
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 Twentieth Annual Report of your company. I use this opportunity to present our accomplishments and what we hope to do in the future.

During the year under review , your Company recorded a consolidated revenues of Rs. 94.67 crores and achieved net profit of Rs. 17.08 crores for the year.

Your company could successfully complete world class projects. Customers testified to our quality of our work and our ability to gain the trust of well-known large organizations around the world for their mission critical projects. The benefits of these relationships are likely to continue to future years and result in improved financial results and improvement in Shareholder value for SoftSol. It is matter of pride that Softsol teams have delivered excellent quality work and in the process created intellectual property that will improve profitability and intrinsic value of the company.

Our company believes in fiscal discipline strongly and refrained from leveraging. This has helped the company immensely in the shrinking global market for IT services in this year.

We have made conscious efforts to differentiate your company as delivering tremendous value to customers by specialization, customer focus and product creation .

The efforts we made in this year to create a steady stream of revenues is yielding results and we would strive to generate positive revenues from all resources such as Human resources and physical infrastructure.

We have created a niche market for ourselves thereby securing certain degree of immunity from intense competition and price wars that companies of our size face in the information technology services market place. We will continue to pursue organic growth while also attempt to seek inorganic growth in the same line of business.

With the commitment demonstrated by technical teams , leadership shown by management teams , cooperation extended by the board , unwavering trust reposed by our clients , the patience and confidence exhibited by our shareholders , I am hopeful that we will see positive results in 2010-2011 subject to the market conditions influencing companies of our size.

Sincerely Yours

Srinivasa Rao Madala
Chairman

Notice of the 20th Annual General Meeting

Notice is hereby given that the Twentieth Annual General Meeting of the members of SoftSol India Limited will be held on Thursday, the 30th day of September, 2010 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, 2010 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 Dr. T. Hanuman Chowdary, who retires by rotation and being eligible, offers him for re-appointment.
3. To re-appoint M/s. Brahmayya & Co., Chartered Accountants as Statutory Auditor and to fix remuneration.

On behalf of the Board of Directors

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad

Date: 12-08-2010

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 27-09-2010 to 30-09-2010, 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.

DIRECTORS' REPORT

Dear Members of
SoftSol India Limited

The Directors present their Twentieth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2010.

Financial Results

(Rs .in lakhs)

	2009-10	2008-09
Gross Revenue	2682.63	3707.91
Total Expenditure	1170.72	1264.00
Operating Profit	1511.91	2443.91
Other Income	769.22	905.00
Interest	0.83	2.80
Depreciation	264.25	292.57
Profit before Tax	2016.05	3053.53
Provision for Taxation	331.29	401.73
Profit after Tax	1684.76	2651.79
Earning per Share (Rs.)	9.54	14.23

During the year under review, your Company recorded income of Rs.2682.63 Lakhs from export of software in comparison with previous year's income of Rs. 3707.91Lakhs. Your company achieved net profit of Rs 1684.76 Lakhs for the year in comparison with the previous year's net profit of Rs. 2651.79 Lakhs.

SoftSol Resources Inc., (SRI) a wholly owned subsidiary of your Company, recorded total revenue of US\$ 14.98 Millions in comparison with the previous year's revenue of US\$ 15.04 Millions. SRI recoded net profit of US\$41,766 for the year 2009 in comparison with the previous year's net profit of US\$ 62087.

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, Dr. T. Hanuman Chowdary, retire by rotation and being eligible offer himself for re-appointment at this Annual General Meeting.

Corporate Governance:

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

Buy-back of Shares:

During the year under review your Company bought back 10,38,312 fully paid equity shares in the open market mode on the Bombay Stock Exchange Limited pursuant to the resolution passed by the Board of Directors at their meeting held on 30th July 2009. The Company spent Rs. 5,65,84,073.70 paise for the shares bought back. The number of shares of the Company was reduced from 18655808 to 17617496 with the buyback of shares. But as on 31-03-2010 9,85,708 fully paid Equity Shares were actually extinguished at NSDL. Hence these many shares only reduced in the financial statements as at 31-03-2010.

CEO's Declaration:

Pursuant to the provisions of Clause 49(I)(D)(ii) of the Listing Agreement, a declaration by the Whole time Director of the Company declaring that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, is enclosed as Annexure to this 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 2009-10 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 2682.63 Lakhs(Previous year Rs. 3707.91 Lakhs) and foreign exchange outgo was Rs.1.94 Lakhs (previous year Rs. 12.44 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

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad
Date: 12-08-2010

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. 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 and their attendance at Board Meetings during year and at the last Annual General Meeting are given below:

Name of the Director	Director Identification Number	Category	Designation	Board Meetings held	Board Meetings attended	Last AGM
Mr. Srinivasa Rao Madala	01180342	Promoter Director	Chairman	5	2	No
Mr. Bhaskara Rao Madala	00474589	Promoter Director	Whole time Director	5	5	Yes
Dr. T. Hanuman Chowdary	00107006	Independent Non-Executive Director	Director	5	5	Yes
Mr. B.S. Srinivasan	00482513	Independent Non-Executive Director	Director	5	5	Yes

Details of number of directorships and Committee Memberships held by Directors in other Companies:

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. Bhaskara Rao Madala	Nil	Nil	Nil	Nil
Dr. T. Hanuman Chowdary	Nil	2	Nil	Nil
Mr. B. S. Srinivasan	Nil	Nil	Nil	Nil
Mr. Srinivasa Rao Madala	Nil	Nil	Nil	Nil

Notes:

Directorships in private and foreign companies are excluded. Membership of only Audit Committee and Share Transfers & Shareholders Grievance Committee has been considered.

Board Procedure:

The calendar of meetings of the Board of Directors is determined well in advance and Notices of the Meetings of the Board are issued by the Company Secretary on the advice and guidance of the Whole time Director. The agenda and notes thereon are finalised by the Whole time Director and circulated sufficiently in advance by the Company Secretary. During the financial year, Board of Directors of the Company met five times on 15-05-2009, 30-06-2009, 30-07-2009, 19-10-2009 and 29-01-2010.

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

Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company, which is available on the Company's web-site. 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, 2010. 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:	Dr. T. Hanuman Chowdary
Date of Birth:	18-10-1931
Nationality:	Indian
Date of Appointment:	02-07-1999
Educational Qualifications:	B. E. (Bachelor of Engineering)
Directorships held in other Public Companies:	Sify Limited and Tera Software Limited

Dr.T.Hanuman Chowdary had worked as Chairman of Pragna Bharthi of Andhra Pradesh, Information Technology Advisor to the Government of Andhra Pradesh and Director of the Center of Telecom Management and Studies (CTMS). He holds a Bachelors Degree in Telecommunication from Madras University (1952). He worked in the All India Radio (AIR), Ministry of Information & Broadcasting (1952-1957) and in the department of Telecommunication (DOT) (formerly posts and Telegraphs or P & T) from 1956 to 1987. He was the founding chairman and Managing Director of Videsh Sanchar Nigam Limited (VSNL). He left Government service in November 1989. He held executive and managerial posts in several states of India and was a Dy. Director General in the DOT. He was Governor of the INTELSAT in the Washington and Executive Councillor of the INMARSAT, London. He worked as a Senior Expert of the International Telecommunications Union (ITU) in Guyana (1985) and as ITU's Team Leader of an international group of telecom experts in Yemen (1990-91). He traveled extensively in over 40 countries as India's delegate to International Conferences, as an invited Speaker and Panelist in several International Seminars including Telecom'87 , 91 and 95 in Geneva for the ITU: for Asia Telecom in 1992 and 96 in Singapore: and Global Knowledge Conference in Toronto in 1996 and the annual conference of the Pacific Tele community since 1994.

Dr. Chowdary does not own any shares in the Company.

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) Oversight of the company's financial reporting process.
- b) Recommending appointment and removal of external auditors and fixing of their fees.
- c) Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- d) Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- e) Reviewing the adequacy of internal control systems and significant audit findings.
- f) Discussion with external auditors regarding nature and scope of audit.

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 2009-10 Audit Committee of the Board of Directors met four times on 15-05-2009, 30-06-2009, 30-07-2009, 19-10-2009 and 29-01-2010. All the members of the Committee attended all the meetings.

4. Remuneration Committee

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. 5,000 (Rupees five thousand only) is being paid to non-executive directors for attending each board meeting.

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.

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 2009-10 are as follows:

(In Rs.)

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
Mr. Srinivasa Rao Madala	Director	Nil	Nil	Nil	Nil
Mr. Bhaskara Rao Madala	Whole-time Director	13,46,400	Nil	Nil	13,46,400
Dr. T. Hanuman Chowdary	Director	Nil	Nil	21,000	21,000
Mr. B. S. Srinivasan	Director	Nil	Nil	21,000	21,000

No other benefits, bonuses, stock options, pensions or performance-linked incentives are paid to directors except as mentioned above and there are no pecuniary relationships or transactions by the non-executive directors during the financial year.

Shareholding of the Directors in the Company as on 31 March 2010:

Mr. Bhaskar Rao Madala, Whole time Director, holds 2,49,966 equity shares in the Company. No other director holds any shares, convertible instruments or stock options in the company.

