

SoftSol India Limited
Registered Office: Plot No.4, Software Units Layout, Madhapur,
Hyderabad 500 081 Andhra Pradesh.

PUBLIC NOTICE

Issued in compliance with Regulation 5A of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

Section 77A of the Companies Act, 1956 ("the Act") read with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("the SEBI Buy-Back Regulations") permits, the buy-back of equity shares of a company up to 10% of its paid-up equity share capital and free reserves, if authorized by the Board of Directors of the company pursuant to a resolution passed at its Board Meeting.

The Board of Directors of SoftSol India Limited ("the **Company**") at its meeting held on July 30, 2009 approved the proposal of Buy-Back of the Company's fully paid-up Equity Shares of Rs.10/- each from the open market through the stock exchange mechanism (hereinafter referred to as "the **Buy Back**") in accordance with the provisions contained in the Articles of Association of the Company, Sections 77A, 77AA, 77B and other applicable provisions of the Act and the SEBI Buy-Back Regulations including any statutory modifications and amendments thereto from time to time and for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary.

(a) Necessity for Buy Back

The Buy Back program is expected to contribute to the overall shareholder value. The buy back would lead to (a) maximization of returns to investors and enhance overall shareholder value by returning surplus funds to shareholders in an investor-friendly manner; (b) provide an efficient mechanism for an exit opportunity to those shareholders who desire so, in a manner that does not substantially impact the market price of the Company's shares to the detriment of the continuing shareholders; (c) enhance the earnings per share of the Company in future, and (d) create long-term shareholder value.

(b) Mode of Buy Back

The Buy-Back is proposed to be implemented by the Company through open market purchases on the Bombay Stock Exchange Limited ("BSE") using their electronic trading facilities. The Company shall not buy-back its shares from any person through a negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-Back. The Buy Back shall not be made from the promoters of the Company or persons who are in control of the Company.

(c) Size and price of Buy Back

The Board of Directors has approved a maximum limit of Rs.7,00,00,000/- (Rupees Seven crores only) for the Buy Back at a price not exceeding Rs.55/- (Rupees Fifty five only) per share and the same will be financed out of the free reserves of the Company.

The price of the Buy Back will be based on the price quotations ruling at that particular time, subject to a maximum of Rs.55/- (Rupees Fifty five only) per share. This price has been arrived at, after considering the stock market quotations, book value per share, and the possible impact the Buy Back may have on the earnings per Share of the Company. The maximum Buy Back price of Rs.55/- per share offers a premium of approximately 30.18% over the closing price on July 29, 2009 at BSE, the day prior to the date of board meeting in which the Buy Back was approved. The maximum Buy-Back price as proposed above will not impair the growth of the Company and also contribute to the overall enhancement of the shareholder value.

The Board of Directors have authorized buy back only up to 14,00,000 equity shares of Rs.10/- each. However, the actual number of equity shares to be bought back would depend upon the average price paid for the equity shares bought back and the amount deployed in the Buy Back. As an illustration, at the proposed maximum price of Rs.55/- per equity share and for the deployed amount of Rs.7,00,00,000/-, (Rupees Seven crores only) the number of equity shares that can be bought back would be 12,72,727 which would aggregate to approximately 6.83% of the pre - Buy Back paid up equity share capital of the Company. If the average purchase price be lower than Rs.55/-, the number of equity shares bought back would be more, assuming the same deployment of Rs. 7,00,00,000/-, (Rupees Seven crores only). However, the maximum number of equity shares proposed to be bought back would fall within the overall limit of 14,00,000 equity shares as approved by the Board of Directors.

(d) Shareholding of the Promoters

The aggregate shareholding of the promoters/persons who are in control of the Company as on July 30, 2009 (being the date of the meeting of the Board of Directors for approving the proposed Buy Back) is 1,08,32,458 equity shares of Rs.10/- each aggregating to 58.06% of the paid up equity share capital of the Company. The promoter group has not acquired any equity shares of the Company through stock exchanges during the last six

months from the date of the Board Meeting (from February 01, 2009 to July 30, 2009).

