

Undertaking in relation to non-applicability of requirements given in Paragraph A(10)(b) of Part-I of the SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 pertaining to obtaining approval of the majority of public shareholders

A. Background of the proposed Scheme:

1. A draft Scheme of Arrangement under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") including rules made thereunder, between M/s. SoftSol India Limited (the "Company" or "Demerged Company") and M/s. Covance SoftSol Limited (Wholly-owned Subsidiary of the Company) (the "Resulting Company") and their respective Shareholders and Creditors (the "Scheme") has been placed before the Board of Directors at the meeting held on August 14, 2023.
2. The Scheme *inter-alia* provides for the following:
 - (i) demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into the Resulting Company on a going concern basis, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in the Scheme and in compliance with Section 2(19AA) of IT Act (as defined in the Scheme) as elaborated in Part IV of the Scheme;
 - (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company; and
 - (iii) various other matters consequential or otherwise integrally connected therewith.

B. Requirement of the SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (the "SEBI Circular") mandates all the listed companies to ensure that the scheme submitted with National Company Law Tribunal for sanction, shall be acted upon in certain cases as mentioned in Paragraph A(10)(b) of Part-I of the SEBI Circular if the votes cast by public shareholders in favour of the scheme are more than the votes cast by the public shareholders against the scheme.

SEBI Circular further provides that in cases where the scheme does not fall within the cases mentioned in Paragraph A(10)(b) of Part-I of the SEBI Circular, the listed entity shall furnish an undertaking certified by the auditor and duly approved by the Board of the company, clearly stating the reasons for non-applicability of the aforesaid requirement.

Thus, in terms of Paragraph A(10)(b) of Part-I of the SEBI Circular, SoftSol India Limited hereby undertakes that the requirements under the SEBI Circular pertaining to obtaining approval of the majority of public shareholders to the Scheme are not applicable to SoftSol India Limited.

C. Reasons for non-applicability

The detailed reasons for non-applicability of obtaining approval of the majority of public shareholders to the Scheme are as follows:

1. Paragraph A(10)(b)(i) of Part-I of the SEBI Circular:

"Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(s) of Promoter / Promoter Group of the listed entity"

Reasons for non-applicability:

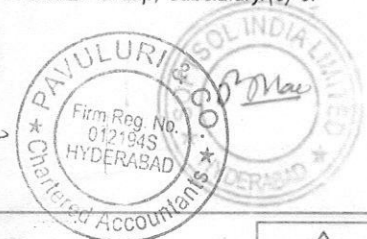
The Scheme does not involve allotment of additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(s) of Promoter / Promoter Group of the Company.

2. Paragraph A(10)(b)(ii) of Part-I of the SEBI Circular:

"Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(s) of Promoter / Promoter Group"

**For PAVULURI & CO.
Chartered Accountants
Firm Reg.No: 012194S**

N. Rajesh
**CA. N. Rajesh
Partner
M.No.223169**



Reasons for non-applicability:

The Scheme involves the Company and its wholly owned subsidiary, viz., Covance SoftSol Limited. The Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

3. Paragraph A(10)(b)(iii) of Part-I of the SEBI Circular:

"Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme."

Reasons for non-applicability:

The Scheme does not involve merger of any subsidiary with Company.

4. Paragraph A(10)(b)(iv) of Part-I of the SEBI Circular:

"Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity"

Reasons for non-applicability:

The Scheme does not involve merger of any unlisted entity with the Company.

5. Paragraph A(10)(b)(v) of Part-I of the SEBI Circular:

"Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares."

For the purpose of this clause, the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of value of the company in terms of consolidated net worth or consolidated total income during previous financial year as specified in Section 180(1)(a)(ii) of the Companies Act, 2013."

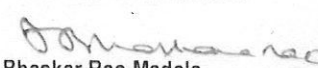
Reasons for non-applicability:

The Scheme involve in transfer of entire software division i.e. whole of the undertaking (Demerged Undertaking) of the Company, as specified in Section 180(1)(a)(ii) of the Companies Act, 2013 and the Scheme doesn't involve in consideration for such transfer is not in the form of listed equity shares i.e. consideration is in the form of listed equity shares only.

The consideration is issuance of equity shares by the Resulting Company which shall be listed on the Stock Exchange.

In view of the aforesaid, the requirement of obtaining approval of majority of public shareholders, as stated at Paragraph A(10)(b) of Part-I of the SEBI Circular is not applicable to the Scheme.

For SoftSol India Limited


Bhaskar Rao Madala
Whole-time Director
DIN: 00474589

Date: August 14, 2023
Place: Hyderabad



For PAVULURI & CO.
Chartered Accountants
Firm Reg. No: 012194S


CA N. Rajesh
Partner
M.No.223169





PAVULURI & Co.
CHARTERED ACCOUNTANTS

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Auditor's Certificate on non-applicability of conditions prescribed In Part-I(A)(10)(b) of SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India (the "SEBI")

To,
The Board of Directors,
SoftSol India Limited,
Plot No. 4, Infocity, Madhapur,
Hyderabad, Telangana – 500032.

We, the statutory auditors of SoftSol India Limited (hereinafter referred to as the "Company"), have examined the draft Scheme and applicable provisions to the Scheme and issue this certificate.

The Management of the Company has prepared the accompanying undertaking (the "Undertaking") pursuant to Part-I(A)(10)(c) of SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the SEBI (the "SEBI Circular") stating the reasons for non-applicability of requirements prescribed under Part-I(A)(10)(b) of the SEBI Circular in connection with the draft Scheme of Arrangement between SoftSol India Limited (the "Demerged Company") and Covance SoftSol Limited (the "Resulting Company") and their respective Shareholders & Creditors (the "Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 (the "Act") and other relevant provisions and rules made thereunder. We have initialled the Undertaking for identification purposes only.

Management's Responsibility for the Undertaking

The preparation of the Undertaking is the responsibility of the management of the Company including preparation and maintenance of all accounting and other relevant supporting records and documents in relation to the Scheme. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Undertaking and applying appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Company complies with all the requirements of the SEBI Circular and the Act in relation to the Scheme and for providing all relevant information to BSE Limited and Securities and Exchange Board of India.

Auditor's Responsibility

Pursuant to the requirements of the SEBI Circular, it is our responsibility to express a reasonable assurance, in the form of an opinion, based on our examination of the Scheme as to whether the requirements of Part-I(A)(10)(b) of the SEBI Circular are applicable to the Scheme.

We conducted our examination of the Undertaking in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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, issued by ICAI.

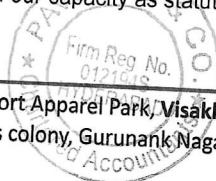
Opinion

Based on our examination of the Scheme and according to the information and explanations provided to us, along with the representations provided to us by the management, in our opinion, the requirements of Part-I(A)(10)(b) of the SEBI Circular are not applicable to the Scheme for the reasons stated in the Undertaking.

Restriction on distribution or use

Our work was performed solely to assist the Company in meeting the responsibilities in relation to the compliance with the requirements of the provisions of the SEBI Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

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PAVULURI & Co.
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The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling them to comply with the requirements of the SEBI Circular which require them to submit the certificate by the statutory auditors along with the accompanying Undertaking, duly approved by the Board of Directors of the Company, for onward submission to BSE Limited and Securities and Exchange Board of India and 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 or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Pavuluri & Co.
Chartered Accountants
Firm Reg. No: 012194S

CA N Rajesh
Partner

M.No: 223169

UDIN: 23223169BGVJTQ7451



Place: Hyderabad
Date: 14.08.2023

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