5. Share Transfers and Shareholders Grievance Committee

The Share Transfers and Shareholders Grievance Committee comprises of two non-executive independent directors and one executive director. The members are 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 15-05-2009, 30-06-2009, 30-07-2009, 19-10-2009 and 29-01-2010. 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
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.
2008-2009	Wednesday, 30 th September 2009 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. No Extra-Ordinary General Meeting of the shareholders was held during the year.

7. Disclosures:

Details of Related Party Transactions:

SoftSol Technologies Inc., (STI) holds 50.22 % 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 31.03.2010 are:

Details	Party Name	31-03-2010 (in Rs.)	31-09-2009 (in Rs.)
Sales	SoftSol Technologies Inc.	12,70,23,870	18,82,02,000
	SoftSol Resources Inc.	4,18,59,115	3,77,04,000
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 2009-10.

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

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 or a stricture has 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 Clause 49 (Corporate Governance) of the Listing Agreement.

Prohibition of Insider Trading:

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

Compliance Report:

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

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

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

8. Means of Communication

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/Indian Express (English) and Andhra Bhumi/Andhra Prabha/Andhra Jyothi (Telugu) Newspapers and are displayed on the website of the Company www.softsolindia.com. The company also releases all price sensitive information simultaneously to BSE and the media.

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)

Thursday, the 30th day of September 2010 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 27, 2010 to September 30, 2010 (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 2009-10 to the Stock Exchange.

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. Contact Person: Mr. V. K. Jayaraman, General Manager, 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, 2010, 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, 2010, 12195590 Equity Shares of the Company forming 69.01% 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 2009	38.80	26.05	October 2009	73.45	50.05
May 2009	51.00	30.00	November 2009	64.00	52.05
June 2009	50.00	36.00	December 2009	59.85	52.25
July 2009	48.95	32.50	January 2010	65.40	50.15
August 2009	50.00	40.00	February 2010	60.00	53.60
September 2009	65.00	43.15	March 2010	58.00	51.40

Category wise Shareholding as at March 31, 2010.

Category	No. of Shares held	Percentage of Shareholding (%)
Promoters	10832458	61.30
Mutual Funds and UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies	Nil	Nil
FII's	Nil	Nil
Private Corporate Bodies	128998	0.73
Indian Public	1148641	6.51
Non-Resident Indians	2821752	15.97
Overseas Body Corporates	2736061	15.48
Clearing Members	2190	0.01
Total	17670100	100

Distribution of Shareholding as at March 31, 2010.

Number of Equity Shareheld	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	2121	84.94	388172	2.1968
5001 – 10000	218	8.73	188930	1.0693
10001 – 20000	68	2.72	99930	0.5655
20001 – 30000	24	0.96	62641	0.3545
30001 – 40000	9	0.36	33604	0.1902
40001 – 50000	13	0.52	60877	0.3445
50001 – 100000	17	0.68	119858	0.6783
100001 & above	27	1.09	16716088	94.6009
Total	2497	100	17670100	100

Declaration

I, Bhaskar Rao Madala, Whole time Director do hereby declare that pursuant to the provisions of Clause 49(I) (D) (ii) of the Listing Agreement, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

Bhaskar Rao Madala
Whole-time Director

Place: Hyderabad

Date: 12-08-2010

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, 2010 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.

Bhaskar Rao Madala
Whole-time Director

Place: Hyderabad

Date: 12-08-2010

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, 2010 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: 12-08-2010

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

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. Companies are focusing on their core competencies and are using outsourced technology service providers to adequately address these needs. The role of technology has evolved from supporting corporations to transforming them. There is an increasing need for highly skilled technology professionals in the markets in which we operate. At the same time, corporations are reluctant to expand their internal IT departments and increase costs. These factors have increased corporations' reliance on their outsourced technology service providers and are expected to continue to drive future growth for outsourced technology services.

India is widely recognized as the premier destination for offshore technology services. According to the NASSCOM Strategic Review 2010, IT services exports (excluding exports relating to business process outsourcing (BPO), hardware, engineering design and product development) from India are estimated to grow by 5.8% in fiscal 2010, to record revenues of US \$27.3 billion. This review also estimates BPO exports from India to have grown by 6% in fiscal 2010 to record revenues of US \$12.4 billion. There are several key factors contributing to the growth of IT and IT-enabled services (ITES) in India and by Indian companies. Some of these factors are high-quality delivery, significant cost benefits and abundant skilled resources.

B. Opportunities and threats of Global IT services and Products

These are challenging times for the Indian IT Industry given the current global financial crisis. All companies are under threat given the uncertainties in the market today. India is no longer decoupled from the global economy and all sectors, whether it is IT or BPO which are directly linked to the fortunes of global business or retail, manufacturing and real estate which depend on the prosperity of the citizens to succeed will need to prepare themselves for a period of uncertainty and start building strategies and new capabilities for success in the future.

Every crisis creates new opportunities and there are new possibilities emerging in every segment. Service firms have the opportunity to build wider and deeper relationships with their clients, challenging the assumptions on what work can be done in near shore and offshore locations and identifying new areas to partner to meet the customer's need to preserve profits in difficult times.

Companies in the knowledge services business will need to be watchful and avoid excessive cost or capacity build up at a time when demand will be weak at least for the next few quarters. Product and IP creating firms can identify niche areas that emerge through the periods of instability and education and training firms can address the task of re-skilling both the existing workforce and job seekers to make them more suitable for the new challenges.

The main risks causing concern to the IT Industry and your Company as well are Economic slowdown, ability to attract and retain talent, withdrawal of Tax benefits, Currency Exchange risks, High Customer concentration, etc.

Your Company has a Risk Assessment and minimization process, which is monitored on a periodic basis. Various risks that are closely monitored are Business risks i.e. Client concentration risk, geographical risk, competition risk and financial risk mainly in the area of foreign currency fluctuations.

We manage mission critical IT infrastructure/applications and therefore maintaining stable communication links with our clients is imperative. 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.

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 centre

With solid management practices driven by a stable leadership team, a well diversified service portfolio aligned to market needs, a wide geographic presence, increased levels of productivity through efficiency frameworks and a proven track record through its Innovation, the Company is confident of increased success in the years to come.

C. Outlook

We expect the new software development facility in Vizag to be operational in the year 2010-11. We have made very good progress in deepening the relationship with existing customers. We expect to achieve higher growth rates in income and profits during the coming year.

With the economic uncertainties, we are exploring the domestic market as well as Asia Pacific region for driving the growth and mitigating risk in the developed world. This growth is largely driven by increased acceptance of IT within the country as a major growth enabler and a competitive tool for Indian corporations to compete in an increasingly globalized environment.

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. Strong internal controls minimize the risk of frauds by introducing effective checks and balances into the financial system.

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. 94.67 crores and Rs. 17.08 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

Our focus is to develop individual and team competencies and capabilities for driving operational excellence and building a high performance organization. Hence our Talent Management program is focused on Talent Acquisition, Development and Retention.

We have our employees undergo certification programs each year to develop the skills relevant for their roles. We have also adopted a performance-linked compensation program that links compensation to individual performance, as well as meeting organisational goals.

We have initiated various measures from time to time to maintain a competitive, healthy and harmonious work environment at all levels.

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, 2010, 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - (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 : 29th May, 2010

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 any part of its fixed assets.
- 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 there under 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 as 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 are 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	11,92,824	2005-2006	I.T.A.T, Hyderabad
	18,43,649	2006-2007	C.I.T. Appeals, Hyderabad

10. The company has no accumulated losses as at the end of the financial year 31-03-2010 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. The company has not raised any funds on short term basis.
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 : 29th May, 2010

D.Seetharamaiah
Partner
Membership No:2907

BALANCE SHEET AS AT 31st MARCH 2010

Particulars	SCH. No.	As At 31st March 2010 (in Rupees)	As At 31st March 2009 (in Rupees)
I SOURCES OF FUNDS			
1. Shareholder's funds			
(a) Capital	01	180,559,110	190,416,190
(b) Reserves and Surplus	02	<u>1,586,004,689</u>	<u>1,461,462,960</u>
		1,766,563,799	1,651,879,150
3. Deferred tax liability		--	1,871,429
T O T A L		<u>1,766,563,799</u>	<u>1,653,750,579</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	03	404,550,736	391,709,760
Less: Depreciation		130,885,154	104,460,333
b) Net Block		<u>273,665,582</u>	<u>287,249,427</u>
Add: i) Capital Work In Progress		76,248,655	38,182,383
ii) Unallocated Capital Expenditure	04	2,715,980	2,163,955
		<u>352,630,217</u>	<u>327,595,765</u>
2. Investments	05	<u>953,584,053</u>	<u>953,584,053</u>
3. Current Assets, Loans and Advances			
Stock of Work in progress		-	3,340,260
Sundry debtors	06	85,937,532	112,398,957
Cash and bank balances	07	341,576,397	240,778,164
Loans and advances	08	88,164,835	74,098,812
		<u>515,678,764</u>	<u>430,616,193</u>
Less : Current Liabilities and Provisions	09	<u>55,329,235</u>	<u>58,045,432</u>
Net Current Assets		460,349,529	372,570,761
T O T A L		<u>1,766,563,799</u>	<u>1,653,750,579</u>
NOTES ON ACCOUNTS	14		

