

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2016. A report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the management systems to maintain a greater degree of responsibility and accountability

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 more than half of the Board's total strength. All Independent Non-Executive Directors comply with the legal requirements of being "Independent."

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	4	1	No
Mr. Bhaskara Rao Madala	00474589	Promoter Director	Whole time Director	4	4	Yes
Dr. T. Hanuman Chowdary	00107006	Independent Non-Executive Director	Director	4	4	Yes
Mr. B.S. Srinivasan	00482513	Independent Non-Executive Director	Director	4	4	Yes
Mr. P. Venkatramaiah	00030102	Independent Non-Executive Director	Director	4	3	Yes
Mrs. Neelima Thota	06938559	Independent Non-Executive Director	Director	4	4	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. Srinivasa Rao Madala	Nil	Nil	Nil	Nil
Mr. Bhaskara Rao Madala	Nil	Nil	Nil	Nil
Dr. T. Hanuman Chowdary	Nil	2	2	4
Mr. B. S. Srinivasan	Nil	2	Nil	3
Mr. P. Venkatramaiah	Nil	Nil	Nil	Nil
Mrs. Neelima Thota	Nil	Nil	Nil	Nil

Relationship between Directors:

Out of 6 Directors 2 Directors are related Directors viz: Mr. Srinivasa Rao Madala, Non-Executive Chairman and Mr. Bhaskara Rao Madala, Whole time Director. None of the other Directors are related with each other.

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 four times on 26-05-2015, 13-08-2015, 13-11-2015 and 12-02-2016.

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.

Independent Directors Meeting:

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 30th September 2015. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. Dr. T. Hanuman Chowdhary is the Chairman of Independent Directors Meeting.

Code of Conduct:

SoftSol India Limited Code of Conduct laid down by the Board of Directors is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website www.softsol.com. All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2016. A declaration to this effect, duly signed by the Whole time Director is annexed hereto.

Compliance with Code of Conduct

All the Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct laid down by the Board of Directors in terms of Regulation 17(5)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Bhaskar Rao Madala

Whole-time Director

Place: Hyderabad

Date: 12-08-2016

3. Audit Committee

The Company has an independent Audit Committee. The composition, procedure, Role / Function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial report process and the disclosure of its financial information's.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by management.
- To review the adequacy of internal control systems with the management, external & internal auditors.
- Discussion with external auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

Composition and Attendance:

Audit Committee consists of three independent Non-executive Directors and one Executive Director. Members are Dr. T.Hanuman Chowdary, Mr. B.S.Srinivasan, Mr. P. Venkatramaiah and Mr. Bhaskar Rao Madala. Dr. T.Hanuman Chowdary is the Chairman of the Committee. The Company Secretary Mr. Baddam Laxman (ACS – 20625) 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 2015-16 Audit Committee of the Board of Directors met four times on 26-05-2015, 13-08-2015, 13-11-2015 and 12-02-2016. Except Mr. P. Venkatramaiah, who has attended 3 out of 4 Committee meetings, all other members of the Committee attended all the meetings.

The Chairman of the Audit Committee was present at the 25th Annual General Meeting (AGM). Representatives of the statutory and internal auditors attended the meetings of the audit committee. The chief financial officer is present at the meetings of the committee.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three non-executive independent directors Dr. T.Hanuman Chowdary, Mr. B.S.Srinivasan and Mr. P. Venkatramaiah. Dr. T. Hanuman Chowdary is the Chairman of the Committee. The Committee met once on 13th August 2015 during the financial year and all members present at the meeting.

The Company Secretary Mr. Baddam Laxman (ACS – 20625) acts as the Secretary to the Committee.

The role of Nomination and Remuneration Committee is –

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To formulate evaluation of Director's performance policy.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties.

Performance Evaluation Criteria for Independent Directors:

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. Separate exercise was carried out to evaluate the performance of Non-Independent Directors including the Chairman of the Board who were evaluated on parameters such as Key achievements, Short term and long term targets, challenges faced, Implementation of Strategic decisions, organizational success, participation and attendance in Board and Committee Meetings etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

Independent Directors were evaluated on the parameters such as attendance and participation in the meetings and timely inputs on the minutes of the meetings, adherence to ethical standards & code of conduct of the Company, disclosure of non-independence, as and when exists and disclosure of interest, interpersonal relations with other Directors and Management, understanding of the Company and the external environment in which it operates and contribution to strategic direction, safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Remuneration Policy:

Payment of remuneration to the Whole time Director is as per the terms of his appointment. The terms of his appointment were approved by the Nomination & Remuneration Committee, the Board and the shareholders in the year 2014. The remuneration structure comprises salary, perquisites and contributions to Provident Fund, Superannuation and Gratuity.

