



SoftSol India Limited

21st Annual Report 2010-11

SoftSol India Limited

Board of Directors	Mr. Srinivasa Rao Madala Mr. Bhaskar Rao Madala Dr. T. Hanuman Chowdary Mr. B.S. Srinivasan Mr. P. Venkatramaiah	Chairman Whole time Director 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@softsol.net 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 Twenty First 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 consolidated revenues of Rs 74.03 crores and achieved net profit of Rs. 6.20 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.

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

We are pleased to inform you that we have opened a new development center in Vizag in our own building. We are also pursuing revenue sources from domestic market.

I am confident that SoftSol, with its satisfied customers, committed technical teams and strong and stable management team, will continue to deliver significant value to all its stakeholders in the years to come with positive results in 2011-12 subject to the market conditions impacting companies of our size.

Sincerely Yours

Srinivasa Rao Madala
Chairman

Notice of the 21st Annual General Meeting

Notice is hereby given that the Twenty First Annual General Meeting of the members of SoftSol India Limited will be held on Friday, the 30th day of September, 2011 at 10.00 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, 2011 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 Mr. B. S. Srinivasan, 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.

Special Business:

4. To consider and if thought fit, to pass with or without modifications, if any the following as an Ordinary Resolution:

"RESOLVED THAT Mr. P. Venkatramaiah, who was appointed by the Board of Directors as Additional Director with effective from 23rd May 2011 and who holds office up to the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."

On behalf of the Board of Directors

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad
Date: 12-08-2011

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 26-09-2011 to 30-09-2011, 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.

Explanatory Statement, as required under Section 173 of the Companies Act, 1956.

Item No. 4

Mr. Pamulapati Venkatramaiah was appointed as an Additional Director by the Board on 23rd May 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956. He holds office only up to the date of this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing Mr. Venkatramaiah for the office of Director.

Mr. Venkatramaiah aged about 75 years, having qualification of B.E, retired as Chief Engineer in Central Water Commission and had an overall 50 years experience in handling Power & Infra Projects.

The Board has also appointed Mr. Venkatramaiah as the member of the Audit Committee, Remuneration Committee and Share Transfers & Shareholders Grievance Committee of the Company with effective from 23rd May 2011.

The Board of Directors considers that in view of the background and experience of Mr. Venkatramaiah, it would be in the interest of the Company to appoint him as a Director of the Company.

He does not hold any shares in the Company. The Board recommends this resolution for your approval. No director is concerned or interested in the passing of this resolution other than Mr. P. Venkatramaiah.

On behalf of the Board of Directors

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad
Date: 12-08-2011

DIRECTORS' REPORT

Dear Members of
SoftSol India Limited

The Directors present their Twenty First Annual Report and the Audited Statement of Accounts for the year ended March 31, 2011.

Financial Results

	<i>(Rs .in lakhs)</i>	
	2010-11	2009-10
Gross Revenue	1065.83	2682.63
Total Expenditure	1019.83	1170.72
Operating Profit	46.00	1511.91
Other Income	895.59	769.22
Interest	1.07	0.83
Depreciation	238.41	264.25
Profit before Tax	738.72	2016.05
Provision for Taxation	150.50	331.29
Profit after Tax	588.22	1684.76
Earning per Share (Rs.)	3.34	9.54

During the year under review, your Company recorded income of Rs.1065.83 Lakhs from export of software in comparison with previous year's income of Rs. 2682.63 Lakhs. Your company achieved net profit of Rs 588.22 Lakhs for the year in comparison with the previous year's net profit of Rs. 1684.76 Lakhs.

SoftSol Resources Inc., (SRI) a wholly owned subsidiary of your Company, recorded total revenue of US\$ 14.56 Millions in comparison with the previous year's revenue of US\$ 14.98 Millions. SRI recoded net profit of US\$ 71,988 for the year 2010 in comparison with the previous year's net profit of US\$ 41,766.

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 the financial performance of your Company during the year 2010-11, your Directors have not recommended any dividend for the financial year 2010-11.

Directors:

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. B. S. Srinivasan, retire by rotation and being eligible offer himself for re-appointment at this Annual General Meeting.

Mr. Pamulapati Venkatramaiah has been appointed as Additional Directors on 23rd May 2011. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Act in respect of the above persons, proposing their appointment as a director of the Company, along with requisite deposit. Resolution seeking approvals of the Shareholders for their appointment have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details of the candidates.

Corporate Governance:

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

Whole time Director'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 included in the Report of Corporate Governance.

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 years 2010-11 and 2011-12 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 upgradation of product and services development.

- c. Foreign Exchange earnings and outgo: Total foreign exchange earnings during the year were Rs.1,065.83 Lakhs (Previous year Rs. 2682.63 Lakhs) and foreign exchange outgo was Rs. 0.30 Lakhs (previous year Rs. 1.94 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 none of the employees 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: 12-08-2011

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:

SoftSol continues to follow procedures and practices in conformity with the Code of Corporate Governance as stipulated by the Securities & Exchange Board of India (SEBI).

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." 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	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

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

The Independence of a Director is determined by the criteria stipulated under the revised Clause 49 of the Listing Agreement as set out below:

An independent Director is a Non-Executive Director who:

- a) Apart from receiving Director's Remuneration as sitting fee does not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;
- b) Is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- c) Has not been an executive of the company in the immediately preceding three financial years;
- d) Is not a partner or an executive or was not a partner or an executive during the preceding three years of the:
 - i) statutory audit firm or the internal audit firm that is associated with the company; and
 - ii) legal firm(s) and consulting firm(s) that have a material association with the company;
- e) Is not a material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the Director;
- f) Is not a substantial shareholder of the company i.e. do not own two percent or more of the block of voting shares; and
- g) Is not less than 21 years of age.

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 29-05-2010, 12-08-2010, 12-11-2010 and 10-02-2011.

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, 2011. A declaration to this effect, duly signed by the Whole time Director is given hereto.

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: 12-08-2011

Details of the Director seeking re-appointment at the forthcoming Annual General Meeting

Name:	Mr. B. S. Srinivasan
Date of Birth:	07-05-1945
Nationality:	Indian
Date of Appointment:	12-07-2006
Educational Qualifications:	F.C.A (Chartered Accountant)
Directorships held in other Public Companies:	Nil

Mr. Srinivasan is a Practicing Chartered Accountant since 1974 and rendering services in the field of finance, accounts, auditing, internal control, audit system, income tax consultation.

Mr. Srinivasan 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:

- Oversight of the company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing of their fees.
- 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.
- Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- 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 2010-11 Audit Committee of the Board of Directors met four times on 29-05-2010, 12-08-2010, 12-11-2010 and 10-02-2011. 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:

- 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 2010-11 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. Bhaskar Rao Madala	Whole-time Director	14,37,600	Nil	Nil	14,37,600
Dr. T. Hanuman Chowdary	Director	Nil	Nil	20,000	20,000
Mr. B. S. Srinivasan	Director	Nil	Nil	20,000	20,000

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 2011:

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. 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, four meetings were held on 29-05-2010, 12-08-2010, 12-11-2010 and 10-02-2011. 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
2007-2008	Tuesday, 30th 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, 30th 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.
2009-2010	Thursday, 30th September 2010 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 50.38 % 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 31.03.2011 are:

Details	Party Name	31-03-2011 (in Rs.)	31-09-2010 (in Rs.)
Sales	SoftSol Technologies Inc.	8,59,18,440	12,70,23,870
	SoftSol Resources Inc.	2,03,74,875	4,18,59,115
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 2010-11. 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 advices 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@softsol.net, Website: www.softsolindia.com

Annual General Meeting: (Date, Time and Venue)

Friday, the 30th day of September 2011 at 10.00 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 26, 2011 to September 30, 2011 (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 years 2010-11 and 2011-12 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, 2011, 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, 2011, 12144078 Equity Shares of the Company forming 69.93% of the Share Capital of the Company, stand dematerialized. International Securities Identification Number: INE002B01016.

Category wise Shareholding as at March 31, 2011.

