SoftSol®

Taking IT to the next level

SoftSol India Limited

23rd Annual Report 2012-13

SoftSol India Limited

Board of Directors	Mr. Srinivasa Rao Madala	Chairman
	Mr. Bhaskar Rao Madala	Whole time Director
	Dr. T. Hanuman Chowdary	Director
	Mr. B.S. Srinivasan	Director
	Mr. P. Venkatramaiah	Director

Company Secretary: Mrs. Chavali Lalitha

Statutory Auditors: M/s. Sarathy & Balu
Chartered Accountants, Hyderabad.

Internal Auditors: M/s. Balarami & Nagarjuna,
Chartered Accountants, Hyderabad.

Bankers:
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 Third 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. 72.47 crores and achieved net profit of Rs. 3.31 crores for the year. It was a tough year for us and the financial results are not as expected due to several reasons. We hope to correct this for the next fiscal year.

I assure you that the management is working harder than before to get back to delivering predictable performance. I was elected to continue as Chairman but have brought the new executive management to bring positive changes in our organization. The team is tasked to increase top line, bottom line and create value for the organization. I am assisting the new team in exploring strategic partnerships and M&A opportunities to pursue inorganic growth.

We will continue to find ways to improve our performance and offer liquidity to our shareholders. We have instituted stock buyback option that was active for most of the year to offer liquidity option for those shareholders who needed it.

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

I am confident that SoftSol will do well in the coming years.

Sincerely Yours

Srinivasa Rao Madala
Chairman

Notice of the 23rd Annual General Meeting

Notice is hereby given that the Twenty Third Annual General Meeting of the members of SoftSol India Limited will be held on Monday, the 30th day of September, 2013 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, 2013 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon.

2. To appoint a Director in place of Dr. T. Hanuman Chowdary, who retires by rotation and being eligible, offers him for re-appointment.

3. To re-appoint M/s. Sarathy & Balu, Chartered Accountants, Hyderabad as Statutory Auditor and to fix remuneration.

On behalf of the Board of Directors

Bhaskar Rao Madala
Whole time Director

Place: Hyderabad
Date: 13.08.2013

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 24-09-2013 to 30-09-2013, 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.

(f) SEBI has made it mandatory for every participant in the securities/capital market to furnish details of Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in physical form are requested to submit their details of PAN, along with a photocopy of the PAN Card, to the R&T agents of the Company.

(g) The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its members in the electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.

Annexure to the Notice to the Shareholders

Brief Profile of Directors seeking re-appointment at this Annual General Meeting:

Name:	Dr. T. Hanuman Chowdary
Date of Birth:	18-10-1931
Nationality:	Indian
Date of Appointment:	02-07-1999
Educational Qualifications:	B. E. (Bachelor of Engineering)
Directorships held in other Public Companies:	Sify Limited and Tera Software Limited

Dr. T. Hanuman Chowdary is, Chairman of Pragna Bharthi of Andhra Pradesh. He was Information Technology Advisor to the Government of Andhra Pradesh (1997-2004); is Director of the Center of Telecom Management and Studies (CTMS) since 1989. He holds a Bachelors Degree in Telecommunication from Madras University (1952). He worked in the All India Radio (AIR), Ministry of Information & Broadcasting (1952-1957) and in the Department of Telecommunication (DOT) (formerly posts and Telegraphs or P & T) from 1956 to 1987. He was the founding chairman and Managing Director of Videsh Sanchar Nigam Limited (VSNL) (1987-89). He held executive and managerial posts in several states of India and was a Dy. Director General in the DOT. He was Governor of the INTELSAT the Washington and Executive Councilor of the INMARSAT, London. He worked as a Senior Expert of the International Telecommunications Union (ITU) in Guyana (1985) and as ITU's Team Leader of an international group of telecom experts in Yemen (1990-91). He traveled extensively in over 40 countries as India's delegate to International Conferences, as an invited Speaker and Panelist in several International Seminars including Telecom'87, 91 and 95 in Geneva for the ITU: for Asia Telecom in 1992 and 96 in Singapore: and Global Knowledge Conference in Toronto in 1996 and the annual conference of the Pacific Tele community since 1994 till 2007.