A sitting fee of Rs. 10,000 (Rupees Ten thousand only) is being paid to non-executive directors for attending each board meeting.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2015-16 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	13,17,600	Nil	Nil	Nil
Dr. T. Hanuman Chowdary	Director	Nil	Nil	40,000	40,000
Mr. B. S. Srinivasan	Director	Nil	Nil	40,000	40,000
Mr. P. Venkatramaiah	Director	Nil	Nil	30,000	30,000
Mrs. Neelima Thota	Director	Nil	Nil	40,000	40,000

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 2016:

Mr. Srinivasa Rao Madala holds 980691 Equity Shares and 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. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of three non-executive independent directors and one executive director. Mr. Bhaskar Rao Madala, Mr. B. S. Srinivasan, Mr. P. Venkatramaiah and Dr. T. Hanuman Chowdary (Chairman). The Committee met once on 13th November 2015 during the financial year and all members present at the meeting.

The Company Secretary Mr. Baddam Laxman (ACS – 20625) acts as the Secretary to the Committee.

The role of the committee

The company has constituted Stakeholders Relationship Committee of the Board of Directors to look into the transfer of Equity Shares/transmission of Equity Shares/issuance of duplicate Equity Share certificates, complaints received from the shareholders of the Company and other allied connected matters.

Status of complaints of shareholders/investors is as under:

Complaints pending as on 1st April, 2015	NIL
Number of complaints received during year ended 31st March, 2016	NIL
Number of complaints attended to/resolved during the year	NIL
Complaints pending as on 31st March, 2016	NIL

The share transfers are processed on behalf of the Company by the Registrar and Transfer Agents viz. Karvy Computershare Private Limited and are placed for approval by the Committee which are noted and ratified in subsequent board meeting.

Number of share transfers pending for approval as on 31st March, 2016

NIL

Compliance Officer: Mr. Baddam Laxman, Company Secretary
Plot No. 4, Software Units Layout, Madhapur, Hyderabad – 500 081
Telephone: + 91 (40) 30719500, Facsimile: + 91 (40) 30784306
E-mail: cs@softsol.com, Website: www.softsolindia.com

6. General Body Meetings

Details of the last three Annual General Meetings (AGM) are as follows:

Year/Period	Day, Date and Time	Location
2012-2013	Monday, 30th September, 2013 at 10.00 a.m.,	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2013-2014	Tuesday, 30th September 2014 at 10.00 a.m.,	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2014-2015	Wednesday, 30th September 2015 at 10.00 a.m.,	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.

- Whether any special resolutions passed in the previous AGMs: NO.
- Whether any special resolution passed last year through postal ballot: NO.
- Whether any special resolution is proposed to be conducted through postal ballot: NO.
- Procedure for postal ballot: N.A.

7. Means of Communication

The Board of Directors of the Company approves and takes on record the Unaudited Quarterly Results and Audited Annual Results in the proforma prescribed by the Stock Exchange and announces forthwith the results to the Stock Exchange where the shares of the Company are listed. The same are published within 48 hours in The Financial Express (English) and Andhra Prabha (Telugu) and are also uploaded on the Company's website www.softsolindia.com.

All data required to be filed electronically or otherwise pursuant to the SEBI Regulations with the Stock Exchange, such as annual report, quarterly financial statements, Shareholding pattern, report on Corporate Governance are being regularly filed with the Stock Exchange, namely, BSE Limited (www.bseindia.com) through BSE Listing Center and available on their websites.

The Management Discussion and Analysis Report forms part of the Annual Report.

8. General Shareholders Information:

a) Company Registration Details:

The Company is registered in the State of Telangana, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72200TG1990PLC011771.

b) 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@softsol.com, Website: www.softsolindia.com

c) Annual General Meeting: (Date, Time and Venue)

Friday, the 30th day of September 2016 at 10.00 A.M. at the Registered Office of the Company.

d) Financial Calendar

The Company follows April-March as its financial year. The Key Financial Reporting dates for the Financial Year 2016-17 are:

Unaudited Results for the First Quarter ended June 30, 2016	On or before 14th August 2016
Unaudited Results for the Second Quarter ended September 30, 2016	On or before 15th November 2016
Unaudited Results for the Third Quarter ended December 31, 2016	On or before 15th February 2017
Audited Results for the Financial year 2016-17	On before end 31st May 2017

e) Book Closure

From September 26, 2016 to September 30, 2016 (both days inclusive)

f) 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 2016-17 to the Stock Exchange.

g) Stock Code/Symbol

The Bombay Stock Exchange Limited - 532344

h) Share Transfer Agent

M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 008, Telangana

Contact Persons: Mr. MVN Shastry, Mr. P. Srikrishna

Phone: 040 - 67161519, Emails: shastry.mvn@karvy.com, srikrishna.p@karvy.com.

i) 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, 2016, 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.

j) Dematerialization of shares and liquidity

Mode of Holding	Number of Shares	Percentage of holding
NSDL	16638693	98.91
CDSL	113840	0.68
Physical	69980	0.42
Total	16822513	100.00

Liquidity: The Company's Equity shares are traded on BSE Limited.