Category	No. of Shares held	Percentage of Shareholding (%)
Promoters	10825463	61.45
Mutual Funds and UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies	Nil	Nil
FII's	Nil	Nil
Private Corporate Bodies	77183	0.44
Indian Public	1258763	7.14
Non-Resident Indians	2720008	15.44
Overseas Body Corporates	2736061	15.53
Clearing Members	18	0.00
Total	17617496	100

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 2010	79.75	52.30	October 2010	53.45	45.75
May 2010	69.85	52.65	November 2010	51.40	41.80
June 2010	61.80	52.00	December 2010	51.00	40.00
July 2010	63.00	51.00	January 2011	50.80	42.95
August 2010	62.00	50.05	February 2011	47.20	36.20
September 2010	58.70	46.00	March 2011	43.50	34.00

Distribution of Shareholding as at March 31, 2010.

Number of Equity Shareheld	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 - 5000	2035	84.20	3659140.00	2.08
5001 - 10000	225	9.31	1930010.00	1.10
10001 - 20000	75	3.10	1113300.00	0.63
20001 - 30000	29	1.20	750550.00	0.43
30001 - 40000	5	0.21	196530.00	0.11
40001 - 50000	10	0.41	456840.00	0.26
50001 - 100000	12	0.50	863600.00	0.49
100001 & above	26	1.08	167204990.00	94.91
Total	2417	100.00	176174960.00	100.00

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, 2011 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 have 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: 12-08-2011

Certificate of Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

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, 2011 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 nor 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 : 12-08-2011

M. Vijaya Bhaskara Rao
Company Secretary in Practice
Certificate of Practice No. 5237

Management's discussion and analysis

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 2011, IT services exports (excluding exports relating to business process outsourcing (BPO), hardware, engineering design and product development) from India are estimated to grow by 22.7% in fiscal 2010, to record revenues of US \$33.5 billion. This review also estimates BPO exports from India to have grown by 14% in fiscal 2011 to record revenues of US \$14.1 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 crisis in USA as well in EUROPE, 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 have made very good progress in deepening the relationship with existing customers. As we are entering in to the domestic business, 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 consolidated revenues of Rs 74.03 crores and Rs 6.20 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, 2011, 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011;
 - (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. Brahmayya & Co.,
Chartered Accountants

Place : Hyderabad
Date : 23rd May, 2011

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 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 has 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, 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	1,24,93,756	2006-2007	C.I.T. Appeals, Hyderabad
	1,42,98,638	2007-2008	C.I.T. Appeals, Hyderabad

10. The company has no accumulated losses as at the end of the financial year 31-03-2011 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. Brahmayya & Co.,
Chartered Accountants

Place : Hyderabad
Date : 23rd May, 2011

D.Seetharamaiah
Partner
Membership No:2907

BALANCE SHEET AS AT 31st MARCH 2011

Particulars	Schedule No.	As At 31st March 2011 (in Rupees)	As At 31st March 2010 (in Rupees)
I SOURCES OF FUNDS			
1. Shareholder's funds			
(a) Capital	01	180,033,070	180,559,110
(b) Reserves and Surplus	02	1,642,473,889	1,586,004,689
TOTAL		<u>1,822,506,959</u>	<u>1,766,563,799</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	03	537,149,969	404,550,736
Less: Depreciation		<u>154,726,025</u>	<u>130,885,154</u>
b) Net Block		382,423,944	273,665,582
Add: i) Capital Work In Progress		13,631,399	76,248,655
ii) Unallocated Capital Expenditure	04	----	<u>2,715,980</u>
		<u>396,055,343</u>	<u>352,630,217</u>
2. Investments	05	953,404,053	953,584,053
3. Current Assets, Loans and Advances			
Sundry debtors	06	22,883,124	85,937,532
Cash and bank balances	07	422,931,852	341,576,397
Loans and advances	08	<u>89,782,027</u>	<u>88,164,835</u>
		535,597,003	515,678,764
Less : Current Liabilities and Provisions	09	62,549,440	55,329,235
Net Current Assets		<u>473,047,563</u>	<u>460,349,529</u>
TOTAL		<u>1,822,506,959</u>	<u>1,766,563,799</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: 23-05-2011

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Schedule No.	Current Year (in Rupees)	Previous Year (in Rupees)
<u>INCOME</u>			
Software Exports		106,582,835	268,262,779
Other Income	10	93,220,403	76,921,641
		199,803,238	345,184,420
<u>EXPENDITURE</u>			
Personnel Cost	11	66,621,754	81,501,779
Operation and other expenses	12	35,361,405	35,570,068
		101,983,159	117,071,847
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES		97,820,079	228,112,573
Finance Charges	13	107,194	83,148
Depreciation/Amortisation	03	23,840,871	26,424,822
PROFIT BEFORE TAXES		73,872,014	201,604,603
Provision for Taxation			
Current Income tax		15,050,000	35,000,000
Deferred tax		-	(1,871,429)
PROFIT FOR THE YEAR AFTER TAXATION		58,822,014	168,476,032
Add: Balance brought forward from previous year		792,511,053	633,892,101
Amount available for appropriation		851,333,067	802,368,133
Appropriations:			
Amount transferred to Capital Redemption reserve		526,040	9,857,080
SURPLUS CARRIED TO BALANCE SHEET		850,807,027	792,511,053
Earning Per Share (Basic & Diluted)		3.34	9.54

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: 23-05-2011

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. In Lakhs)

	Year ended 31-03-2011 (In Rupees)	Year ended 31-03-2010 (In Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	738.72	2,016.05
Adjustments for:		
Depreciation	238.41	264.25
Interest (Net)	(226.56)	(216.73)
Provision for Leave Encashment	(5.09)	7.24
Provision for Gratuity	0.31	8.33
Loss on sale of investments	1.50	-
Excess Provision/Credit Balances written Back	(9.58)	(0.01)
Operating Profit before Working Capital changes	737.72	2,079.12
Adjustments for Working Capital:		
Trade and other payables	87.29	(42.07)
Trade and other receivables	839.89	89.14
Inventories	-	33.40
Net Cash generated from operations	1,664.90	2,159.60
Direct Taxes Paid	(316.19)	(304.75)
Net Cash from operating activities (A)	1,348.71	1,854.85
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	167.80	207.15
Dividend Paid	(0.73)	(0.68)
Purchase of Fixed Assets	(672.66)	(514.59)
Sale of investments	0.30	-
Net Cash flow from Investing Activities (B)	(505.30)	(308.12)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Extraordinary Items : Buy Back of Equity Shares	(28.79)	(537.91)
Interest Paid	(1.07)	(0.83)
Net Cash flow from Financing Activities (C)	(29.86)	(538.75)
Net Increase in Cash and Cash Equivalents (A+B+C)	813.55	1,007.98
Cash and cash Equivalents as at beginning of the year	3,415.76	2,407.78
Cash and cash Equivalents as at end of the year	4,229.32	3,415.76

per our report of even date

For and on behalf of the Board

For M/s. Brahmayya & Co.

Chartered Accountants

D. Seetaramaiah

Partner

Bhaskar Rao Madala

Whole time Director

Dr. T. Hanuman Chowdary

Director

Place: Hyderabad

Date: 23-05-2011

B.S. Srinivasan

Director

C. Lalitha

Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2011**

Particulars	As at 31.03.2011 (in Rupees)	As at 31.03.2010 (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				
1,75,89,296 (Previous Year 1,76,41,900) Equity shares of Rs. 10/- each fully paid up (During the year 52,604 Equity shares of Rs.10/- each bought back)	175,892,960	176,419,000		
28,200 Equity shares of Rs.10/- each and Rs.5/- each paid up	141,000	141,000		
	176,033,960	176,560,000		
Add: Forfeited shares (amount originally paid up)				
799,822 Equity shares of Rs. 5/- each	3,999,110	3,999,110		
TOTAL	180,033,070	180,559,110		
02. RESERVES AND SURPLUS				
	Balance as at 31.03.2010	Additions	Deletions	Balance as at 31.03.2011
Securities Premium Account	713,946,427	--	2,352,814	711,593,613
General Reserve	69,690,129	--	--	69,690,129
Capital Redemption Reserve	9,857,080	526,040	-	10,383,120
Surplus: Balance in Profit and Loss Account	792,511,053	850,807,027	792,511,053	850,807,027
TOTAL	1,586,004,689	851,333,067	794,863,867	1,642,473,889
05. INVESTMENTS				
(At cost, Non-trade, Long-term, unquoted)				
Government Securities				
National Saving certificates			-	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 Euiy Shares in Tierra Infra Private Ltd				
1,74,000, Euiy Shares of Rs. 1/- each			-	174,000
TOTAL			953,404,053	953,584,053

03. FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 01.04.2010 Rs.	ADDITIONS DURING YEAR Rs.	DELETIONS DURING YEAR Rs.	AS ON 31.03.2011 Rs.	UP TO 31.03.2010 Rs.	FOR THE YEAR Rs.	TOTAL UPTO 31.03.2011 Rs.	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
	Tangible assets									
1.	Land									
	Own	13,918,307	-	-	13,918,307	-	--	-	13,918,307	13,918,307
	Leasehold	5,540,142	--	--	5,540,142	111,922	55,961	167,883	5,372,259	5,428,220
2.	Building	213,928,222	77,089,237	--	291,017,459	35,948,676	9,240,314	45,188,990	245,828,469	177,979,546
3.	Computers	8,203,360	72,000	--	8,275,360	7,170,714	426,465	7,597,179	678,181	1,032,646
4.	Computers - Imported	21,802,444	--	--	21,802,444	19,145,845	1,062,640	20,208,485	1,593,959	2,656,599
5.	Air Condition System	33,378,609	17,645,507	--	51,024,116	13,498,212	2,998,423	16,496,635	34,527,481	19,880,397
6.	Generator	11,062,734	2,930,740	--	13,993,474	4,584,862	936,813	5,521,675	8,471,799	6,477,872
7.	Lift	5,872,985	1,341,000	--	7,213,985	2,470,174	489,685	2,959,859	4,254,126	3,402,811
8.	UPS	2,659,053	1,295,000	--	3,954,053	1,448,800	184,138	1,632,938	2,321,115	1,210,253
9.	Furniture and Fixtures	34,432,072	13,309,899	--	47,741,971	19,398,979	3,201,977	22,600,956	25,141,015	15,033,093
10.	Electrical Installation	26,487,952	12,460,306	--	38,948,258	13,858,649	2,483,630	16,342,279	22,605,979	12,629,303
11.	Office Equipment	10,225,968	322,282	--	10,548,250	4,000,404	874,474	4,874,878	5,673,372	6,225,564
12.	Office Equipment - Imp	463,645	--	--	463,645	322,669	19,610	342,279	121,366	140,976
13.	Net Working Equipment	3,172,771	1,859,957	--	5,032,728	1,056,845	347,093	1,403,938	3,628,790	2,115,926
14.	Fire Fighting Equipment	1,270,134	3,628,305	--	4,898,439	356,562	171,325	527,887	4,370,552	913,572
15.	Sewage Treatment Plant	-	645,000	--	645,000	-	7,866	7,866	637,134	-
16.	Canteen Equipment	91,746	--	--	91,746	78,723	1,812	80,535	11,211	13,023
17.	Motors and Borewell	99,794	--	--	99,794	82,673	2,381	85,054	14,740	17,121
18.	Vehicles	9,625,044	--	--	9,625,044	5,715,404	1,012,206	6,727,610	2,897,434	3,909,640
19.	Xerox Machine - Imp	195,685	--	--	195,685	153,220	5,907	159,127	36,558	42,465
20.	Library	18,592	--	--	18,592	15,546	551	16,097	2,495	3,046
	Intangible assets									
21.	Software	2,101,477	--	--	2,101,477	1,466,275	317,600	1,783,875	317,602	635,202
		404,550,736	132,599,233	--	537,149,969	130,885,154	23,840,871	154,726,025	382,423,944	273,665,582
22.	Capital work in progress	76,248,655	64,801,734	127,418,990	13,631,399	--	--	--	13,631,399	76,248,655
		480,799,391	197,400,967	127,418,990	550,781,368	130,885,154	23,840,871	154,726,025	396,055,343	349,914,237
	Less : Internal Transfers	-	127,418,990	127,418,990	--	--	--	--	--	--
	T O T A L	480,799,391	69,981,977	--	550,781,368	130,885,154	23,840,871	154,726,025	396,055,343	349,914,237
	Previous Year Total	429,892,143	50,907,248	--	480,799,391	104,460,333	26,424,822	130,885,154	349,914,237	325,431,810

Particulars	As at	As at
	01.04.2010 (in Rupees)	31.03.2011 (in Rupees)
04. UNALLOCATED CAPITAL EXPENDITURE		
Stores and Spares	3,510	--
Repairs & Maintenance	148,206	--
Bank Charges	30,991	--
Travelling & Conveyance	303,277	--
Legal & Professional Charges	2,082,443	--
Printing & Stationary	2,253	--
Rent	95,300	--
General Expenses	50,000	--
TOTAL	2,715,980	--

Particulars	As at	As at
	31.03.2011 (in Rupees)	31.03.2010 (in Rupees)
06. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts due over six months	--	--
Other debts	22,883,124	85,937,532
TOTAL	22,883,124	85,937,532

07. CASH AND BANK BALANCES		
Cash in hand	130,485	232,519
Balance with scheduled banks in :		
Current Accounts	67,747,782	104,909,320
Unpaid Dividend Accounts	-	73,188
Fixed Deposits	355,053,585	236,361,370
TOTAL	422,931,852	341,576,397

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	2,153,537	2,068,628
Advances for : Capital Works	32,588,058	48,110,287
Expenses	45,000	-
Others	-	2,758,617
Deposits recoverable	3,326,462	3,314,462
Rent Receivable	7,163,045	10,429,341
Prepaid Expenditure	972,969	502,522
Advance Income Tax & TDS (Net of Provisions)	23,907,589	7,338,909
Interest Accrued	11,575,367	5,592,069
MAT Credit Receivable	8,050,000	8,050,000
TOTAL	89,782,027	88,164,835

Particulars	As at 31.03.2011 (in Rupees)	As at 31.03.2010 (in Rupees)
09. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Creditors for : Capital Goods	5,444,840	2,084,687
: Expenses	904,073	1,298,056
: Other Finance	895,555	4,780,410
Deposits Refundable	51,044,402	42,354,998
Unclaimed Dividend (not due for remittance to Investor Education and protection fund)	-	73,188
B. Provisions		
Provision for Gratuity	3,732,755	3,701,562
Provision for Leave Encashment	527,815	1,036,334
T O T A L	62,549,440	55,329,235
<hr/>		
Particulars	Current Year (in Rupees)	Previous Year (in Rupees)
10. OTHER INCOME		
Interest earned (Others, gross)	22,762,841	21,755,826
T D S : Current year Rs. 30,65,705/- : previous year Rs. 17,23,697/-		
Rents Received	66,796,462	55,144,082
Foreign Exchange Gain (Net)	2,703,092	-
Miscellaneous receipts	-	20,533
Excess Provision/Credit Balances written back	958,008	1,200
T O T A L	93,220,403	76,921,641
<hr/>		
11. PERSONNEL COST		
Salaries, Wages and Bonus	61,155,757	74,500,873
Contribution to provident and other funds	2,394,170	2,807,513
Staff welfare Expenses	2,398,489	3,291,265
Gratuity	673,338	902,128
T O T A L	66,621,754	81,501,779
<hr/>		
13. FINANCE CHARGES		
Interest to others	107,194	83,148
T O T A L	107,194	83,148