Schedules, Accounting policies and Note on accounts forms an integral part of Balance Sheet

per our report of even date
For M/s. Brahmayya & 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: 29-05-2010

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	SCH. No.	Current Year (in Rupees)	Previous Year (in Rupees)
<u>INCOME</u>			
Software Exports		268,262,779	370,790,814
Other Income	10	76,921,641	90,499,406
		345,184,420	461,290,220
<u>EXPENDITURE</u>			
Personnel Cost	11	82,761,779	99,033,475
Operation and other expenses	12	34,310,068	27,366,150
		117,071,847	126,399,625
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES		228,112,573	334,890,595
Finance Charges	13	83,148	280,457
Depreciation	03	26,424,822	29,257,475
PROFIT BEFORE TAXES		201,604,603	305,352,663
Provision for Taxation			
Current Income tax		35,000,000	43,500,000
Minimum Alternative Tax (Credit)		-	-
Deferred tax		(1,871,429)	(3,706,044)
Fringe Benefit Tax:		-	380,000
		9,128,571	40,173,956
PROFIT FOR THE YEAR AFTER TAXATION		168,476,032	265,178,707
Add: Balance brought forward from previous year		633,892,101	368,713,394
Amount available for appropriation		802,368,133	633,892,101
Appropriations			
Amount transferred to Capital Redemption reserve		9,857,080	-
SURPLUS CARRIED TO BALANCE SHEET		792,511,053	633,892,101
Earning Per Share (Basic & Diluted)		9.54	14.23

NOTES ON ACCOUNTS

14

Schedules, Accounting policies and Note on accounts forms an integral part of Profit and Loss Account

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: 29-05-2010

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. In Lakhs)

	Year ended 31-03-2010 (In Rupees)	Year ended 31-03-2009 (In Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	2,016.05	3,053.53
Adjustments for:		
Depreciation	264.25	292.57
Interest (Net)	(216.73)	(84.08)
Dividend Received	-	(15.53)
Provision for Leave Encashment	7.24	1.22
Provision for Gratuity	8.33	9.55
Excess Provision written Back	-	(6.81)
Credit Balances written Back	(0.01)	(5.19)
Operating Profit before Working Capital changes	2,079.12	3,245.26
Adjustments for Working Capital:		
Trade and other payables	(42.07)	30.10
Trade and other receivables	89.14	(824.52)
Inventories	33.40	595.58
Net Cash generated from operations	2,159.60	3,046.41
Direct Taxes Paid	(304.75)	(435.35)
Net Cash from operating activities (A)	1,854.85	2,611.07
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	207.15	48.86
Dividend Paid	(0.68)	(12.82)
Dividends Received	-	15.53
Purchase of Fixed Assets	(514.59)	(676.76)
Sale of Fixed Assets	-	160.82
Sale of investments	-	815.53
Purchase of Investments	-	(817.27)
Net Cash flow from Investing Activities (B)	(308.12)	(466.11)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Extraordinary Items : Buy Back of Equity Shares	(537.91)	-
Proceeds from borrowings (Net)	-	(27.01)
Interest Paid	(0.83)	(2.80)
Net Cash flow from Financing Activities (C)	(538.75)	(29.82)
Net Increase in Cash and Cash Equivalents (A+B+C)	1,007.98	2,115.14
Cash and cash Equivalents as at beginning of the year	2,407.78	292.64
Cash and cash Equivalents as at end of the year	3,415.76	2,407.78

per our report of even date

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: 29-05-2010B.S. Srinivasan
DirectorC. Lalitha
Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2010**

Particulars	As at 31.03.2010 (in Rupees)	As at 31.03.2009 (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				
1,76,41,900 (1,86,27,608) Equity shares of Rs.10/- each fully paid up (During the year 9,85,708 Equity shares of Rs.10/- each bought back)	176,419,000	186,276,080		
28,200 Equity shares of Rs.10/- each and Rs.5/- each paid up	141,000	141,000		
	176,560,000	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	180,559,110	190,416,190		
02. RESERVES AND SURPLUS	Balance as at 01.04.2009	Additions	Deletions	Balance as at 31.03.2010
Securities Premium Account	757,880,730	--	43,934,303	713,946,427
General Reserve	69,690,129	--	--	69,690,129
Capital Redemption Reserve	-	9,857,080	-	9,857,080
Surplus: Balance in Profit and Loss Account	633,892,101	792,511,053	633,892,101	792,511,053
TOTAL	1,461,462,960	802,368,133	677,826,404	1,586,004,689
05. 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	174,000
TOTAL			953,584,053	953,584,053

03. FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS ON 31.03.2009 Rs.	ADDITIONS DURING YEAR Rs.	DELETIONS DURING YEAR Rs.	AS ON 31.03.2010 Rs.	UP TO 31.03.2009 Rs.	FOR THE YEAR Rs.	ON DELETIONS Rs.	TOTAL UPTO 31.03.2010 Rs.	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
	Tangible assets										
1.	Land	13,918,307	-	-	13,918,307	-	-	-	-	13,918,307	13,918,307
	Own	5,540,142	--	--	5,540,142	--	--	--	111,922	5,428,220	5,484,181
	Leasehold	202,953,628	10,974,594	--	213,928,222	--	--	9,337,277	35,948,676	177,979,546	176,342,229
2.	Building	8,203,360	--	--	8,203,360	--	--	688,431	7,170,714	1,032,646	1,721,077
3.	Computers	21,802,444	170,050	--	21,802,444	--	--	1,771,065	19,145,845	2,656,599	4,427,664
4.	Computers - Imported	33,208,559	--	--	33,378,609	--	--	3,188,540	13,498,212	19,880,397	22,898,887
5.	Air Condition System	11,062,734	--	--	11,062,734	--	--	1,046,663	2,470,174	6,477,872	7,524,535
6.	Generator	5,872,985	--	--	5,872,985	--	--	549,810	1,448,800	3,402,811	3,952,621
7.	Lift	2,593,053	66,000	--	2,659,053	--	--	194,787	1,488,800	1,210,253	1,339,040
8.	UPS	33,703,762	728,310	--	34,432,072	--	--	3,310,867	19,398,979	15,033,093	17,615,650
9.	Furniture and Fixtures	26,487,952	346,153	--	26,487,952	--	--	2,791,091	13,858,649	12,629,303	15,420,394
10.	Electrical Installation	9,879,815	--	--	10,225,968	--	--	992,782	4,000,404	6,225,564	6,872,193
11.	Office Equipment	463,645	--	--	463,645	--	--	22,778	322,669	140,976	163,754
12.	Office Equipment - Imp	3,172,771	--	--	3,172,771	--	--	341,881	1,056,845	2,115,926	2,457,807
13.	Net Working Equipment	1,270,134	--	--	1,270,134	--	--	147,610	356,562	913,572	1,061,182
14.	Fire Fighting Equipment	91,746	--	--	91,746	--	--	2,104	78,723	13,023	15,127
15.	Canteen Equipment	99,794	--	--	99,794	--	--	2,766	82,673	17,121	19,887
16.	Motors and Borewell	9,625,044	--	--	9,625,044	--	--	1,365,815	5,715,404	3,909,640	5,275,455
17.	Vehicles	195,685	--	--	195,685	--	--	6,862	153,220	42,465	49,327
18.	Xerox Machine - Imp	18,592	--	--	18,592	--	--	674	15,546	3,046	3,720
19.	Library	1,545,608	555,869	--	2,101,477	--	--	607,058	1,466,275	635,202	686,390
20.	Software	391,709,760	12,840,976	--	404,550,736	--	--	26,424,822	130,885,154	273,665,582	287,249,427
21.	Capital work in progress	38,182,383	49,389,041	11,322,769	76,248,655	--	--	--	--	76,248,655	38,182,383
		429,892,143	62,230,017	11,322,769	480,799,391	104,460,333	--	26,424,822	130,885,154	349,914,237	325,431,810
	Less : Internal Transfers	--	11,322,769	11,322,769	--	--	--	--	--	--	--
	TOTAL	429,892,143	50,907,248	17,395,872	429,892,143	104,460,333	1,313,438	29,257,475	104,460,333	349,914,237	325,431,810
	Previous Year Total	417,007,515	30,280,500	17,395,872	429,892,143	76,516,297	--	29,257,475	104,460,333	325,431,810	340,491,220