- (e)** The promoters of the Company, persons in control and directors of the promoter (where the promoter is a company) have confirmed that they will not sell their holding under the Buy-Back as they are prohibited from selling their Shares in terms of Regulation 15(b) of the SEBI Buy- Back Regulations. In accordance with the same, no promoter and no persons in the control of the Company intend to tender their equity shares to the Company for the Buy Back.
- (f)** The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institution or bank.
- (g)** The debt equity ratio of the Company after the Buy Back will be within the limit of 2:1 as prescribed under the Act.
- (h)** The Board of Directors of the Company confirms that, they had made a full enquiry into the affairs and prospects of the Company and that they have formed the following opinion:
 - (i) that immediately following the date on which the meeting of the Board of Directors is convened, there will be no grounds on which the Company could be found unable to pay its debts.
 - (ii) as regards its prospects for the year immediately following that date, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in their view be available to the Company during the year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date, and
 - (iii) in forming their opinion for the above purposes, the Board of Directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).
- (i)** The text of the report dated 30th July 2009 received from M/s. Brahmayya & Co, Chartered Accountants, the Company's Statutory Auditors addressed to the Board of Directors is reproduced below:

Date: 30th July 2009

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

In connection with the proposed buy back of Equity Shares approved by the Board of Directors of SoftSol India Limited ('the Company') at its meeting held on July 30, 2009, in pursuance of the provisions of the Companies Act, 1956 and the Securities & Exchange Board of India (Buy-back of Securities) Regulations, 1998 and based on the information and explanations given to us, we report that:

1. We have enquired into the state of affairs of the Company based on the audited accounts as at 31st March, 2008 and audited accounts for the period ending 31st March, 2009, which were taken on record by the Board of Directors at their meeting held on June 30, 2009 and yet to be adopted by the Members of the Company.
2. The capital payment of an amount not exceeding Rs.7,00,00,000/- (Rupees Seven Crores only) towards the buy back of equity shares has been properly determined in accordance with Section 77A(2)(b)(A) of the Companies Act, 1956 which is within the permissible amount of 10% of the paid up equity capital and free reserves of the Company, as computed below:

a) Permissible limit for buy back under Section 77A(2)(b)		
	Amount (Rs)	Amount (Rs)
Total paid up Capital as at March 31, 2008 (1,86,27,608 Equity shares of Rs.10/- each fully paid-up and 28,200 equity shares of Rs.10/- each and Rs.5/- each paid-up)*		18,64,17,080
Free Reserves as at March 31, 2008:*		
Securities Premium	75,78,80,730	
Profit and Loss Account	36,87,13,394	
General Reserve	6,96,90,129	
Total of Paid up Capital and Free Reserves as at March 31, 2008		<u>138,27,01,333</u>
10% thereof being permissible limit for buy back of equity shares with approval of Board of Directors		13,82,70,133
Amount approved by the Board for Buyback		7,00,00,000

b) <u>Maximum limit of buy back of equity shares in a financial year</u>	
	No. of Shares
Fully paid up Equity Shares as at 31 st March 2008	1,86,27,608
25% thereof being maximum equity Capital eligible for buy-back	46,56,902
Maximum no. of shares approved by the Board for Buyback	14,00,000
Minimum no. of shares approved by the Board for Buyback	10,00,000

* Based on standalone financials.

3. The Board of Directors at their meeting held on July 30, 2009 have formed an opinion as specified in Clause (x) in Schedule 1 of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 on reasonable grounds and that the company will not, having regard to its state of affairs, be rendered insolvent within a period of one-year from the date of the Board Meeting i.e. July 30, 2009.

**For Brahmayya & Co
Chartered Accountants**

**Sd/-
D. Seetharamaiah
Partner
Membership No. 2907**

- (j) As per the provisions of the Act, the resolution passed by the Board of Directors approving the Buy Back will be valid for a maximum period of twelve months from the date of passing the resolution. The exact time and manner of Buy Back will be announced by way of Public Announcement.
- (k) The Board of Directors of the Company accepts responsibility for the information contained in this notice.

**For and on behalf of the Board of Directors of
SOFTSOL INDIA LIMITED**

**BHASKAR RAO MADALA
WHOLE TIME DIRECTOR**

**DR T HANUMAN CHOWDARY
DIRECTOR**

**CHAVALI LALITHA
COMPANY SECRETARY**

Place: Hyderabad
Date: 31.07.2009