Particulars	Current Year (in Rupees)	(Previous Year) (in Rupees)
12. OPERATION AND OTHER EXPENSES		
Rent	159,333	117,155
Taxes and Licenses	1,948,909	1,830,433
Insurance	268,873	262,993
Repairs and Maintenance to :		
Equipment	488,675	256,183
Buildings	3,312,004	644,647
Others	5,176,067	5,111,968
Advertisement	127,317	128,149
Commission	2,877,417	-
Communication Costs	671,647	1,251,651
Soft Link Charges	2,191,624	896,703
Printing and Stationery	246,929	270,694
S T P I - Service Charges	343,750	350,000
Staff Training and Recruitment Expenses	625,764	205,594
Director's sitting fees	40,000	42,000
Managerial Remuneration	1,344,000	1,260,000
Auditor's Remuneration:		
Statutory Audit	82,725	82,725
Tax Matters	49,635	-
Certification	27,575	18,273
Legal and Professional Services	2,536,785	3,112,905
Travelling and Conveyance	2,320,428	3,548,587
General Expenses	2,197,055	2,147,439
Electricity Charges	3,672,421	1,221,861
ISO Expenses	30,386	55,150
Security Service Charges	2,008,171	1,994,632
Foreign Exchange Loss (Net)	2,464,066	10,528,860
Donations	-	178,789
Loss on sale of Investments	149,849	-
Debit balances written off	--	52,677
TOTAL	35,361,405	35,570,068

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 the rates prescribed and the manner laid down under 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) Retirement benefits :
 - a. Defined Contribution Plan
Company's contribution paid/payable during the year to Provident Fund and Employees State Insurance Corporation are recognized in the Profit and Loss Account.
 - b. Defined Benefit Plan
Employees are eligible under Group Gratuity Scheme and Leave encashment. At the reporting date, Company's liability towards gratuity and Leave encashment is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of the Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.
 - 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 an option to reconvert the leasehold land to freehold land after a period of 10 year 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. As per the information available with the company none of the suppliers informed 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 asset on account of depreciation	1,46,72,524
Deferred Tax asset on account of Provision for Gratuity & Leave Encashment	1,90,458
Net deferred tax Asset	<u>1,48,62,982</u>

Under prudential concept, the Board of directors decided not to recognize the deferred tax asset.

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. 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.50,23,125/- (Previous year Rs.2,16,67,200/-) due from a wholly owned foreign subsidiary Company viz., SoftSol Resources Inc.
8. 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 52,604 (Previous Year 9,85,708)equity shares at Rs. 28,78,854/- (Previous Year Rs.5,37,91,383/-)inclusive of premium of Rs. 23,52,814/-(Previous Year Rs.4,39,34,303/-). The premium of Rs.23,52,814/- is adjusted against share premium account and redemption reserve of Rs.5,26,040/- being the face value of shares bought back, created.
9. Managerial remuneration included under respective heads of account.

Whole Time Director:

Particulars	Current Year Rs.	Previous Year Rs.
Remuneration	13,44,000	12,60,000
Provident Fund Contribution	<u>93,600</u>	<u>86,400</u>
Total	<u>14,37,600</u>	<u>13,46,400</u>

(Above are grouped under respective heads)

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
10. Contingent liabilities not provided for on account of:		
a) Guarantees given by the bankers	20,75,000	20,75,000
b) Demands from Income Tax Department Disputed and pending before CIT appeals	2,67,92,384	30,36,473
	Current Year Rs.	Previous Year Rs.
11. Value of imports calculated on C.I.F basis by the Company during the financial year in Respect of Capital goods	NIL	NIL
12. Expenditure in foreign currency during the Year on account of traveling excluding Tickets purchased in India	29,965	1,93,973
13. Contracts to be executed on account of Capital contracts	1,20,00,000	1,45,00,000
14. Earnings in foreign currency on export of Software	10,65,82,835	26,82,62,779
15. There are no separate reportable segments as per the accounting Standard -17 " Segmental Reporting " issued by the Institute of Chartered Accountants of India.		
16. 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 personal	14,37,600	13,46,400	--	--
Subsidiary	--	--	2,03,74,875	4,18,59,115
Associate	--	--	8,59,18,440	12,70,23,870

Receivables as at 31.03.2011 :

Nature of relation	Current Year	Previous Year
Amt. Rs.	Amt Rs.	Amt Rs.
Associate	1,78,60,000	6,42,70,332
Subsidiary	50,23,125	2,16,67,200

17. 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	(34,907)	14,79,612	(2,07,539)	14,45,634
Interest cost	64,943	2,91,698	21,432	2,27,440
Actuarial Gain / (loss)	(89,282)	(16,29,441)	9,99,374	(7,70,946)
Net benefit expense	(59,240)	1,41,869	8,13,267	9,02,128

ii) Balance Sheet:

	Current Year		Previous year	
	Leave encashment	Gratuity	Leave encashment	Gratuity
Opening balance of benefit obligations	10,36,334	37,01,562	3,12,735	28,68,375
Current service cost	(34,907)	14,79,612	(2,07,539)	14,45,634
Interest cost	64,943	2,91,698	21,432	2,27,440
Actuarial Gain / loss	(89,282)	(16,29,441)	9,99,374	(7,70,946)
Benefits paid	(4,48,278)	(1,10,676)	(89,668)	(68,941)
Closing balance of benefit obligations	5,27,816	37,32,755	10,36,334	37,01,562

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.

18. Earnings per share (E.P.S.)

	Current Year	Previous Year
i) Net Profit as per Profit and Loss Account Available for Equity Shareholders (Rs.)	5,88,22,014	16,84,76,032
ii) Number of Equity Shares	1,76,03,396	1,76,65,000
iii) Nominal value of the share (Rs.)	10	10
iv) Earning Per Share (Basic and Diluted)	3.34	9.54

19. 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: 23-05-2011

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: 31.03.2011

II. Capital raised during the year**(Amount in Rs. Thousand)**

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

III. Position of Mobilization and Deployment of Funds**(Amount in Rs. Thousands)**

Total Liabilities:	1822507	Total Assets:	1822507
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Sources of Funds

Paid up Capital:	180033	Reserves & Surplus:	1642473
Secured Loans:	Nil	Unsecured Loans:	Nil
Deferred Tax Liability	Nil		

Application of Funds:

Net Fixed Assets:	396055	Investments:	953404
Net Current Assets:	473408	Misc. Expenditure:	Nil
Accumulated Losses:	Nil		

IV. Performance of the Company

Turnover:	199803	Total Expenditure:	125931
Profit/Loss before Tax:	73872	Profit/Loss after Tax:	58822
Earning per Share:	3.34	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: 23-05-2011

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, 2010
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 71,988
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 41,766

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: 23-05-2011

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

SoftSol Resources Inc., USA

Board of Directors

Mr. Srinivasa Rao Madala
Dr. Durga V.L.K. Madala

President & CEO
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 2010

Dear Members

Your Directors take pleasure in presenting their report for the financial year 2010

The Financial Highlights :

(USD in 000's)

Particulars	2010	2009
Total Revenue	14,569	14,981
Other Income	(15)	64
Total Operating Expense	14,461	14,948
Provision for Taxation	21	55
Net Profit	72	42

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

March 30, 2011

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, 2010, 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, 2010, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Schedules of Cost of Sales, Selling Expenses and General and Administrative Expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Chugh Firm, AAC
Cerritos, CA 90703
March 30, 2011

SoftSol Resources Inc., USA

BALANCE SHEET AS OF DECEMBER 31, 2010

	As of 31.12.2010 in USD	As of 31.12.2010 in Rs.	As of 31.12.2009 in USD
1USD = 44.65			
Assets			
Current Assets			
Cash	682,573	30,476,884	1,251,055
Accounts Receivable	2,433,369	108,649,926	2,104,419
Less: Allowance for doubtful Accounts	(121,668)	(5,432,476)	(104,713)
Prepaid Federal Income Tax	14,160	632,244	41,802
Prepaid State Income Tax	4,703	209,989	15,533
Employee Advances	11,491	513,073	1,870
Prepaid Expenses	108,914	4,863,010	51,954
Deffered tax asset	61,897	2,763,701	45,950
Total Current Assets	3,195,439	142,676,351	3,407,870
Property & Equipment			
Property and Equipment	337,029	15,048,345	426,197
Less: Accumulated Depreciation	(248,433)	(11,092,533)	(318,503)
Total Property & Equipment	88,596	3,955,811	107,694
Other Assets			
Deferred Tax Assets	3,323	148,372	-
Refundable Deposits	11,613	518,520	11,613
Total Other Assets	14,936	666,892	11,613
Total Assets	3,298,971	147,299,055	3,527,177
Liabilities and Stock Holders equity			
Current Liabilities			
Account Payable	974,334	43,504,013	1,252,295
Deferred Tax Liability	-	-	1,246
Accrued Expenses and Other Liabilities	21,795	973,147	42,781
Total Current Liabilities	996,129	44,477,160	1,296,322
Total Liabilities	996,129	44,477,160	1,296,322
Stockholders Equity			
Common Stock, \$ 100 par, 1,000,000 shares authorised, 13,120 shares issued and outstanding	1,312,000	58,580,800	1,312,000
Retained Earnings	990,842	44,241,095	918,855
Total Stockholders Equity	2,302,842	102,821,895	2,230,855
Total Liabilities and Stockholders Equity	3,298,971	147,299,055	3,527,177