Particulars	As at	Incurred	As at
	01.04.2009	During the	31.03.2010
	(in Rupees)	year	(in Rupees)
04. UNALLOCATED CAPITAL EXPENDITURE			
Stores and Spares	3,510	--	3,510
Repairs & Maintenance	2,770	145,436	148,206
Bank Charges	13,134	17,857	30,991
Travelling & Conveyance	303,277	--	303,277
Legal & Professional Charges	1,746,543	335,900	2,082,443
Printing & Stationary	421	1,832	2,253
Rent	94,300	1,000	95,300
General Expenses	--	50,000	50,000
TOTAL	2,163,955	552,025	2,715,980
Particulars	As at	As at	
	31.03.2010	31.03.2009	
	(in Rupees)	(in Rupees)	
06. SUNDRY DEBTORS			
(Unsecured, Considered Good)			
Debts due over six months	--	--	
Other debts	85,937,532	112,398,957	
TOTAL	85,937,532	112,398,957	
07. CASH AND BANK BALANCES			
Cash in hand	232,519	328,411	
Balance with scheduled banks in :			
Current Accounts	104,909,320	11,464,502	
Unpaid Dividend Accounts	73,188	140,983	
Fixed Deposits	236,361,370	228,844,268	
TOTAL	341,576,397	240,778,164	
08. LOANS AND ADVANCES			
(Unsecured, considered good ,recoverable in cash or in kind or for value to be received)			
Intercompany Loans including interest accrued thereon	2,068,628	1,543,800	
Advances for : Capital Works	48,110,287	39,493,859	
Expenses	-	55,000	
Others	2,758,617	-	
Deposits recoverable	3,314,462	2,005,542	
Rent Receivable Account	10,429,341	5,834,783	
Prepaid Expenditure	502,522	703,083	
Advance Income Tax & TDS (Net of Provisions)	7,338,909	11,861,701	
Interest Accrued	5,592,069	4,551,044	
MAT Credit Receivable	8,050,000	8,050,000	
TOTAL	88,164,835	74,098,812	

Particulars	As at 31.03.2010 (in Rupees)	As at 31.03.2009 (in Rupees)
09. CURRENT LIABILITIES AND PROVISIONS		
Liabilities		
Creditors for : Capital Goods	2,084,687	2,682,443
: Expenses	6,035,952	3,829,092
: Other Finance	4,780,410	955,425
Deposits Refundable	42,354,998	50,437,489
Unclaimed Dividend (not due for remittance to Investor Education and protection fund)	73,188	140,983
T O T A L	55,329,235	58,045,432
Particulars	Current Year (in Rupees)	Previous Year (in Rupees)
10. OTHER INCOME		
Interest earned (Others, gross)	21,755,826	8,688,459
T D S : Current year Rs. 17,23,697/- : previous year Rs. 13,11,459/-		
Rents Received	55,144,082	63,932,643
Dividends from mutual funds	-	1,552,799
Foreign Exchange Gain	-	14,848,209
Miscellaneous receipts	20,533	277,000
Excess Provision Written Back	-	680,964
Credit Balance Written Back	1,200	519,332
T O T A L	76,921,641	90,499,406
11. PERSONNEL COST		
Salaries, Wages and Bonus	75,760,873	87,651,558
Contribution to provident and other funds	2,807,513	3,530,524
Staff welfare Expenses	3,291,265	6,888,570
Gratuity	902,128	962,823
T O T A L	82,761,779	99,033,475
13. FINANCE CHARGES		
Interest on Fixed Loans	83,148	280,457
T O T A L	83,148	280,457

Particulars	Current Year (in Rupees)	(Previous Year) (in Rupees)
12. OPERATION AND OTHER EXPENSES		
Rent	117,155	510,427
Taxes and Licenses	1,830,433	3,009,273
Insurance	262,993	383,908
Repairs and Maintenance to :		
Equipment	256,183	1,506,468
Buildings	644,647	1,470,483
Others	5,111,968	4,466,985
Advertisement	128,149	49,987
Communication Costs	1,251,651	1,705,757
Soft Link Charges	896,703	1,881,563
Printing and Stationery	270,694	334,283
S T P I - Service Charges	350,000	300,000
Staff Training and Recruitment Expenses	205,594	231,085
Director's sitting fees	42,000	40,000
Auditor's Remuneration:		
Statutory Audit	82,725	82,725
Tax Matters	-	98,090
Certification	18,273	-
Legal and Professional Services	3,112,905	1,813,404
Travelling and Conveyance	3,548,587	3,930,683
General Expenses	2,147,439	2,032,991
Electricity Charges	1,221,861	1,101,524
ISO Expenses	55,150	385,394
Security Service Charges	1,994,632	2,021,120
Foreign Exchange Loss	10,528,860	-
Donations	178,789	-
Sundry debit balances written off	52,677	-
Prior Period Expenses	--	10,000
T O T A L	<u>34,310,068</u>	<u>27,366,150</u>

SCHEDULE – 14: 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. 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.
4. 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	27,08,099
Deferred Tax asset on account of Provision of Gratuity and Leave Encashment	<u>5,17,125</u>
Net deferred tax liability (Total)	<u><u>32,25,224</u></u>

Under prudential concept, the Board of directors decided to recognize the deferred tax asset to the extent of deferred tax liability existing in the books.

5. Fixed Deposit for Rs.20,75,000/- (Previous year Rs.20,75,000) are in lien with Bankers towards margin against guarantees issued by them.
6. 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.
7. 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.
8. 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.2,16,67,200/- (Previous year Rs.1,01,90,000/-) due from a wholly owned foreign subsidiary Company viz., SoftSol Resources Inc.
9. The Board of Directors of the company vide resolution dated 30th July 2009 approved buyback of 14,00,000 equity shares of Rs. 10/- each at a price not exceeding Rs.55/- per share and total cost of buyback is restricted to Rs.7,00,00,000/- During the year the company bought back 9,85,708 equity shares at Rs. 5,37,91,383/- inclusive of premium of Rs. 4,39,34,303/-. The premium of Rs. 4,39,34,303/- is adjusted against share premium account and redemption reserve of Rs.98,57,080/- being the face value of shares bought back, created
10. Managerial remuneration included under respective heads of account.

Whole Time Director :

Particulars	Current Year Rs.	Previous Year Rs.
Remuneration	12,60,000	12,60,000
Provident Fund Contribution	<u>86,400</u>	<u>86,400</u>
Total	<u>13,46,400</u>	<u>13,46,400</u>

	As at 31.03.2010 Rs	As at 31.03.2009 Rs.
11. Contingent liabilities not provided for on account of:		
a) Guarantees given by the bankers	20,75,000	20,75,000
b) Claims against the company not acknowledged as debts	10,91,266	5,95,521
c) Disputed demands of Income Tax	30,36,473	1,82,38,564
	Current Year Rs.	Previous Year Rs.
12. Value of imports calculated on C.I.F basis by the Company during the financial year in Respect of Capital goods	NIL	6,14,460
13. a) Expenditure in foreign currency during the Year on account of traveling excluding the tickets purchased in India	1,93,973	6,29,936
14. Contracts to be executed on account of Capital contracts	1,45,00,000	1,45,00,000
15. Earnings in foreign currency on export of Software	26,82,62,779	37,07,90,814
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		
Sr. 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	
	Current Year	Previous Year	Current Year	Previous Year
Key Management personnel	13,46,400	13,46,400	—	—
Subsidiary	—	—	4,18,59,115	3,77,04,000
Associate	—	—	12,70,23,870	18,82,02,000

Receivable as at 31.03.2010

Nature of relation	Current Year	Previous Year
	Amt. Rs.	Amt Rs.
Associate	6,42,70,332	7,24,52,494
Subsidiary	2,16,67,200	1,01,90,000

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

	Current Year		Previous year	
	Leave encashment	Gratuity	Leave encashment	Gratuity
Current service cost	(2,07,539)	14,45,634	13,627	1,46,287
Interest cost	21,432	2,27,440	21,360	1,90,198
Actuarial Gain / loss	9,99,374	(7,70,946)	10,743	1,62,352
Net benefit expense	8,13,267	9,02,128	45,730	4,98,837

ii) Balance Sheet :

	Current Year		Previous year	
	Leave encashment	Gratuity	Leave encashment	Gratuity
Opening balance of benefit obligations	3,12,735	28,68,375	2,67,005	23,77,476
Current service cost	(2,07,539)	14,45,634	21,360	1,90,198
Interest cost	21,432	2,27,440	13,627	1,46,287
Actuarial Gain / loss	9,99,374	(7,70,946)	10,743	1,62,352
Benefits paid	(89,668)	(68,941)	-	(7938)
Closing balance of benefit obligations	10,36,334	37,01,562	2,67,005	23,77,476

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	7%
Attrition Rate	20%
Mortality	Lic 94-96
Withdrawal	Ignored

Gratuity :

Discount rate	8%
Mortality	Lic 94-96
Further salaries raise	7%
Attrition Rate	20%

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.)	16,84,76,032	26,51,78,707
ii) Number of Equity Shares	1,76,65,000	18,641,708
iii) Nominal value of the share (Rs.)	10	10
iv) Earning Per Share (Basic and Diluted)	9.54	14.23

20. Previous year figures have been regrouped wherever necessary.

per our report of even date
For M/s. Brahmayya & 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: 29-05-2010

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: 31.03.2010

II. Capital raised during the year

(Amount in Rs. Thousand)

Public Issue	Nil	Right Issue:	Nil
Bonus Issues:	Nil	Private Placement:	Nil

III. Position of Mobilization and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities:	1766564	Total Assets:	1766564
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Sources of Funds

Paid up Capital:	180559	Reserves & Surplus:	1586005
Secured Loans:	Nil	Unsecured Loans:	Nil
Deferred Tax Liability	Nil		

Application of Funds:

Net Fixed Assets:	352630	Investments:	953584
Net Current Assets:	460350	Misc. Expenditure:	Nil
Accumulated Losses:	Nil		

IV. Performance of the Company

Turnover:	345184	Total Expenditure:	143579
Profit/Loss before Tax:	201605	Profit/Loss after Tax:	168476
Earning per Share:	9.54	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: 29-05-2010

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, 2009
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 41,766
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 62,087

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: 29-05-2010

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

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

The Chugh Firm, AAC
An Accountancy Corporation
California, USA.