Dr. Chowdary is resident in India and does not own any shares in the Company.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 23rd Directors' Report on the business and operations of your Company, for the year ended March 31, 2013.

Financial Highlights

(Rs .in lakhs)

	2012-13	**2011-12**
Gross Revenue	270.04	317.13
Total Expenditure	747.85	997.25
Operating Profit	(477.81)	(693)
Other Income	1174.64	1029.10
Interest	0.00	3.97
Depreciation	316.89	349.30
Profit before Tax	437.85	17.34
Provision for Taxation	83.45	3.5
Profit after Tax	354.40	13.84
Earnings per Share (Rs.)	2.09	0.08

During the year under review, your Company recorded income of Rs. 270.04 Lakhs from export of software in comparison with previous year's income of Rs.317.13 Lakhs. Your company achieved net profit of Rs. 354.40 Lakhs for the year in comparison with the previous year's net profit of Rs.13.84 Lakhs.

SoftSol Resources Inc., (SRI) a wholly owned subsidiary of your Company, recorded total revenue of US$ 13.48 Millions in comparison with the previous year's revenue of US$.13.87 Millions. SRI recoded net profit of US$ (43,917) for the year 2012 in comparison with the previous year's net profit of US$.94,749.

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 2012-13, your Directors have not recommended any dividend for this financial year.

Directors:

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Dr. T. Hanuman Chowdary, retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting.

Buy-back of Shares:

During the year under review your Company bought back 7,66,783 fully paid Equity Shares up to 28th September 2012 (Last date as per Public Announcement is 30th September 2012 and the date of opening of the Offer is November 24, 2011) in the open market mode on the Bombay Stock Exchange Limited pursuant to the resolution passed by the Board of Directors at their meeting held on 24th October 2011. The Company spent Rs. 4,90,89,307/- for those shares bought back. As per the Board Resolution, the Company was authorised to buyback to the maximum extent of 12,90,000 Equity Shares under the offer or upon exhaustion of Rs.700.00 lakhs set aside for Buy-back, whichever is earlier. The total number of shares of the Company was reduced from 17589296 to 16822513 with the buyback of shares.

Corporate Governance:

The Company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A report on Corporate Governance pursuant to the provisions of Clause 49 of the Listing Agreement forms part of the Annual Report. As required under Clause 49 of the Listing Agreement, the Certificate regarding compliance of conditions of corporate governance is enclosed to 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 year 2013-14 have been paid to the Exchange.

Auditors:

M/s. Sarathy & Balu, Chartered Accountants, Hyderabad, retire as Auditors of the Company at the conclusion of the Annual General Meeting and being eligible; offer themselves for re-appointment as Auditors.

Fixed Deposits

Your Company has not accepted/invited any deposits from the Public for the year under review within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

Information u/s. 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo:

a. Conservation of Energy: The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

b. Technology Absorption: Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up gradation of product and services development.

c. Foreign Exchange earnings and outgo: Total foreign exchange earnings during the year were Rs. 135.20 Lakhs (Previous year Rs.317.13 Lakhs) and foreign exchange outgo was Nil (previous year Rs.1.70 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.

Particulars pursuant to Section 212 of the Companies Act, 1956:

Your company has prepared the consolidated financial statements in accordance with the relevant accounting standards and the provisions of the Companies Act, 1956 (Act). Pursuant to the provisions of Section 212 of the Act, documents in respect of the subsidiary company M/s. SoftSol Resources Inc., USA viz., Directors' Report, Auditor's Report, Balance Sheet and Profit and Loss Account, are attached the Annual Report.