SoftSol Resources Inc., USA

STATEMENT OF INCOME FOR THE YEAR ENDED - DECEMBER 31, 2010

	As of 31.12.2010 in USD	As of 31.12.2010 in Rs.	As of 31.12.2009 in USD	
	1USD = 44.90			
Revenue				
Consulting Income	14,569,495	654,170,326	14,980,968	
Total Revenue	14,569,495	654,170,326	14,980,968	
Cost of Sales				
See Schedule 1-Analysis of Cost of Sales	(12,583,876)	(565,016,032)	(12,556,766)	
Gross Profit	1,985,619	89,154,293	2,424,202	
Operating Expenses				
<i>Selling Expenses</i>				
See Schedule 2-Analysis of Selling expenses	897,266	40,287,243	695,194	
General & Administrative Expenses				
See Schedule 3-Analysis of G & A Expenses	979,706	43,988,799	1,696,221	
Total operating expenses	1,876,972	84,276,043	2,391,415	
Income from operations	108,647	4,878,250	32,787	
Other Income (Other Expenses)				
Dividend Income	8,222	369,168	-	
Other Income	41	1,841	64,113	
Loss on disposal of equipment	(8,480)	(380,752)	-	
Loss on sale of marketable securities	(14,083)	(632,327)	-	
Fines and Penalties	(925)	(41,533)	-	
Interest Income	(9)	(404)	100	
Interest Expense			(107)	
Total Other Income	(15,234)	(684,007)	64,106	
Income from Operations before Income Taxes	93,413	4,194,244	96,893	
Provision for Income Taxes				
Federal Income Tax-Current	27,642	1,241,126	41,945	
State Income Tax-Current	14,300	642,070	18,946	
Federal Income Tax-Deferred	(16,916)	(759,528)	(3,472)	
State Income Tax-Deferred	(3,601)	(161,685)	(2,292)	
Total Provision for Income Tax	21,425	961,983	55,127	
Net Income	71,988	3,232,261	41,766	
Earnings per Share (13,120 shares)	5.49	246.50	3.18	
Statement of Retained Earnings				
	Common Stock	Retained Earnings	Total USD	Amount Rs.
Retained Earnings, January 1, 2010	1,312,000	918,855	2,230,855	99,607,676
Net Income	-	71,987	71,987	3,232,216
Retained Earnings, December 31, 2010	1,312,000	990,842	2,302,842	102,839,892

SoftSol Resources Inc., USA

Schedule-1 Analysis of Cost of Sales

	As of 31.12.2010 in USD	As of 31.12.2010 in Rs.	As of 31.12.2009 in USD
Consulting Outsourced	7,038,092	316,010,331	4,782,015
Consulting Outsourced-SIL	-	-	930,000
Consulting Bonus	355,743	15,972,861	-
Holiday and Vacation pay-Consultants	100,209	4,499,384	-
Salaries & Wages -Consultants	4,308,130	193,435,037	5,890,088
Taxes-Payroll-Consultants	377,141	16,933,631	451,274
Per Diem - consultant	64,043	2,875,531	163,715
Insurance Medical & Dental	247,195	11,099,056	261,161
Leagal & Immigration-Consultants	85,326	3,831,137	44,574
Professional Development	-	-	1,082
Reimbursed Expenses	-	-	28,267
Travel-Consultancy	7,997	359,065	4,590
Total Cost of Sales	12,583,876	565,016,032	12,556,766

Schedule-2 Analysis of Selling Expenses

	As of 31.12.2010 in USD	As of 31.12.2010 in Rs.	As of 31.12.2009 in USD
Salaries & Wages	561,179	25,196,937	593,405
Taxes-Payroll	50,365	2,261,389	40,563
Employees Bonus	180,423	8,100,993	-
Holiday and Vacation pay	49,098	2,204,500	-
Insurance Medical & Dental	56,201	2,523,425	55,849
Advertising & Promotion	-	-	5,377
Total Selling Expenses	897,266	40,287,243	695,194

SoftSol Resources Inc., USA

Schedule-3 General & Administrative Expenses

	As of 31.12.2010 in USD	As of 31.12.2010 in Rs.	As of 31.12.2009 in USD
Auto Expenses	8,791	394,716	17,864
Bad debt Expenses	19,265	864,999	239,547
Bank Charges	5,677	254,897	4,825
Charitable Contribution	-	-	25,416
Depreciation	24,340	1,092,866	42,679
Dues & Publication	1,450	65,105	6,392
Employee Benefits	21,805	979,045	-
Equipment Rental	-	-	1,914
Fines & Penalties	-	-	2,031
Frieght & Postage	6,845	307,341	11,695
Internet Access & Web Hosting	-	-	378
Insurance	46,186	2,073,751	93,260
Janitorial	8,246	370,245	10,114
Meals & Entertainment	13,496	605,970	35,289
Miscellaneous Expenses	-	-	621
Moving Expenses	-	-	3,000
Office Expenses	4,389	197,066	6,723
Officers Salaries & Wages	177,632	7,975,677	330,000
Outside Services	23,432	1,052,097	26,779
Professional Fees	96,188	4,318,841	134,806
Professional Development	3,346	150,235	3,065
Promotional	9,307	417,884	-
Recruting	30,899	1,387,365	35,419
Rent	90,467	4,061,968	170,493
Salraies & Wages	164,892	7,403,651	214,004
Repaires & Maintenance	6,314	283,499	19,816
Supplies	27,440	1,232,056	32,173
Taxes, Permits & Licenses	-	-	14,936
Taxes Payroll	22,728	1,020,487	26,927
Taxes-State Prior Year	16,816	755,038	5,609
Telephone	86,227	3,871,592	53,964
Travel	30,412	1,365,499	74,675
Staff welfare	-	-	19,361
Utilities	33,116	1,486,908	32,446
Total General & Administrative Expenses	979,706	43,988,799	1,696,221

Statement of Cash Flow for the Year ended December 31, 2010

	Year Ended 31.12.2010 in USD	Year Ended 31.12.2010 in Rs.	Year Ended 31.12.2009 in USD
<u>Cash Flows from Operating Activities</u>			
Net Income	71,987	3,214,220	41,766
Adjustments to reconcile Net Income to Net Cash provided by Opertaions :			
Depreciation	24,340	1,086,781	42,679
Provision for Bad and Doubtful Accounts	19,265	860,182	36,225
Prior period adjustment	-		6,782
Loss on disposal of equipment	8,480	378,632	-
Changes in Operating Assets & Liabilities			
(Increase)/Decrease in Accounts Receivable	(331,260)	(14,790,759)	(15,739)
Decrease/(Increase) in Receivable Others	-	-	22,629
Increase in deferred tax assets	(19,271)	(860,450)	13,986
Increase in Pre paid Expenses	(56,960)	(2,543,264)	(7,356)
Decrease in Prepaid Expenses	38,472	1,717,775	-
(Increase) /Decrease in Employee Advances	(9,621)	(429,578)	68,516
Increase/(Decrease) in deferred tax liabilities	(1,247)	(55,679)	1,247
Increase in credit card payable	-	-	15,969
Decrease in Accounts Payable	(277,961)	(12,410,959)	460,605
Decrease in Accrued Liabilities	(20,985)	(936,980)	(182,124)
Decrease in Income Tax Payable	-	-	(122,683)
Net Cash Provided by (used in) Operating Activities	(554,761)	(24,770,079)	382,502
Cash Flow from Investing Activities:			
Acquisition of equipment	(17,896)	(799,056)	(74,456)
Proceeds from property disposal	4,175	186,414	-
Investment in Securities	-	-	203,322
Net Cash provided by (used in) Investing Activities	(13,721)	(612,643)	128,866
Net Increase (Decrease) in Cash & Cash Equivalents	(568,482)	(25,382,721)	511,368
Cash & Cash Equivalentents at the Beginning of the Year	1,251,055	55,859,606	739,688
Cash & Cash Equivalentents at the end of the year	682,573	30,476,884	1,251,056
Supplementary Disclosure			
Interest paid during the year	-	-	107
Income Tax paid during the year	3,870	172,796	167,118

Notes to Financial Statements (Dec 31st, 2010)

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

Cash consist of cash in Bank. Occasionally, the Company has cash deposited in a 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, 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

SoftSol Resources Inc., USA

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, 2010 was \$ 24,340.