Board of Director's Report 2009

Dear Members

Your Directors take pleasure in presenting their report for the financial year 2009

The Financial Highlights :

(USD in OOO's)

Particulars	2009	2008
Total Revenue	14,981	15,044
Other Income	64	8
Total Operating Expense	14,948	14,869
Provision for Taxation	55	121
Net Profit	42	62

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

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, 2009, and the related statements of income, retained earnings, and cash flows for the year then ended. 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, 2009, 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 Chugh Firm, AAC
March 24, 2010

SoftSol Resources Inc., USA

BALANCE SHEET AS OF DECEMBER 31, 2010

	As of 31.12.2009 in USD	As of 31.12.2009 in Rs.	As of 31.12.2008 in USD
1USD = 45.14			
Assets			
Current Assets			
Cash and Cash Equivalents	1,251,055.00	56,472,622.70	739,688.00
Accounts Receivable	2,104,419.00	94,993,473.66	2,095,440.00
Less: Allowance for doubtful Accounts	(104,713.00)	(4,726,744.82)	(75,248.00)
Receivables from STI	-	-	22,629.00
Prepaid Federal Income Tax	41,802.00	1,886,942.28	-
Prepaid State Income Tax	15,533.00	701,159.62	-
Employee Advances	1,870.00	84,411.80	70,386.00
Prepaid Expenses	51,954.00	2,345,203.56	101,933.00
Deffered tax asset	45,950.00	2,074,183.00	33,342.00
Total Current Assets	3,407,870.00	153,831,251.80	2,988,170.00
Property & Equipment			
Property and Equipment	426,197.00	19,238,532.58	355,243.00
Less: Accumulated Depreciation	(318,503.00)	(14,377,225.42)	(279,327.00)
Total Property & Equipment	107,694.00	4,861,307.16	75,916.00
Other Assets			
Investment	-	-	203,322.00
Deferred Tax Assets	-	-	26,594.00
Refundable Deposits	11,613.00	524,210.82	11,613.00
Total Other Assets	11,613.00	524,210.82	241,529.00
Total Assets	3,527,177.00	159,216,769.78	3,305,615.00
Liabilities and Stock Holders equity			
Current Liabilities			
Account Payable	1,252,295.00	56,528,596.30	791,690.00
Deferred Tax Liability	1,246.00	56,244.44	-
See Schedule-1-Statement of Other Current Liabilities	42,781.00	1,931,134.34	331,619.00
Total Current Liabilities	1,296,322.00	58,515,975.08	1,123,309.00
Total Liabilities	1,296,322.00	58,515,975.08	1,123,309.00
Stockholders Equity			
Common Stock, \$ 100 par, 1,000,000 shares authorised, 13,120 shares issued and outstanding	1,312,000.00	59,223,680.00	1,312,000.00
Retained Earnings	918,855.00	41,477,114.70	870,306.00
Total Stockholders Equity	2,230,855.00	100,700,794.70	2,182,306.00
Total Liabilities and Stockholders Equity	3,527,177.00	159,216,769.78	3,305,615.00

SoftSol Resources Inc., USA

STATEMENT OF INCOME OF INCOME FOR THE YEAR ENDED - DECEMBER 31, 2009

	As of 31.12.2009 in USD	As of 31.12.2009 in Rs.	As of 31.12.2008 in USD
		1USD = 48.05	
Revenue			
Consulting Income	14,980,968.00	719,835,512.40	15,044,692.00
Total Revenue	14,980,968.00	719,835,512.40	15,044,692.00
Cost of Sales			
See Schedule 2-Analysis of Cost of Sales	(12,556,766.00)	(603,352,606.30)	12,436,700.00
Gross Profit	2,424,202.00	116,482,906.10	2,607,992.00
Operating Expenses			
Selling Expenses			
See Schedule 3-Analysis of Selling expenses	695,194.00	33,404,071.70	857,099.00
General & Administrative Expenses			
See Schedule 4-Analysis of G & A Expenses	1,696,221.00	81,503,419.05	1,507,739.00
Total operating expenses	2,391,415.00	114,907,490.75	2,364,838.00
Income from operations	32,787.00	1,575,415.35	243,154.00
Other Income (Other Expenses)			
Dividend Income	-	-	1,145.00
Other Income	64,113.00	3,080,629.65	7,020.00
Interest Income	100.00	4,805.00	-
Interest Expense	(107.00)	(5,141.35)	(67,515.00)
Total Other Income	64,106.00	3,080,293.30	(59,350.00)
Income from Operations before Income Taxes	96,893.00	4,655,708.65	183,804.00
Provision for Income Taxes			
Federal Income Tax-Current	41,945.00	2,015,457.25	87,148.00
State Income Tax-Current	18,946.00	910,355.30	38,177.00
Federal Income Tax-Deferred	(3,472.00)	(166,829.60)	(2,773.00)
State Income Tax-Deferred	(2,292.00)	(110,130.60)	(835.00)
Total Provision for Income Tax	55,127.00	2,648,852.35	121,717.00
Net Income	41,766.00	2,006,856.30	62,087.00
Earnings per Share (13,120 shares)	3.18	144.56	4.73
Statement of Retained Earnings			
Retained Earnings, January 1, 2009	870,306.00	41,818,203.30	789,870.00
Prior period Expenditure	6,783.00	325,923.15	18,349.00
Net Income	41,766.00	2,006,856.30	62,087.00
Retained Earnings, December 31, 2009	918,855.00	44,150,982.75	870,306.00

SoftSol Resources Inc., USA

Schedule - 1

Analysis of other current liabilities

	As of 31.12.2009 in USD	As of 31.12.2009 in Rs.	As of 31.12.2008 in USD
Federal Income tax Payable	-	-	87,097.00
State Income Tax Payable	2,642.00	119,259.88	38,228.00
Accrued Expenses	974.00	43,966.36	9,574.00
Credit Card Payable	15,969.00	720,840.66	-
Flexible Spending Payable	16,157.00	729,326.98	13,559.00
Accrued Wages & Salaries	-	-	176,122.00
401K Payable	7,039.00	317,740.46	7,039.00
Total Other Current Liabilities	42,781.00	1,931,134.34	331,619.00

Schedule-2

Analysis of Cost of Sales

	As of 31.12.2009 in USD	As of 31.12.2009 in Rs.	As of 31.12.2008 in USD
Consulting Outsourced	4,782,015.00	229,775,820.75	4,783,493.00
Consulting Outsourced-SIL	930,000.00	44,686,500.00	-
Salaries & Wages -Consultants	5,890,088.00	283,018,728.40	6,243,201.00
Taxes-Payroll-Consultants	451,274.00	21,683,715.70	471,459.00
Per Diem - consultant	163,715.00	7,866,505.75	354,040.00
Insurance Medical & Dental	261,161.00	12,548,786.05	349,788.00
Legal & Immigration-Consultants	44,574.00	2,141,780.70	233,124.00
Professional Development	1,082.00	51,990.10	365.00
Reimbursed Expenses	28,267.00	1,358,229.35	-
Travel-Consultancy	4,590.00	220,549.50	1,230.00
Total Cost of Sales	12,556,766.00	603,352,606.30	12,436,700.00

Schedule-3

Analysis of Selling Expenses

	As of 31.12.2009 in USD	As of 31.12.2009 in Rs.	As of 31.12.2008 in USD
Salaries & Wages	593,405.00	28,513,110.25	751,817.00
Taxes-Payroll	40,563.00	1,949,052.15	45,955.00
Insurance Medical & Dental	55,849.00	2,683,544.45	58,289.00
Advertising & Promotion	5,377.00	258,364.85	1,038.00
Total Selling Expenses	695,194.00	33,404,071.70	857,099.00

SoftSol Resources Inc., USA

Schedule-4

General & Administrative Expenses

	As of 31.12.2009 in USD	As of 31.12.2009 in Rs.	As of 31.12.2008 in USD
Auto Expenses	17,864.00	858,365.20	29,453.00
Bad debt Expenses	239,547.00	11,510,233.35	165,361.00
Bank Charges	4,825.00	231,841.25	41,735.00
Charitable Contribution	25,416.00	1,221,238.80	9,750.00
Depreciation	42,679.00	2,050,725.95	34,304.00
Dues & Publication	6,392.00	307,135.60	25,752.00
Equipment Rental	1,914.00	91,967.70	3,263.00
Fines & Penalties	2,031.00	97,589.55	-
Freight & Postage	11,695.00	561,944.75	11,155.00
Internet Access & Web Hosting	378.00	18,162.90	1,903.00
Insurance	93,260.00	4,481,143.00	80,362.00
Janitorial	10,114.00	485,977.70	7,831.00
Meals & Entertainment	35,289.00	1,695,636.45	26,932.00
Miscellaneous Expenses	621.00	29,839.05	917.00
Moving Expenses	3,000.00	144,150.00	--
Late Charges	-	-	118.00
Office Expenses	6,723.00	323,040.15	19,130.00
Officers Salaries & Wages	330,000.00	15,856,500.00	138,539.00
Outside Services	26,779.00	1,286,730.95	43,648.00
Professional Fees	134,806.00	6,477,428.30	140,625.00
Professional Development	3,065.00	147,273.25	53.00
Realized Losses In Investment	-	-	5,862.00
Recruiting	35,419.00	1,701,882.95	45,626.00
Rent	170,493.00	8,192,188.65	197,888.00
Salaries & Wages	214,004.00	10,282,892.20	241,495.00
Repairs & Maintenance	19,816.00	952,158.80	655.00
Small Tools	-	-	3,542.00
Supplies	32,173.00	1,545,912.65	21,952.00
Taxes, Permits & Licenses	14,936.00	717,674.80	786.00
Taxes Payroll	26,927.00	1,293,842.35	24,327.00
Taxes-Property	-	-	973.00
Taxes-State Prior Year	5,609.00	269,512.45	3,165.00
Telephone	53,964.00	2,592,970.20	55,143.00
Travel	74,675.00	3,588,133.75	94,127.00
Staff welfare	19,361.00	930,296.05	5,557.00
Utilities	32,446.00	1,559,030.30	25,810.00
Total General & Administrative Expenses	1,696,221.00	81,503,419.05	1,507,739.00