International Securities Identification Number: INE002B01016.

k) Category wise Shareholding as at March 31, 2016

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters (Both Indian & Foreign)	6	11797920	70.13
Mutual Funds and UTI	0	Nil	Nil
Banks, Financial Institutions, Insurance Companies	0	Nil	Nil
FII's	0	Nil	Nil
Private Corporate Bodies	31	11120	0.07
Indian Public	1795	604109	3.59
Non-Resident Indians	7	2653994	15.78
Overseas Body Corporates	1	1755370	10.43
Total	1840	16822513	100

1) Shareholders holding more than 1% of the Shares:

Name of the Shareholder	Number of shares held	Percentage
Promoters:		
Durga VLK Madala	9557408	56.81
Sambasiva Rao Madala	918400	5.46
Srinivasa Rao Madala	980691	5.83
Bhaskar Rao Madala	269766	1.60
Overseas Corporate Bodies		
Adalat Corporation	1755370	10.43
Non-Resident Indians		
Radha Krishna Ghanta (Trustee of AAM Trust)	1250000	7.43
Radha Krishna Ghanta (Trustee of SSM Trust)	1250000	7.43

m) 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	Volume (number of Shares)	Month	BSE– High	BSE– Low	Volume (number of shares)
April 2015	56.70	41.50	13,240	October 2015	47.90	43.00	6,336
May 2015	53.50	41.50	7,245	November 2015	59.50	42.35	12,768
June 2015	53.50	40.95	9,615	December 2015	64.00	52.00	14,998
July 2015	52.90	39.15	8,757	January 2016	77.50	54.75	9,856
August 2015	46.90	41.55	5,061	February 2016	61.00	49.30	1,240
September 2015	48.00	44.45	2,806	March 2016	56.15	50.95	1,616

n) Distribution of Shareholding as at March 31, 2016.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	1619	87.99	2682900.00	1.59
5001 – 10000	134	7.28	1132010.00	0.67
10001 – 20000	45	2.45	680800.00	0.40
20001 – 30000	17	0.92	423450.00	0.25
30001 – 40000	2	0.11	72000.00	0.04
40001 – 50000	3	0.16	131320.00	0.08
50001 – 100000	3	0.16	164670.00	0.10
100001 & above	17	0.92	162937980.00	96.86
Total	1840	100.00	168225130.00	100.00

Compliance Officer: Mr. Baddam Laxman, Company Secretary
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E-mail: cs@softsol.com, Website: www.softsol.com

o) Details with respect to Demat Suspense Account/Unclaimed Share Certificate as per regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Not Applicable.

9. Disclosures:

a) Details of Related Party Transactions:

SoftSol India Limited (SIL) holds 100% shareholding of SoftSol Resources Inc., USA (SRI) and hence SRI is a wholly owned subsidiary of SIL. The transactions details of the Company with the SRI as of 31.03.2016 are:

Details	Party Name	31-03-2016 (in Rs.)	31-03-2015 (in Rs.)
	SoftSol Resources Inc.	96,89,874	2,09,81,461
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 2015-16. But the Company has issued guarantees / securities to the Bank for the loans granted to the Subsidiary Company. 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.

b) There were no materially significant related party transactions (i.e. transactions of the Company of material nature), in potential conflict with interests of the Company at large. Transactions with related parties are disclosed in Notes to the Accounts in Annual Report.

c) There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter relating to Capital Market during last three years.

- d) During the year under review, the Vigil Mechanism and Whistle Blower Policy was adopted by the board of directors to provide a framework to promote responsible and secure reporting of undesirable activities. During the year there was no reporting of any undesirable activity by any person.
- e) The Company has complied with all the mandatory requirements as prescribed in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following discretionary requirements have been adopted by the Company:
 - 1) Auditor's Report does not contain any qualifications.
 - 2) The Company has appointed separate persons to the posts of Chairman and Whole time Director.
 - 3) The Internal Auditors report directly to the Audit Committee.
- f) Management Discussion and Analysis is annexed to the Directors' Report to shareholders and forms part of Annual Report.
- g) As per disclosures received from senior management personnel, they have not entered into any financial or commercial transactions which may have a potential conflict with interests of the Company at large.

Prohibition of Insider Trading:

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

Compliance Report:

A Compliance report of all applicable Laws and Regulations as certified by the Whole time Director are 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.

10. CEO/CFO Certification:

The requisite certification from the Whole time Director and Chief Financial Officer required to be given under Regulation 17(8) of SEBI (LO&DR) Regulation, 2015 was placed before the Board of Directors of the Company.

CEO & CFO Certification
(As per Regulation 17(8) of SEBI (LO&DR) Regulation, 2015)

To
The Board of Directors of
SoftSol India Limited
Hyderabad.

We, Bhaskara Rao Madala, Whole time Director and Mr. Srinivas Mandava, Chief Financial Officer of SoftSol India Limited (the Company) to the best of our knowledge and belief certify that

- a) We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended March 31, 2016 and based on our knowledge and belief, we state that:
 - 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) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee
 - i. Significant changes, if any, in the internal controls over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Bhaskar Rao Madala
Whole-time Director

Srinivas Mandava
Chief Financial Officer

Place: Hyderabad
Date: 12-08-2016