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. 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.

Financial Accounting Standards Boards issued FIN 48 now known as ASC No. 740-10 " Accounting for Uncertainty in Income Taxes" 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 2007-2009. 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

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.

SoftSol Resources Inc., USA

Advertising Costs

The cost of advertising is charged to expense as incurred.

Note 3 - Concentration of Risk

Cash

Cash is 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.

Accounts Receivable and Sales

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 \$6.5 million that accounted for 44% of the company's total revenue for the year. Accounts Receivable from Cisco as of December 31, 2010 is \$1.2 million which is 50% of total accounts receivable

Note 4 - Employee Advances

The advances given to employees are for travel related expenses to which the employees are required to present documentation and any amount not substantiated is refunded to the Company. As of December 31, 2010, the employee advances has balance of \$ 11,491.

Note 5 - 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 Company CEO. The Company has entered into professional services agreement with Softsol Technologies, Inc., Softsol India Limited and TDK, LLC. The Company also subleases it offices space to STI and TDK, LLC.

Related party transactions were consumated on terms equivalent to those that prevail in arm's length transactions.

Details of transactions between the Company and its related parties for the year ended December 31, 2010 are follows:

Softsol Technologies Inc.	Amount
Consulting Income	\$1,403,600
Accounts Receivable	445,669
Rental and Administrative Income	102,000

Softsol India Limited	Amount
Consulting Outsourced	\$487,500
Accounts Payable	112,500

SoftSol Resources Inc., USA

TDK, LLC	Amount
Consulting Income	\$340,154
Rental and Administrative Income	16,000

Note 6 - Commitments and Operating Lease

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, expired 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 operating lease are as follows:

Year	Amount
2011	\$ 133,722
2012	137,945
2013	46,451

Rent expense totaled \$ 90,467 for the year ended December 31, 2010.

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, 2010 is derived in the United States.

The components of income tax expense (benefit) relating to earning from operations for the year ended December 31, 2010 are as follows:

	Current	Deferred	Total
State	\$ 14,300	\$ (3,601)	\$ 10,699
Federal	27,642	(16,916)	10,726
Total	41,942	(20,517)	21,425

The components of deferred tax assets as at December 31, 2010 are as follows:

Deferred tax assets - Current

Capital loss	\$ 5,492
Bad debt	47,451
State income tax - current	4,290
State income tax - deferred	4,664
	<hr/>
	61,897

SoftSol Resources Inc., USA

Deferred tax assets - Noncurrent

Depreciation - Federal	3,330
Depreciation - State	(7)
	<hr/>
	3,323
Valuation Allowance	-
	<hr/>
Net deferred tax asset	\$ 65,220

Note 8 - Vacation Leave

Since year 2005, the employees are no longer entitled to paid vacation leave. All accrued vacation has been paid.

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.

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. Total accumulated contribution as of December 31, 2010 was \$1,896 and is payable to participants.

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 \$14,973 as accumulated contributions into this account as of December 31, 2010.

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 - 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, 2010.

Note 13 - Subsequent Events

Subsequent events have been evaluated through March 30, 2011, which is the date the financial statements were available to be issued.

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, 2011 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 2011.
- 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. Brahmaya & Co.,
Chartered Accountants

Place : Hyderabad
Date : 23-05-2011

D.Seetharamaiah
Partner
Membership No:2907

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011

Particulars	Schedule No.	As At 31st March 2011 (in Rupees)	As At 31st March 2010 (in Rupees)
I SOURCES OF FUNDS			
1. Shareholder's funds			
(a) Capital	01	180,033,070	180,559,110
(b) Reserves and Surplus	02	1,686,714,985	1,627,481,806
TOTAL		1,866,748,055	1,808,040,916
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	03	1,447,021,567	1,317,969,642
Less: Depreciation		165,818,558	145,262,380
b) Net Block		1,281,203,009	1,172,707,262
Add: I) Capital Work In Progress		13,631,399	76,248,655
ii) Unallocated Capital Expenditure	04	-	2,715,980
		1,294,834,408	1,251,671,897
2. Investments	05	-	180,000
3. Current Assets, Loans and Advances			
Sundry debtors	06	121,077,449	154,537,061
Cash and bank balances	07	453,408,737	398,049,020
Loans and advances	08	99,430,936	95,724,703
		673,917,122	648,310,784
Less : Current Liabilities and Provisions	09	102,003,475	92,121,765
Net Current Assets		571,913,647	556,189,019
TOTAL		1,866,748,055	1,808,040,916
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 Chowdary
Director

Place: Hyderabad
Date: 23-05-2011

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

Particulars	Schedule No.	Current Year (in Rupees)	Previous Year (in Rupees)
INCOME			
Software Exports (off shore)		740,378,286	946,668,391
Other Income	10	93,591,412	80,333,004
		833,969,698	1,027,001,395
EXPENDITURE			
Personnel Cost	11	373,923,012	472,411,737
Operation and other expenses	12	356,939,093	319,439,582
		730,862,105	791,851,319
PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES		103,107,593	235,150,076
Finance Charges	13	107,598	88,289
Depreciation/Amortisation	03	24,933,737	28,475,548
PROFIT BEFORE TAXES		78,066,258	206,586,239
Provision for Taxation			
Current Income tax		16,933,196	37,925,813
Deferred tax		(921,213)	(2,148,389)
PROFIT FOR THE YEAR AFTER TAXATION		62,054,275	170,808,815
Add: Balance brought forward from previous year		836,662,039	669,541,179
Amount available for appropriation		898,716,314	840,349,994
Appropriations:			
Capital Redemption reserve		526,040	9,857,080
SURPLUS CARRIED TO BALANCE SHEET		898,190,274	830,492,914
Earning Per Share (Basic & Diluted)		3.51	9.67
NOTES ON ACCOUNTS			
Schedules, Accounting policies and Note on accounts forms an integral part of Balance Sheet	14		

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: 23-05-2011

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

(Rs. In Lakhs)

	Year ended 31-03-2011 (In Rupees)	Year ended 31-03-2010 (In Rupees)
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before Tax and Extraordinary Items	770.86	2,034.90
Adjustments for :		
Depreciation	249.28	283.51
Prior Period Adjustment	-	3.06
Provision for bad and doubtful debts	8.60	16.35
Interest (Net)	(226.56)	(216.74)
Loss on disposal of equipment	3.79	-
Loss on sale of Investments	1.50	-
Provision for Leave Encashment	(5.09)	7.24
Provision for Gratuity	0.31	8.33
Excess Provision Written back	(9.58)	-
Credit Balances Written back	-	0.01
Operating Profit before working Capital changes	793.12	2,136.66
Adjustments for Working Capital :		
Trade and other receivables	(90.35)	(4.49)
Trade and other payables	706.41	166.68
Inventories	-	33.40
Net Cash generated from operations	1,409.18	2,332.25
Direct Taxes Paid	(308.17)	(304.75)
Net Cash flow from Operating Activities	1,101.01	2,027.50
B CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	167.80	207.15
Dividend Paid	(0.73)	(0.68)
Purchase of Fixed Assets	(680.65)	(548.20)
Sale of Fixed Assets	1.86	-
Sale of Investments	0.30	-
Purchase of Investments	-	91.78
Net Cash flow from Investing Activities	(511.42)	(249.95)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Extraordinary Items : Buy Back of Equity Shares	(28.79)	(537.92)
Interest Paid	(1.07)	(0.83)
Net Cash flow from Financing Activities	(29.86)	(538.75)
Net Increase in Cash and Cash Equivalents	559.73	1,238.80
Cash and Cash Equivalents as at beginning of the year	3,974.36	2,741.68
Closing Cash and Cash Equivalents	4,534.09	3,980.47

For M/s. Brahmayya & Co.