SoftSol Resources Inc., USA

Statement of Cash Flow for the Year ended December 31, 2009

	Year Ended 31.12.2009 in USD	Year Ended 31.12.2009 in Rs.	Year Ended 31.12.2008 in USD
Cash Flows from Operating Activities			
Net Income	41,766	1,885,317	187,412
Adjustments to reconcile Net Income to Net Cash provided by Operations :			
Depreciation	42,679	1,926,530	34,304
Provision for Bad and Doubtful Accounts	36,225	1,635,197	-
Prior period adjustment	6,782	306,139	18,349
Changes in Operating Assets & Liabilities:			
Increase in Accounts Receivable	(15,739)	(710,458)	713,916
Decrease/(Increase) in Receivable others	22,629	1,021,473	-
Decrease in deferred tax assets	13,986	631,328	-
Decrease/(Increase) in Pre paid Expenses	(7,356)	(332,050)	(49,114)
Decrease/(Increase) in Employee Advances	68,516	3,092,812	11,046
Increase in deferred tax liabilities	1,247	56,290	-
Increase in receivable others	-	-	(22,116)
Decrease in investment in securities	-	-	111,458
Increase in Credit card payable	15,969	720,841	-
Increase in Deposits	-	-	-
Increase in Accounts Payable	460,605	20,791,710	139,680
Increase/(Decrease) in Accrued production Cost	-	-	-
Decrease Accrued Liabilities	(182,124)	(8,221,077)	(52,248)
Decrease in Income Tax Payable	(122,683)	(5,537,911)	(62,934)
Increase in deferred tax asset	-	-	(3,502)
Net Cash Provided by (used in) Operating Activities	382,502	17,266,140	1,026,251
Cash Flow from Investing Activities :			
Sale/(Purchase) of property and equipment	(74,456)	(3,360,944)	(35,611)
Increase in refundable deposit	-	-	(2,581)
Investment in Securities	203,322	9,177,955	-
Net Cash provided by(used in) Investing Activities	128,866	5,817,011	(38,192)
Cash Flow from Financing Activities :			
Payment to SVB Line of Credit	-	-	(556,078)
Net Cash Provided by (used in) Financing Activities	-	-	(556,078)
Net Increase(Decrease) in Cash & Cash Equivalents	511,368	23,083,152	431,981
Cash & Cash Equivalents at the Beginning of the Year	739,688	33,389,516	307,707
Cash & Cash Equivalents at the end of the Year	1,251,056	56,472,668	739,688
Supplementary Disclosure			
Interest paid during the Year	107	4,830	67,515
Income Tax paid during the Year	167,118	7,543,707	-

SoftSol Resources Inc., USA

Notes to Financial Statements (Dec 31st, 2009)

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. Its 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.

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

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, 2009 is \$ 42,679.

Long-Lived Assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with FASB ASC No. 360 (formerly SFAS No. 144), Accounting for the Impairment or Disposal of Long-Lived Assets. ASC No. 360 requires that long-lived assets be reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable.

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 FASB ASC No. 740 (formerly SFAS No. 109)", 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 FASB ASC No. 260 (Formerly 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.

Advertising Costs

The cost of advertising is charged to expense as incurred.

New Accounting Pronouncements

Financial Accounting Standards Boards issued FIN 48 now known as ASC No. 740-10 " Accounting for Uncertainty in Income Taxes ". As of January 1, 2009, the Company adopted FIN 48, thereafter, recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.]

The Company's income tax filings are subject to audit by various taxing authorities. The Company's open audit periods are 2006-2008. In evaluating the Company's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances

Guidance and Disclosures on Fair Value Measurements. In April 2009, the Financial Accounting Standards ("FASB") issued FASB Staff position ("FSP") Financial Accounting Standards ("FAS") 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP FAS 157-4 provides additional application guidance in determining fair values when there is no active market or where the price inputs being used represent distressed sales, it reaffirms what FASB ASC No. 820-10 objective of fair value measurement - to reflect how much an asset would be sold for in an orderly transaction (as opposed to a distressed or forced transaction) at the date of the financial statements under current market conditions. Specifically, it reaffirms the need to use judgment to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive. The Company adopted ASC 820-10 in the year ended December 31, 2009. The adoption did not have a material impact on the Company's statement of financial condition.

Subsequent Events. In May 2009, the FASB issued ASC 855 (formerly known as SFAS No. 165), "Subsequent Events". The objective of ASC 855 is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and basis for that date - that is, whether that date represents the date the financial statements were issued or were available to be issued. The Company evaluates subsequent events through the date that the Company's financial statements are issued. The adoption of ASC 855 did not have a material impact on the Company's statement of financial condition.

FASB Accounting Standards Codification. In July 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162" ("SFAS No. 168"). SFAS No. 168 establishes the FASB Accounting Standards Codification ("Codification") to become the source of authoritative U.S. generally accepted accounting principles ("U.S. GAAP") recognized by the FASB to be applied by nongovernmental entities. All existing accounting standard documents are superseded. All other accounting literature not included in the codification will be considered non-authoritative. The codification does not change current GAAP. SFAS No. 168 and the Codification are effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company plans to adopt the Codification in the first quarter of 210. The Company does not expect the adoption to have a material impact on the Company's statement of financial condition. References to authoritative U.S. GAAP literature, however, in the Company's financial statements and notes thereto will be updated to reflect new Codification references.

Note 3 - Related Party Transactions

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

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.

The company has entered into professional services agreement with SIL India, SoftSol Technologies, Inc, TDK, LLC. STI and TDK occupy the office space from the Company. The following are transactions of the Company with these related parties for the year ended December 31, 2009:

Softsol Technologies Inc.	Amount
Accounts Receivable	\$ 356,824
Consulting Income	3,436,976
Accounts Receivable	356,824
Softsol India Limited	Amount
Consulting Outsourced	\$ 930,000
Accounts Payable	530,000
TDK, Lic	Amount
Consulting Income	\$ 578,833
Administrative Income	160,000
Rental Income	24,000
Accounts Receivable	109,337

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.

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

<u>Year</u>	<u>Amount</u>
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 \$170,493.35 for the year ended December 31, 2009.

Note 5 - Concentration of Credit Risk

The Majority of cash and cash equivalents are maintained with one major financial institutions in the United States. Deposits with this 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.

The Company's sales to its major customer, Cisco totaled \$5.6 million that accounted for 37% of the company's total revenue for the year. Accounts Receivable. from Cisco as of December 31, 2009 is \$539,804 which is 26% of total balance of account receivable

SoftSol Resources Inc., USA

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, 2009, the employee advances has balance of \$ 1,870.

Note 7 - Income Taxes

The company accounts for income taxes under the provisions of FA SB ASC 740, "Accounting for Income Taxes". Under ASC 740, 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, 2009 is derived in the United States.

The provision for income taxes consisted of the following:

Year Ended	2009
Federal:	
Current	\$ 41,945
Deferred	(3,472)
State:	
Current	18,946
Deferred	(2,292)
Total Provision for income tax	\$ 55,127

Significant components of the Company's deferred tax assets and liabilities at December 31, 2009, are as follows:

Deferred Tax Assets	
Current	\$ 45,950
Non Current	-
Deferred Tax Liability	
Current	-
Non Current	1,247

Note 8 - 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, 2009.

Note 9 - 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, 2009 of \$7,039 is payable to participants.

SoftSol Resources Inc., USA

A new 401 (k) plan known as Softsol Resources Inc. 401(k) Plan (Plan no. 7113353) was adapted 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 10 - 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 \$16,157 as accumulated contributions into this account as of December 31, 2009.

Note 11 - 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.

Note 12 - Subsequent Events

Subsequent events have been evaluated through March 24, 2010, which is the date the financial statements were available to be issued.

Note 13 - Contingencies

There are no pending legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities as IT consultants. Legal reserves will be established in accordance with FASB ASC 450 (formerly known as SFAS No. 5), "Accounting for Contingences". Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. There are no legal reserves in the statement of financial condition as of December 31, 2009.