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: 13-08-2013

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	4**	No
Mr. Bhaskara Rao Madala	00474589	Promoter Director	Whole time Director	4	4	Yes
Dr. T. Hanuman Chowdary	00107006	Independent Non-Executive Director	Director	4	4	Yes
Mr. B.S. Srinivasan	00482513	Independent Non-Executive Director	Director	4	4	Yes
Mr. P. Venkatramaiah*	00030102	Independent Non-Executive Director	Director	4	4	Yes

** Attended through Electronic Participation in all Board Meetings.

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

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

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 28-05-2012, 14-08-2012, 14-11-2012 and 13-02-2013.

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 Couduct:

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, 2013. 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: 13-08-2013

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of reference includes:

a) Oversight of the company's financial reporting process.

b) Recommending appointment and removal of external auditors and fixing of their fees.

c) Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.

d) Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.

e) Reviewing the adequacy of internal control systems and significant audit findings.

f) Discussion with external auditors regarding nature and scope of audit.

Composition and Attendance:

Audit Committee consists of three independent Non-executive Directors and one Executive Director. Members are Dr. T.Hanuman Chowdary, Mr. B.S.Srinivasan, Mr. P. Venkatramaiah and Mr. Bhaskar Rao Madala. Dr. T.Hanuman Chowdary is the Chairman of the Committee. The Company Secretary 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 2012-13 Audit Committee of the Board of Directors met four times on 28-05-2012, 14-08-2012, 14-11-2012 and 13-02-2013. All the members of the Committee attended all the meetings.

4. Remuneration Committee

Remuneration Policy:

The Committee has the mandate to review and recommend compensation payable to the Whole-time Director and Senior Executives of the Company. No director other than Mr. Bhaskar Rao Madala is drawing remuneration from Company. Mr. Bhaskar Rao Madala is drawing remuneration for the services rendered in the capacity of Whole-time Director of the Company. A sitting fee of Rs. 5,000 (Rupees Five thousand only) is being paid to non-executive directors for attending each board meeting.

Terms of Reference: The terms of reference of the Remuneration Committee are:

a) To review and approve / recommend the remuneration for the Corporate officers and Whole-time director of the Company
b) To review and recommend to the Board the remuneration policy for the Company.
c) To approve grant of stock options to the employees and / or directors of the Company and subsidiary.
d) To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

The Remuneration Committee comprises of three non-executive directors Dr. T.Hanuman Chowdary, Mr. B.S.Srinivasan and Mr. P. Venkatramaiah. Dr. T. Hanuman Chowdary is the Chairman of the Committee. The Committee was not met during the financial year.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2012-13 are as follows:

(In Rs.)

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
Mr. Srinivasa Rao Madala	Director	Nil	Nil	Nil	Nil
Mr. Bhaskara Rao Madala	Whole-time Director	14,17,600	Nil	Nil	14,17,600
Dr. T. Hanuman Chowdary	Director	Nil	Nil	20,000	20,000
Mr. B. S. Srinivasan	Director	Nil	Nil	20,000	20,000
Mr. P. Venkatramaiah	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 2013:

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 three non-executive independent directors and one executive director. Mr. Bhaskar Rao Madala, Mr. B. S. Srinivasan, Mr. P. Venkatramaiah and Dr. T. Hanuman Chowdary (Chairman). 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 financial year, the Committee met four times on 28-05-2012, 14-08-2012, 14-11-2012 and 13-02-2013.

6. General Body Meetings

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

Year/Period	Day, Date and Time	Location
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.
2010-2011	Friday, 30th September 2011 at 10.00 A.M.	At the Registered office of the Company at Plot No.4, Software Units Layout, Madhapur, Hyderabad – 500 081.
2011-2012	Saturday, 29th September, 2012 at 10.00 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 52.76% 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 31.03.2013 are:

Details	Party Name	31-03-2013 (in Rs.)	31-09-2012 (in Rs.)
Sales	SoftSol Technologies Inc.	Nil	Nil
	SoftSol Resources Inc.	1,35,20,467	3,17,13,980
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 2012-13. 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 are placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable Laws and gives appropriate directions wherever necessary. The Board considers materially important Show Cause/Demand Notices received from Statutory Authorities and the steps/action taken by the Company in this regard.