For and on behalf of the Board

Chartered Accountants

D. Seetaramaiah
PartnerBhaskar Rao Madala
Whole time DirectorDr. T. Hanuman Chowdary
DirectorPlace: Hyderabad
Date: 23-05-2011B.S. Srinivasan
DirectorC. Lalitha
Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31st MARCH 2011**

Particulars	As at 31.03.2011 (in Rupees)	As at 31.03.2010 (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 of Rs. 10/- each	194,556,300	194,556,300		
Paid Up Capital				
1,75,89,296 (Previous Year 1,76,41,900) Equity shares of Rs.10/- each fully paid up (During the year 52,604 equity shares of Rs.10/- each bought back)	175,892,960	176,419,000		
28,200 Equity shares of Rs.10/- each and Rs.5/- each paid up	141,000	141,000		
	176,033,960	176,560,000		
Add: Forfeited shares (amount originally paid up) 799,822 Equity shares of Rs. 5/- each	3,999,110	3,999,110		
TOTAL	180,033,070	180,559,110		
02. RESERVES AND SURPLUS				
	Balance as at 31.03.2010	Additions	Deletions	Balance as at 31.03.2011
Securities Premium Account	713,946,427	-	2,352,814	711,593,613
General Reserve	72,810,498	-	-	72,810,498
Capital redemption Reserve	9,857,080	526,040	-	10,383,120
Foreign Currency Transilation Reserve (Arising on Consolidation)	374,887	-	6,637,407	(6,262,520)
Surplus: Balance in Profit and Loss Account	830,492,914	898,190,274	830,492,914	898,190,274
TOTAL	1,627,481,806	898,716,314	839,483,135	1,686,714,985
05 . INVESTMENTS				
(At cost, Non-trade, Long -term, unquoted)				
Government Securities				
National Saving certificates			-	6,000
Investments of subsidiary				
Investments in Equity Shares in Tierra Infra Private Limited				
1,74,000 Equity Shares of Rs. 1/- each			-	174,000
TOTAL			-	180,000

03. FIXED ASSETS

NAME OF THE ASSETS	GROSS BLOCK AS AT 31.03.2011 (in Rupees)	ACCUMULATED DEPRECIATION (in Rupees)	NET BLOCK AS AT 31.03.2011 (in Rupees)
Tangible fixed assets			
Land	13,918,307	--	13,918,307
Leasehold Land	5,540,142	167,883	5,372,259
Building	291,017,459	45,188,990	245,828,469
Computers	8,275,360	7,597,179	678,181
Computers - Imported	21,802,444	20,208,485	1,593,959
Air Condition System	51,024,116	16,496,635	34,527,481
Generator	13,993,474	5,521,675	8,471,799
Lift	7,213,985	2,959,859	4,254,126
UPS	3,954,053	1,632,938	2,321,115
Furniture & Fixtures	47,741,971	22,600,956	25,141,015
Electrical Installation	38,948,258	16,342,279	22,605,979
Office Equipment	10,548,250	4,874,878	5,673,372
Office Equipment - Imp	463,645	342,279	121,366
Net working equipment	5,032,728	1,403,938	3,628,790
Fire Fighting Equipment	4,898,439	527,887	4,370,552
Sewage Treatment Equipment	645,000	7,866	637,134
Canteen Equipment	91,746	80,535	11,211
Motor & Borewell	99,794	85,054	14,740
Vehicles	9,625,044	6,727,610	2,897,434
Xerox Machine - Imp	195,685	159,127	36,558
Library	18,592	16,097	2,495
Subsidiary's assets	15,048,345	11,092,533	3,955,812
Intangible fixed assets			
Good Will	894,823,253	--	894,823,253
Software	2,101,477	1,783,875	317,602
TOTAL	1,447,021,567	165,818,558	1,281,203,009

Particulars	As at 01.04.2010 (in Rupees)	As at 31.03.2011 (in Rupees)
04. UNALLOCATED CAPITAL EXPENDITURE		
Stores and Spares	3,510	--
Repairs & Maintenance	148,206	--
Bank Charges	30,991	--
Travelling & Conveyance	303,277	--
Legal & Professional Charges	2,082,443	--
Printing & Stationary	2,253	--
Rent	95,300	--
General Expenses	50,000	--
TOTAL	2,715,980	--
Particulars	As at 31.03.2011 (in Rupees)	As at 31.03.2010 (in Rupees)
06. SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts due over six months	--	--
Other debts	121,077,449	154,537,061
Less: Allowance for doubtful debts	--	--
TOTAL	121,077,449	154,537,061
07. CASH AND BANK BALANCES		
Cash in hand	130,485	232,519
Balance with scheduled banks:		
Current Accounts	98,224,667	161,381,943
Unpaid Dividend Accounts	-	73,188
Fixed Deposits	355,053,585	236,361,370
TOTAL	453,408,737	398,049,020
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	2,153,537	2,068,628
Advances for : Capital Works	32,588,058	48,110,287
Expenses	45,000	--
Advance paid for bought back of shares	-	2,758,617
Deposits recoverable	3,844,982	3,838,673
Rent Receivable	7,163,045	10,429,341
Staff Advances	513,073	84,412
Prepaid Expenses	5,835,979	2,847,726
Advance Income Tax & TDS (Net of Provisions)	24,749,822	9,927,011
Interest Accrued	11,575,367	5,592,069
Differed tax asset	2,912,073	2,017,939
MAT Credit Receivable	8,050,000	8,050,000
TOTAL	99,430,936	95,724,703

Particulars	As at 31.03.2011 (in Rupees)	As at 31.03.2010 (in Rupees)
09. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Creditors for : Capital Goods	5,444,840	2,084,687
: Trade Payables	38,480,888	34,861,396
: Expenses	1,877,220	3,109,930
: Other Finance	895,555	4,899,670
Deposits Refundable	51,044,402	42,354,998
Unclaimed Dividend (not due for remittance to Investor Education and protection fund)	-	73,188
B. Provisions		
Provision for Gratuity	3,732,755	3,701,562
Provision for Leave Encashment	527,815	1,036,334
TOTAL	102,003,475	92,121,765
Particulars	Current Year (in Rupees)	Previous Year (in Rupees)
10. OTHER INCOME		
Interest earned (Others, gross)	22,762,841	21,760,631
T D S : Current year Rs.30.65,705/- : previous year Rs.13,11,459/-		
Rents Received	66,796,462	55,144,082
Dividends	369,168	-
Foreign Exchange Gain	2,703,092	-
Excess provision /Credit Balance Written Back	958,008	1,200
Miscellaneous receipts	1,841	3,101,163
Prior period Adjustment	-	325,928
TOTAL	93,591,412	80,333,004
11. PERSONNEL COST		
Salaries, Wages and Bonus	366,245,915	462,934,622
Contribution to provident and other funds	2,394,170	2,807,513
Staff welfare Expenses	4,609,589	5,767,474
Gratuity	673,338	902,128
TOTAL	373,923,012	472,411,737
13. FINANCE CHARGES		
Interest on Fixed Loans	107,598	88,289
TOTAL	107,598	88,289