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, 2010 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 2010.
- 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

Place : Hyderabad
Date : 29th May, 2010

D. Seetharamaiah
Partner
Membership No: 2907

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

Particulars	Sch. No.	As At 31st March 2010 (in Rupees)	As At 31st March 2009 (in Rupees)
I SOURCES OF FUNDS			
1. Shareholder's funds			
(a) Capital	01	180,559,110	190,416,190
(b) Reserves and Surplus	02	1,627,481,806	1,505,805,051
		<u>1,808,040,916</u>	<u>1,696,221,241</u>
2. Deferred tax liability		-	1,871,429
T O T A L		<u>1,808,040,916</u>	<u>1,698,092,670</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	03	1,317,969,642	1,296,367,044
Less: Depreciation		<u>145,262,380</u>	<u>118,692,044</u>
b) Net Block		1,172,707,262	1,177,675,000
Add: I) Capital Work In Progress		76,248,655	38,182,383
ii) Unallocated Capital Expenditure	04	<u>2,715,980</u>	<u>2,163,955</u>
		<u>1,251,671,897</u>	<u>1,218,021,338</u>
2. Investments	05	<u>180,000</u>	<u>10,539,256</u>
3. Current Assets, Loans and Advances			
Stock of work in progress		-	3,340,260
Sundry debtors	06	154,537,061	216,480,687
Cash and bank balances	07	398,049,020	278,465,268
Loans and advances	08	<u>95,724,703</u>	<u>86,523,886</u>
		648,310,784	584,810,101
Less : Current Liabilities and Provisions	09	<u>92,121,765</u>	<u>115,278,025</u>
Net Current Assets		<u>556,189,019</u>	<u>469,532,076</u>
T O T A L		<u>1,808,040,916</u>	<u>1,698,092,670</u>
NOTES ON ACCOUNTS	14		
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 Chowdry
Director

Place: Hyderabad
Date: 29-05-2010

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

Particulars	SCH. No.	Current Year (in Rupees)	Previous Year (in Rupees)
INCOME			
Software Exports		946,668,391	1,017,018,512
Other Income	10	80,333,004	91,704,733
		<u>1,027,001,395</u>	<u>1,108,723,245</u>
EXPENDITURE			
Personnel Cost	11	473,671,737	504,438,890
Operation and other expenses	12	318,179,582	255,575,191
		<u>791,851,319</u>	<u>760,014,081</u>
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES		235,150,076	348,709,164
Finance Charges	13	88,289	3,349,689
Depreciation	03	28,475,548	30,816,935
PROFIT BEFORE TAXES		206,586,239	314,542,540
Provision for Taxation			
Current Income tax		37,925,813	49,197,275
Deferred tax		(2,148,389)	(3,870,064)
Fringe Benefit Tax:			
Current Year		-	380,000
PROFIT FOR THE YEAR AFTER TAXATION		170,808,815	268,835,329
Add: Balance brought forward from previous year		669,541,179	400,705,850
Amount available for appropriation		<u>840,349,994</u>	<u>669,541,179</u>
Amount transferred to Capital Redemption reserve		9,857,080	--
SURPLUS CARRIED TO BALANCE SHEET		830,492,914	669,541,179
Earning Per Share (Basic & Diluted)		9.67	14.42
NOTES ON ACCOUNTS	14		
Schedules, Accounting policies and Note on accounts forms an integral part of Balance Sheet			

per our report of even date
For M/s. Brahmayya & 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: 29-05-2010

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

(Rs. In Lakhs)

	Year ended 31-03-2010 (In Rupees)	Year ended 31-03-2009 (In Rupees)
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before Tax and Extraordinary Items	2,034.90	3,149.02
Adjustments for :		
Depreciation	283.51	310.05
Prior Period Adjustment	3.06	9.35
Provision for bad and doubtful debts	16.35	
Interest (Net)	(216.74)	(84.08)
Dividend Received	-	(15.53)
Provision for Leave Encashment	7.24	1.22
Provision for Gratuity	8.33	9.55
Excess Provision Written back	-	(6.81)
Credit Balances Written back	0.01	(5.19)
Operating Profit before working Capital changes	2,136.66	3,367.57
Adjustments for Working Capital :		
Trade and other receivables	(4.49)	361.86
Trade and other payables	166.68	(779.97)
Inventories	33.40	595.58
Net Cash generated from operations	2,332.25	3,545.04
Direct Taxes Paid	(304.75)	(469.20)
Net Cash flow from Operating Activities	2,027.50	3,075.84
B CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	207.15	48.86
Dividend Paid	(0.68)	(12.82)
Dividend Received	-	15.53
Purchase of Fixed Assets	(548.20)	(694.90)
Sale of Fixed Assets	-	160.82
Sale of Investments	-	872.32
Purchase of Investments	91.78	(817.27)
Net Cash flow from Investing Activities	(249.95)	(427.47)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Extraordinary Items : Buy Back of Equity Shares	(537.92)	-
Secured Loan	-	(310.33)
Interest Paid	(0.83)	(2.80)
Net Cash flow from Financing Activities	(538.75)	(313.13)
Net Increase in Cash and Cash Equivalents	1,238.80	2,335.23
Cash and Cash Equivalents as at beginning of the year	2,741.68	449.42
Closing Cash and Cash Equivalents	3,980.47	2,784.65

For M/s. Brahmaya & Co.
Chartered Accountants
D. Seetaramaiah
Partner

For and on behalf of the Board

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 29-05-2010

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31st MARCH 2010

Particulars	As at 31.03.2010 (in Rupees)	As at 31.03.2009 (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				
1,76,41,900 Equity shares of Rs.10/- each fully paid up	176,419,000	186,276,080		
(During the year 98,57,080 equity shares of Rs.10/- each bought back)				
28,200 Equity shares of Rs.10/- each and Rs.5/- each paid up	141,000	141,000		
	176,560,000	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	180,559,110	190,416,190		
02. RESERVES AND SURPLUS				
	Balance as at 31.03.2009	Additions	Deletions	Balance as at 31.03.2010
Securities Premium Account	757,880,730	-	43,934,303	713,946,427
General Reserve	72,810,498	-	-	72,810,498
Capital redemption Reserve	-	9,857,080	-	-
Foreign Currency Transilation Reserve (Arising on Consolidation)	5,572,644	-	5,197,757	374,887
Surplus: Balance in Profit and Loss Account	669,541,179	830,492,914	669,541,179	830,492,914
TOTAL	1,505,805,051	840,349,994	718,673,239	1,627,481,806
05 . INVESTMENTS				
(At cost, Non-trade, Long -term, unquoted)				
Government Securities				
National Saving certificates			6,000	6,000
Investments of subsidiary				
Investments in Equity Shares in Tierra Infra Private Limited				10,359,256
1,74,000 Equity Shares of Rs. 1/- each			174,000	174,000.00
TOTAL			180,000	10,539,256

03. FIXED ASSETS

NAME OF THE ASSETS	GROSS BLOCK AS AT 31.03.2010 (in Rupees)	ACCUMULATED DEPRECIATION (in Rupees)	NET BLOCK AS AT 31.03.2010 (in Rupees)
Tangible fixed assets			
Land	13,918,307	--	13,918,307
Leasehold Land	5,540,142	111,922.00	5,428,220
Building	213,928,222	35,948,676	177,979,546
Computers	8,203,360	7,170,714	1,032,646
Computers - Imported	21,802,444	19,145,845	2,656,599
Air Condition System	33,378,609	13,498,212	19,880,397
Generator	11,062,734	4,584,862	6,477,872
Lift	5,872,985	2,470,174	3,402,811
UPS	2,659,053	1,448,800	1,210,253
Furniture & Fixtures	34,432,072	19,398,979	15,033,093
Electrical Installation	26,487,952	13,858,649	12,629,303
Office Equipment	10,225,968	4,000,404	6,225,564
Office Equipment - Imp	463,645	322,669	140,976
Net working equipment	3,172,771	1,056,845	2,115,926
Fire Fighting Equipment	1,270,134	356,562	913,572
Canteen Equipment	91,746	78,723	13,023
Motor & Borewell	99,794	82,673	17,121
Vehicles	9,625,044	5,715,404	3,909,640
Xerox Machine - Imp	195,685	153,220	42,465
Library	18,592	15,546	3,046
Subsidiary's assets	19,238,533	14,377,226	4,861,307
Intangible fixed assets			
Good Will	894,180,373	--	894,180,373
Software	2,101,477	1,466,275	635,202
TOTAL	1,317,969,642	145,262,380	1,172,707,262

Particulars	As at 01.04.2009 (in Rupees)	Incurred During the year	As at 31.03.2010 (in Rupees)
04. UNALLOCATED CAPITAL EXPENDITURE			
Store and Spares	3,510	--	3,510
Repairs & Maintenance	2,770	145,436	148,206
Bank Charges	13,134	17,857	30,991
Travelling & Conveyance	303,277	-	303,277
Legal & Professional Charges	1,746,543	335,900	2,082,443
Printing & Stationary	421	1,832	2,253
Rent	94,300	1,000	95,300
	-	50,000	50,000
TOTAL	2,163,955	552,025	2,715,980