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

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

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:

a) **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.softsol.net

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

Monday, the 30th day of September 2013 at 10.00 A.M. at the Registered Office of the Company.

c) 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.

d) Book Closure

From September 24, 2013 to September 30, 2013 (both days inclusive)

e) Listing of Shares

The Company shares are listed on The Bombay Stock Exchange Limited and the Company has paid listing fees for the financial year 2013-14 to the Stock Exchange.

f) Stock Code/Symbol

The Bombay Stock Exchange Limited - 532344

g) 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.

h) 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, 2013, 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.

i) 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, 2013, 11414903 Equity Shares out of total 16822513 Equity Shares of the Company forming 67.85% of the Share Capital of the Company, stand dematerialized. International Securities Identification Number: INE002B01016.

j) **Category wise Shareholding as at March 31, 2013.**

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters	8	10817229	64.30
Mutual Funds and UTI	0	Nil	Nil
Banks, Financial Institutions,	0	Nil	Nil
Insurance Companies FIIs	0	Nil	Nil
Private Corporate Bodies	38	19158	0.11
Indian Public	1854	593421	3.53
Non-Resident Indians	10	2655644	15.79
Overseas Body Corporates	2	2736061	16.26
Clearing Members	1	1000	0.01
Total	**1913**	**16822513**	**100**

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

Name of the Shareholder	Number of shares held	Percentage
Promoters:		
SoftSol Technologies Inc	8875444	52.76
Sambasiva Rao Madala	904715	5.38
Durga VLK Madala	681964	4.05
Bhaskar Rao Madala	249966	1.49
Overseas Corporate Bodies		
Adalat Corporation	2595370	15.43
Non-Resident Indians		
B. Prameela	2595369	15.43

l) **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 2012	67.70	64.00	October 2012	74.90	58.75
May 2012	69.90	64.00	November 2012	61.00	50.50
June 2012	70.20	61.00	December 2012	57.75	49.50
July 2012	67.20	64.00	January 2013	55.65	50.00
August 2012	66.60	64.00	February 2013	53.10	48.20
September 2012	67.10	64.00	March 2013	52.00	40.25

m) **Distribution of Shareholding as at March 31, 2013.**

Number of Equity Sharesheld	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	1688	88.19	2940730.00	1.75
5001 – 10000	149	7.78	1259450.00	0.75
10001 – 20000	35	1.83	530940.00	0.32
20001 – 30000	18	0.94	478840.00	0.28
30001 – 40000	2	0.10	72000.00	0.04
40001 – 50000	4	0.21	188350.00	0.11
50001 – 100000	2	0.10	129320.00	0.08
100001 & above	15	0.84	162625500.00	96.67
Total	**1913**	**100.00**	**168225130.00**	**100.00**

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, 2013 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.

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

CEO / CFO Certification pursuant to Clause 49(V) of the Listing Agreement

To
The Board of Directors of
SoftSol India Limited
Hyderabad.

This is to certify that:

a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee

i. There are no significant changes in internal control over financial reporting during the year;

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 are no 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

Srinivas Mandava
Chief Financial Officer

Place: Hyderabad
Date: 13-08-2013

Management's Discussion and Analysis

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

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. Corporations are increasingly turning to offshore service providers for higher quality, cost competitive technology solutions. As a result, offshore service providers have become critical to the operations of many enterprises and they continue to grow in recognition and sophistication. In view of this, the addressable market for offshore technology services has expanded.

India is widely recognized as the premier destination for offshore technology services. Accordingly to the NASSCOM Performance Review 2013, IT-BPM exports (IT services and Business Process Management) from India are estimated to grow in fiscal 2014 by 12%-14%, to US $85-87 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.