Particulars	Current Year (In Rupees)	Previous Year (In Rupees)
12. OPERATION AND OTHER EXPENSES		
Rent	4,221,301	8,309,344
Taxes and Licenses	3,724,434	4,111,463
Insurance	2,342,624	4,744,136
Repair and Maintenance to :		
Equipment	488,675	2,158,675
Buildings	3,312,004	644,647
Others	5,854,282	5,111,968
Advertisement	127,317	128,149
Commission	2,877,417	-
Communication Costs	4,850,580	1,251,651
Soft Link Charges	2,191,624	4,069,781
Printing and Stationery	312,034	270,694
STPI - Service Charges	343,750	350,000
Staff Training and Recruitment Expenses	2,013,129	1,907,477
Director's sitting fees	40,000	42,000
Managerial Remuneration	1,344,000	
Auditor's Remuneration :		
Statutory Audit	82,725	82,725
Tax Matters	49,635	-
Certification	27,575	18,273
Legal and Professional Charges	8,057,958	11,024,337
Travelling and Conveyance	3,685,927	7,280,871
Consulting outsourced	295,635,456	233,032,421
General Expenses	4,898,778	6,645,688
Bank Charges	254,897	231,841
Electricity Charges	3,672,421	1,221,861
ISO Expense	30,386	55,150
Security Service Charges	2,008,171	1,994,632
Foreign Exchange Loss (Net)	2,464,066	10,528,860
Donations	-	1,400,028
Investments Written off Account	149,849	-
Debit Balance Written off -	52,677	
Loss on disposal of equipment	380,752	-
Loss on sale of Investment	632,327	-
Baddebts	864,999	11,510,233
TOTAL	<u>356,939,093</u>	<u>319,439,582</u>

SCHEDULE-14: Notes to accounts

1. Consolidated Financial Statements 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 2010 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 States 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 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 the rates prescribed and the manner laid down under 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) Retirement benefits :
 - a. **Defined Contribution Plan**

Company's contribution paid/payable during the year to Provident Fund and Employees State Insurance Corporation are recognized in the Profit and Loss Account.
 - b. **Defined Benefit Plan**

Employees are eligible under Group Gratuity Scheme and Leave encashment. At the reporting date, Company's liability towards gratuity and Leave encashment is determined by independent actuarial valu-

ation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of the Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

- 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.
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.1,000/- 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 year 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. As per the information available with the company none of the suppliers informed 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 asset on account of depreciation	1,46,72,524
Deferred Tax asset on account of Provision for Gratuity & Leave Encashment	1,90,458
Net deferred tax Asset	<u>1,48,62,982</u>

Under prudential concept, the Board of directors decided not to recognize the deferred tax asset.

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 assessment of impairment of assets and no impairment loss exists during the year.
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.50,23,125/- (Previous year Rs.2,16,67,200/-) 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 52,604 (Previous Year 9,85,708)equity shares at Rs. 28,78,854/- (Previous Year Rs.5,37,91,383/-)inclusive of premium of Rs. 23,52,814/-(Previous Year Rs.4,39,34,303/-). The premium of Rs.23,52,814/- is adjusted against share premium account and redemption reserve of Rs.5,26,040/- 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	13,44,000	12,60,000
Provident Fund Contribution	93,600	86,400
Total	<u>14,37,600</u>	<u>13,46,400</u>

(Above are grouped under respective heads)

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
11. Contingent liabilities not provided for on account of:		
a) Guarantees given by the bankers	20,75,000	20,75,000
b) Demands from Income Tax Department Disputed and pending before CIT appeals	2,49,59,584	30,36,473
	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	NIL
13. Expenditure in foreign currency during the Year on account of traveling excluding Tickets purchased in India	29,965	1,93,973
14. Contracts to be executed on account of Capital contracts	1,20,00,000	1,45,00,000
15. Earnings in foreign currency on export of Software	10,65,82,835	26,82,62,779
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 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	14,37,600	13,46,400	--	--
Subsidiary	--	--	2,03,74,875	4,18,59,115
Associate	--	--	8,59,18,440	12,70,23,870

Receivables as at 31.03.2011 :

Nature of relation	Current Year Amt. Rs.	Previous Year Amt Rs.
Associate	1,78,60,000	6,42,70,332
Subsidiary	50,23,125	2,16,67,200

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	(34,907)	14,79,612	(2,07,539)	14,45,634
Interest cost	64,943	2,91,698	21,432	2,27,440
Actuarial Gain / (loss)	(89,282)	(16,29,441)	9,99,374	(7,70,946)
Net benefit expense	(59,240)	1,41,869	8,13,267	9,02,128

ii) Balance Sheet:

	Current Year		Previous year	
	Leave encashment	Gratuity	Leave encashment	Gratuity
Opening balance of benefit obligations	10,36,334	37,01,562	3,12,735	28,68,375
Current service cost	(34,907)	14,79,612	(2,07,539)	14,45,634
Interest cost	64,943	2,91,698	21,432	2,27,440
Actuarial Gain /(loss)	(89,282)	(16,29,441)	9,99,374	(7,70,946)
Benefits paid	(4,48,278)	(1,10,,676)	(89,668)	(68,941)
Closing balance of benefit obligations	5,27,816	37,32,755	10,36,334	37,01,562

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.)	6,20,54,275	17,08,08,815
ii) Number of Equity Shares	1,76,03,396	1,76,65,000
iii) Nominal value of the share (Rs.)	10	10
iv) Earning Per Share (Basic and Diluted)	3.53	9.67

20. Previous year figures have been regrouped wherever necessary.

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: 23-05-2011

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

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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@softsol.net, 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 21st Annual General Meeting of the company held on Friday the 30th Day of September 2011 at the registered office of the company situated at Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081 at 10.00 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@softsol.net, Website: www.softsolindia.com**

PROXY FROM

DP ID: Regd. Folio No.

Client ID

I/Weof being a member(s) of SoftSol India Limited hereby

appoint of

.....or failing him

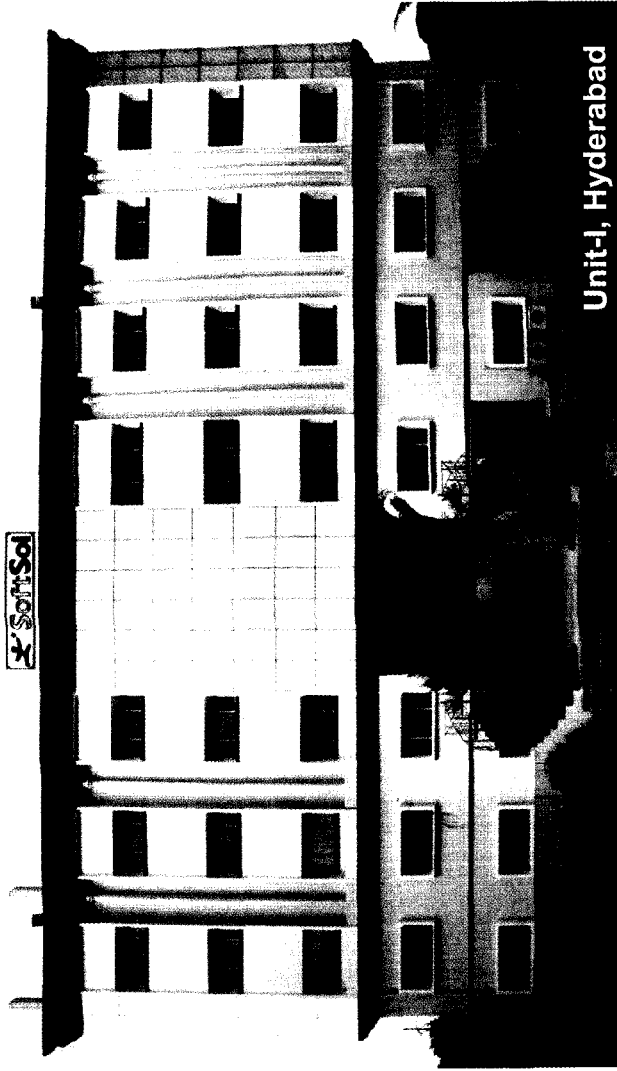
of as my / our proxy to vote for me / us and on my / our behalf at the 21st Annual General Meeting of the company held on Friday the 30th Day of September 2011 at the registered office of the company situated at Plot No. 4, Software Units Layout, Madhapur, Hyderabad - 500 081 at 10.00 a.m or any adjournment thereof.

Signed this Day of Spetember, 2011.

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.

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SoftSol



Unit-I, Hyderabad

Unit-II, Hyderabad