Particulars	As at 31.03.2010 (in Rupees)	As at 31.03.2009 (in Rupees)
06. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts due over six months	--	--
Other debts	154,537,061	216,480,687
Less: Allowance for doubtful debts	--	--
TOTAL	154,537,061	216,480,687

07. CASH AND BANK BALANCES

Cash in hand	232,519	328,411
Balance with scheduled banks:		
Current Accounts	161,381,943	49,151,606
Unpaid Dividend Accounts	73,188	140,983
Fixed Deposits	236,361,370	228,844,268
TOTAL	398,049,020	278,465,268

08. 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	2,068,628	1,543,800
Advances for : Capital Works	48,110,287	39,493,859
Advances for Expenses	-	55,000
Advances paid for bought back of shares	2,758,617	--
Deposits recoverable	3,838,673	2,597,224
Rent Receivable Account	10,429,341	5,834,783
Staff Advances	84,412	3,586,167
Prepaid Expenditure	2,847,726	5,896,569
Advance Income Tax & TDS (Net of Provisions)	9,927,011	11,861,701
Interest Accrued	5,592,069	4,551,044
Differed tax asset	2,017,939	3,053,739
MTA Credit Receivable	8,050,000	8,050,000
TOTAL	95,724,703	86,523,886

Particulars	As at 31.03.2010 (in Rupees)	As at 31.03.2009 (in Rupees)
09. CURRENT LIABILITIES AND PROVISIONS		
Liabilities		
Creditors for : Capital Goods	2,084,687	2,682,443
: Trade Payables	34,861,396	40,336,606
: Expenses	7,847,826	14,339,771
: Other Finance	4,899,670	7,340,732
Deposits Refundable	42,354,998	50,437,489
Unclaimed Dividend	73,188	140,983
(not due for remittance to Investor Education and protection fund)		
TOTAL	92,121,765	115,278,024
Particulars	Current Year (in Rupees)	Previous Year (in Rupees)
10. OTHER INCOME		
Interest earned (Others, gross)	21,760,631	8,688,459
T D S : Current year Rs.13,11,459/- : previous year Rs.33,403/-		
Rents Received	55,144,082	63,932,643
Dividends from mutual funds	-	1,604,851
Foreign Exchange Gain	-	14,848,209
Excess provision Written Back	-	680,964
Credit Balance Written Back	1,200	519,332
Miscellaneous receipts	3,101,163	596,129
Prior period Adjustment	325,928	834,146
T O T A L	80,333,004	91,704,733
11. PERSONNEL COST		
Salaries, Wages and Bonus	464,194,622	491,806,414
Contribution to provident and other funds	2,807,513	3,530,524
Staff welfare Expenses	5,767,474	8,139,129
Gratuity	902,128	962,823
T O T A L	473,671,737	504,438,890
13. FINANCE CHARGES		
Interest on Fixed Loans	88,289	3,349,689
TOTAL	88,289	3,349,689

	Current Year (In Rupees)	Previous Year (In Rupees)
12. OPERATION AND OTHER EXPENSES		
Rent	8,309,344	9,506,415
Taxes and Licenses	4,111,463	4,339,023
Insurance	4,744,136	4,037,165
Repair and Maintenance to :	-	-
Equipment	2,158,675	3,184,533
Buildings	644,647	1,470,483
Others	5,111,968	4,466,985
Advertisement	128,149	49,987
Communication Costs	1,251,651	4,806,174
Soft Link Charges	4,069,781	1,881,563
Printing and Stationery	270,694	334,283
STPI - Service Charges	350,000	300,000
Staff Training and Recruitment Expenses	1,907,477	2,305,243
Director's sitting fees	42,000	40,000
Auditor's Remuneration :		
Statutory Audit	82,725	82,725
Tax Matters	-	98,090
Certification	18,273	-
Legal and Professional Charges	11,024,337	10,192,864
Travelling and Conveyance	7,280,871	8,209,696
Consulting outsourced	233,032,421	179,753,592
General Expenses	6,645,688	8,771,299
Bank Charges	231,841	-
Electricity Charges	1,221,861	1,101,524
ISO Expense	55,150	385,394
Security Service Charges	1,994,632	2,021,120
Foreign Exchange Loss	10,528,860	-
Donations	1,400,028	443,235
Shortterm capital loss	-	266,487
Sundry Debit balance Written off	52,677	-
Prior Period Expenditure	--	10,000
Baddebts	11,510,233	7,517,311
TOTAL	318,179,582	255,575,191

SHEDULE – 14 : 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 2009 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. 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	27,08,099
Deferred Tax asset on account of Provision of Gratuity and Leave Encashment	5,17,125
Net deferred tax liability (Total)	<u>32,25,224</u>

Under prudential concept, the Board of directors decided to recognize the deferred tax asset to the extent of deferred tax liability existing in the books.

6. Fixed Deposit for Rs. 20,75,000/- (Previous year Rs. 20,75,000) 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 assesment of impairment of assets and no impairment loss exists during the year.
8. 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.
9. 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. 2,16,67,200/- (Previous year Rs. 1,01,90,000/-) due from a wholly owned foreign subsidiary Company viz., SoftSol Resources Inc.
10. The Board of Directors of the company vide resolution dated 30th July 2009 approved buyback of 14,00,000 equity shares of Rs. 10/- each at a price not exceeding Rs.55/- per share and total cost of buyback is restricted to Rs. 7,00,00,000/- During the year the company bought back 9,85,708 equity shares at Rs. 5,37,91,383/- inclusive of premium of Rs. 4,39,34,303/- . The premium of Rs. 4,39,34,303/- is adjusted against share premium account and redemption reserve of Rs.98,57,080/- being the face value of shares bought back, created.
11. Managerial remuneration included under respective heads of account.

Whole Time Director:

Particulars	Current Year Rs.	Previous Year Rs.
Remuneration	12,60,000	12,60,000
Provident Fund Contribution	86,400	86,400
Total	<u>13,46,400</u>	<u>13,46,400</u>

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
12. Contingent liabilities not provided for on account of:		
a) Gurantees given by the bankers	20,75,000	20,75,000
b) Claims against the company not acknowledged		
As debts	10,91,266	5,95,521
c) Disputed demand of Income Tax	30,36,473	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 finfncial year in Respect of Capital goods	NIL	6,14,460
14. a) Expenditure in foreign currency during the year on account of travelling excluding the tickets purchased in India	1,93,973	6,29,936
15. Contracts to be executed on account of Capital contracts	1,45,00,000	1,45,00,000
16. Earnings in foreign currency on export of Software	26,82,62,779	37,07,90,814
17. There are no separate reportable segments as per the accounting Standard - 17 "Segmental Reporting" Issued by the Institute of Chartered Accountants of India.		
18. The details of related party transactions in terms of Accounting Standard (AS) 18 are as follows:		
i) Key Management Personnel		
Sri. 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	
	Current Year	Previous Year	Current Year	Previous Year
Key Management Personnel	13,46,400	13,46,400	--	--
Subsidiary	--	--	4,18,59,115	3,77,04,000
Associate	--	--	12,70,23,870	18,82,02,000

Balances Receivable as at 31-03-2010

Nature of relation	Current Year Amt. Rs.	Previous Year Amt. Rs.
Associate	6,42,70,332	7,24,52,494
Subsidiary	2,16,67,200	1,01,90,000

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 :

	Current year		Previous year	
	Leave encashment	Gratuity	Leave encashment	Gratuity
Current service cost	(2,07,539)	14,45,634	13,627	1,46,287
Interest Cost	21,432	2,27,440	21,360	1,90,198
Actuarial Gain / (Loss)	9,99,374	(7,70,946)	10,743	1,62,352
Net benefit expense	8,13,267	9,02,128	45,730	4,98,837

ii) Balance Sheet :

	Current year		Previous year	
	Leave encashment	Gratuity	Leave encashment	Gratuity
Opening balance of benefit obligations	3,12,735	28,68,375	2,67,005	23,77,476
Current service cost	(2,07,539)	14,45,634	21,360	1,90,198
Interest Cost	21,432	2,27,440	13,627	1,46,287
Actuarial Gain / (Loss)	9,99,374	(7,70,946)	10,743	1,62,352
Benefit Paid	(89,668)	(68,941)	-	(7938)
Closing balance of benefit obligations	10,36,334	37,01,562	2,67,005	23,77,476

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	7%
Attrition Rate	20%
Mortality	LIC 94-96
Withdrawal	Ignored

Gratuity :

Discount rate	8%
Mortality	LIC 94-96
Further salaries raise	7%
Attrition Rate	20%

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.)	17,08,08,815	26,88,35,329
ii) Number of Equity Shares	1,76,65,000	18,641,708
iii) Nominal value of the share (Rs.)	10	10
iv) Earning per Share (Basic and Diluted)	9.67	14.42

21. Previous year figures have been regrouped whearever necessary.

per our rept of even date

For and on behalf of the Board

For M/s. Brahmaya & Co.
Chartered Accountants

D. Seetaramaiah
Partner

Bhaskar Rao Madala
Whole time Director

Dr. T. Hanuman Chowdary
Director

Place: Hyderabad
Date: 29-05-2010

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 20th Annual General Meeting of the company held on Thursday the 30th Day of September 2010 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 20th Annual General Meeting of the company held on Thursday the 30th Day of September 2010 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, 2010.

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.