

The Board of Directors and  
The Audit Committee,  
M/s. SoftSol India Limited,  
Plot No. 4, Infocity, Madhapur,  
Hyderabad - 500032, Telangana, India.

The Board of Directors  
M/s. Covance SoftSol Limited,  
Plot No. 4, Infocity, Madhapur, Hyderabad,  
Telangana - 500032, India.

Date: August 14, 2023

**Sub: Recommendation of Equity Share Entitlement Ratio for the proposed demerger ("Transaction") of the software business undertaking from M/s. SoftSol India Limited (the "Demerged Company") and its transfer to and vesting into M/s. Covance SoftSol Limited (the "Resulting Company")**

Dear Sirs,

We refer to the engagement letters dated August 04, 2023 by M/s. SoftSol India Limited (the "Demerged Company") and August 11, 2023 by M/s. Covance SoftSol Limited (the "Resulting Company") has requested Kavitha Padmini S ("Valuer") to recommend an equity share entitlement ratio in connection with the proposed demerger ("Transaction") of software business undertaking (including its investment in SoftSol Resources Inc.) (referred as "Demerged Undertaking") from the Demerged Company and its transfer to and vesting into the Resulting Company. The Demerged Company and the Resulting Company shall collectively be referred to as "Companies".

#### Scope and purpose of the Report

We understand that the Demerged Company proposes to demerge and transfer the Demerged Undertaking to the Resulting Company as specified in the proposed Scheme of Arrangement. This is proposed to be achieved by way of a Scheme of Arrangement under Sections 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). Under the proposed Scheme, as consideration for the transfer of Demerged Undertaking, the shareholders of the Demerged Company will be issued equity shares of the Resulting Company.

We have been requested by the Companies to submit a letter recommending an equity share entitlement ratio, as at date of this report, in connection with the Transaction. We understand that this Report on recommendation of Share Entitlement Ratio (the "Report") will be used by the Companies for the above-mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before, or shared with judicial, regulatory or government authorities, in connection with the Transaction.

The scope of our services is to arrive at the equity share entitlement ratio for the aforesaid Transaction in accordance with generally accepted professional standards and the standards prescribed by the Institute of Chartered Accountants of India. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter.

#### Demerged Undertaking

Demerged Undertaking means the undertaking of the Demerged Company pertaining to the Software Business and shall include (without Limitation) investment in SoftSol Resources Inc., which terms have more specifically been defined in the Scheme.

#### Sources of Information

In connection with preparing this Report, we have received the following information from the Companies:

- Information on business of the Demerged Company and profile provided by the Management;
- Shareholding pattern of the Demerged Company as on 30.06.2023 and the Resulting Company as on 12.08.2023;
- Financials of the Demerged Company for the last three financial years 2020-21, 2021-22, 2022-23 and last quarter ended 30.06.2023;
- Discussions with the management to augment our knowledge of the operations of the Companies.
- Draft Scheme of Arrangement.
- Details of current and proposed corporate structure.
- Other information, explanations and representations that were required and provided by the management.



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- Such other analysis, review and enquiries, as we considered necessary.

#### Scope, Limitations and Disclaimers

- This Report is subject to the scope of limitations detailed hereinafter. As such the Report is to be read in totality and not in parts.
- Our **recommendation** is based on the information furnished to us being complete and accurate in all material respects.
- We have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.
- In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of the Valuer, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- This Report is meant for the specific purpose mentioned herein and should not be used for any purpose other than the purpose mentioned herein, the Report should not be copied or reproduced without obtaining prior written approval for any purpose other than the purpose for which it is prepared.

#### Background of the Companies

##### A. M/s. SoftSol India Limited

M/s. SoftSol India Limited (Demerged Company) is a company incorporated under the Companies Act, 1956 having its registered office at Plot No. 4, Infocity, Madhapur, Hyderabad - 500032, Telangana, India. The equity shares of the Demerged Company are listed on BSE Limited.

The share capital structure of the Demerged Company as on the Report date is as follows:

Share Capital	Amount (INR)
<b>Authorised Share Capital</b> 5,00,00,000 equity shares of Rs.10 each	
<b>Total</b>	50,00,00,000 50,00,00,000
<b>Issued, Subscribed and Paid-up Share Capital</b> 1,47,63,689 equity shares of Rs.10 each (Fully Paid-up)	
<b>Total</b>	14,76,36,890 14,76,36,890

##### B. M/s. Covance SoftSol Limited

M/s. Covance SoftSol Limited (Resulting Company) is a company incorporated under the provisions of the Companies Act, 2013 having its registered office at 202, Siri Arcade, Plot No.18, Raidurg Pan Maktha, Gachibowli, Hyderabad, Telangana - 500032. None of the securities of the Resulting Company are listed on any Stock Exchange.

