 and other applicable provisions of the Act read with rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 (as amended) and the SEBI Buyback Regulations, pursuant to the proposed buyback of equity shares. Our obligations in respect of this report are entirely separate, and our responsibility and liability are in no way changed by, any other role we may have as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
12. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and to include this report, pursuant to the requirements of the SEBI Buy-back Regulations, (a) public announcement to be made to the shareholders of the Company, and (b) for providing to the Manager to the buyback. Accordingly, this report may not be suitable for any other purpose, and therefore, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Pavuluri & Co

Chartered Accountants

Firm Registration No. 012194S



(CA N RAJESH)

PARTNER M.No: 223169

UDIN: 22223169BDAALB1441

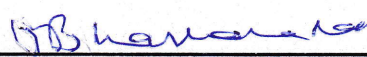
Annexure A-Statement of permissible capital payment (including Premium)

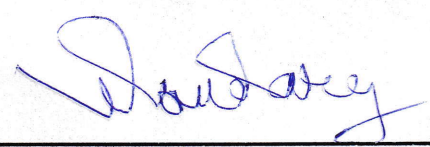
Computation of amount of permissible capital payment for the buy-back of equity shares in accordance with the Section 68(2)(c) of the Companies Act, 2013, as amended ("Act") read with the proviso to Section 68(2)(b) of the Act, Regulation 4(i) of the Securities and Exchange of India (Buy-back Regulations) Regulations, 2018, as amended ("**Buyback Regulations**") based on audited standalone & consolidated financial statements as at and for the year ended 31 March 2022.

Particulars	INR	
	Standalone	Consolidated
Paid up equity share capital as on March 31, 2022 (A)	17,23,65,240.00	17,23,65,240.00
Free Reserves as on March 31, 2022		
Securities Premium Account	67,01,13,578.00	67,01,13,578.00
General Reserves	6,96,90,128.00	6,96,90,128.00
Retained Earnings	1,37,59,17,227.47	74,53,24,946.19
Total Free Reserves (B)	2,11,57,20,933.47	1,48,51,28,652.19
Total paid up capital and free reserves (A+B)	2,28,80,86,173.47	1,65,74,93,892.19
Maximum amount permissible for buyback under Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations (25% of the total paid-up equity capital and free reserves)	57,20,21,543.37	41,43,73,473.05
Maximum amount permitted by board resolution dated November 14, 2022 approving Buyback, based on the audited financial statements for the year ended 31 March 2022.		35,00,00,000.00

We certify that above computation of permissible capital payment (including premium) for buyback of Equity Shares is based on audited standalone and consolidated financial statements of the Company as at and for the year ended 31 March 2022 which have been approved by the Board of Directors in their meeting held on November 14, 2022.

For Softsol India Limited


Bhaskara Rao Madala (DIN: 00474589)
00107006)
Whole-time Director



Dr. T. Hanuman Chowdary (DIN:
Director

Statement referred to in our certificate of even date

For Pavuluri & Co

Chartered Accountants

Firm Registration No. 012194S


(CA N RAJESH)

PARTNER M.No: 223169

UDIN: 22223169 BDAALE1441