The share capital structure of the Resulting Company as on the Report date is as follows:

Share Capital	Amount (INR)
<b>Authorised Share Capital</b> 1,50,00,000 equity shares of Rs.10 each	
<b>Total</b>	15,00,00,000
<b>Issued, Subscribed and Paid-up Share Capital</b> 10,000 equity shares of Rs.10 each (Fully Paid-up)	
<b>Total</b>	1,00,000

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**Basis of Transaction**

The Scheme contemplates the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company pursuant to the proposed Scheme.

The share entitlement ratio proposed in the Scheme is 1:1. If shares are allotted to all shareholders of the Demerged Company, then the shareholding pattern of the Demerged Company and the Resulting Company will be identical and every shareholder of the Demerged Company will hold same percentage of equity ownership in the Resulting Company as he owns in the Demerged Company (inter se). This mirror shareholding however, shall be subject to the adjustment wherein, as confirmed by the Companies, in order to comply with Section 232(3) of Companies Act, 2013. Accordingly, any entitlement ratio can be considered fair for the above demerger including the entitlement ratio proposed in this Report (subject to the adjustments mentioned above).

**Basis of Equity Share Entitlement Ratio**

Upon the proposed Scheme coming into effect and in consideration of the demerger of the Demerged Undertaking and subject to the provisions of the proposed Scheme, the Resulting Company shall issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and/ records of the depository on the Record Date (as specified in the Scheme).

As set out above, the Resulting Company is wholly owned subsidiary of the Demerged Company, hence all the shareholders of the Demerged Company would also become shareholders of the Resulting Company and their shareholding would mirror in the Resulting Company.

We understand that:

***For every 1 (one) equity share of the Demerged Company of face value of INR 10 each held in the Demerged Company, every equity shareholder of the Demerged Company, shall without any application, act or deed, be entitled to receive 1 (one) equity share of face value INR 10 each of the Resulting Company, credited as fully paid up on the same terms and conditions of issue as prevalent in the Demerged Company.***

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion (inter se) being proposed for the Resulting Company is identical to that of the Demerged Company, the beneficial economic interest of the equity shareholders of the Demerged Company in the Resulting Company will remain same at the time of the Transaction.

We believe that the above share entitlement ratio is fair and reasonable considering that all eligible shareholders of the Demerged Company are and will, upon the demerger, be the ultimate economic beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in the Demerged Company, as on the Record Date.

Our Report and Share Entitlement Ratio is based on the envisaged equity share capital structure of Companies as mentioned earlier in this Report. Any material variation in the equity capital structures of the Companies apart from the above mentioned proposed Scheme may impact the share entitlement ratio.

**Specific Consideration**

The SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dt. June 20, 2023 requires the valuation report for a scheme of arrangement to provide certain requisite information in a specified format. The Transaction does not trigger the requirement for valuation under the above specified SEBI Master Circular, since there is no change in shareholding. However, we have given in Annexure-I the disclosure required under the specified format.

CA Kavitha Padmini Sirigina  
CA Membership Number : 229966  
Registered Valuer-IBBI  
RV No. IBBI/RV/06/2021/13802



UDIN : 23229966BGXVUO2255  
Place : Hyderabad



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Annexure-I

Information required pursuant to SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dt. June 20, 2023

As mentioned in the Report, upon implementation of the Scheme, all the shareholders of the Demerged Company will become the shareholders of the Resulting Company resulting in a mirror image shareholding of the Demerged Company and the Resulting Company. Therefore, there is no change in shareholding as illustrated in Paragraph A(4) of Part-I of the SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Therefore, we have not carried out a valuation of these entities under the generally accepted principles of valuation.

Valuation Approach	SoftSol India Limited		Covance SoftSol Limited	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value per Share	NA	NA	NA	NA
Exchange Ratio (rounded off)	NA	NA	NA	NA



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To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai - 400 001.

Dear Sir / Madam,

**Subject: Confirmation in relation to the Report on recommendation of Equity Share Entitlement Ratio involved in the proposed Scheme of Arrangement between SoftSol India Limited (Demerged Company) and Covance SoftSol Limited (Resulting Company) and their respective Shareholders & Creditors (the "Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013**

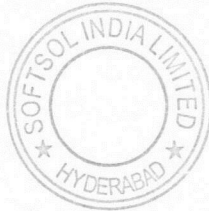
In connection with the application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, SoftSol India Limited having registered office at Plot No. 4, Infocity, Madhapur, Hyderabad - 500032, Telangana, India, hereby confirm that:

- No material event impacting the share entitlement ratio has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for share entitlement ratio.

This confirmation is made in respect of application to BSE Limited under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For SoftSol India Limited

*M. Nagaraju*  
Musinam Nagaraju  
Company Secretary  
M. No. 48209



01/09/2023