Further the nature of technology outsourcing is changing. Historically enterprise either outsourced their technology requirement entirely or on a standalone, project-project basis. In an environment of rapid technological change, globalization and regulatory changes, the complete outsourcing model is often perceived to limit a company's operational flexibility and not fully deliver potential cost savings and efficiency benefits. Similarly, project-by-project out sourcing is also perceived to result in increased operational risk and coordination costs and is failing to leverage technology service provider's full range of capabilities. To address these issues, companies are looking at outsourcing approaches that require their technology service providers to develop specialized systems, processes and solutions along with cost-effective delivery capabilities.

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 ability to attract and retain talent, withdrawal of Tax benefits, Currency Exchange risks, etc.

Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share Price to decline. We may not be able to sustain our previous profit margins or levels of profitability. The economic environment, pricing pressure and decreased employee utilization rates could negatively impact our revenues and operating results.

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 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 recorded consolidated revenues of Rs. 72.47 crores and achieved net profit of Rs. 3.31 crores 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.

Independent Auditor's Report

To the Members of
SoftSol India Limited

Report on the Financial Statements:
We have audited the accompanying financial statements of SoftSol India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and 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 March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the CARO'03") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b) 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.
   c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
   e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

Place: Hyderabad
Date: 27.05.2013

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Annexure to Auditors' Report dated 27.05.2013

[The annexure referred to in the Auditors' Report to the Members of SoftSol India Ltd., ("the company") for the year ended 31st March, 2013]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) As per the information and explanations furnished to us, the company's fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off a substantial part of its fixed assets affecting the going concern status of the company.

(ii) (a) As per the information and explanations furnished to us and based on the books of account audited by us, during the year, the company has not acquired / handled / dealt in / held any inventory. Hence, Clause (ii) of paragraph 4 of the CARO'03 is not applicable to the company for the year under report.

(iii) (a) As per the information and explanations furnished to us and as per the books of account audited by us, during the year, the Company has neither granted to nor taken from, any loans, secured or unsecured companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act, 1956. Hence, Clause (iii) of paragraph 4 of the CARO'03 is not applicable to this company.

(iv) According to the information and explanations given to us and in our opinion, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not come across any continuing failure to correct major weaknesses in the internal control system of the company nor have we been informed of any such continuing failures by the management.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements referred to in Sec.301 of the Act have been entered in the register required to be maintained under that section.

(b) According to the information and explanations given to us and in our opinion, the transactions made in pursuance of contracts or arrangements entered in the register maintained U/s. 301 of the Act and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, provisions of Clause (vi) of the CARO'03 are not applicable to the Company for the year under audit.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) According to the information and explanations furnished to us, the Central Government has not prescribed maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956 to this company.

(ix) According to the information and explanations furnished to us and as per the records of the company:-

a) the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty and other statutory dues applicable to it. As the Govt. has not notified the date for levying Cess U/s.441A of the Act, the company has not made any provision/paid the said Cess. Hence, our comments on the regularity or otherwise of the payment of Cess by the company are Nil. There are no undisputed outstanding statutory dues as at 31/3/2013 for a period of more than six months from the date they became payable.

b) there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth-Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

(x) The company has no accumulated losses as at the end of the financial year under audit and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) According to the information and explanations given to us and in our opinion, the Company has not taken any loans from financial institutions and banks. The company has not issued debentures. Hence, provisions of paragraph 4(xi) of the CARO, 2003 is not applicable to this Company.

(xii) Based on our examination of documents and records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, provisions of paragraph 4(xii) of the CARO, 2003 is not applicable to this Company.

(xiii) In our opinion and according to the information and explanations given to us, the provisions of special statue applicable to chit funds are not applicable to this company and the company is not a nidhi/mutual benefit fund/society. Therefore, provisions of paragraph 4(xiii) of the CARO, 2003 are not applicable to this Company.

(xiv) In our opinion, and as per the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. In respect of the long-term investments made in the equity shares of its subsidiary company, proper records have been maintained and timely entries have been made therein and the shares have been held by the company in its own name.

(xv) According to the information and explanations given to us, during the period covered under our audit, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Hence, provisions of Paragraph 4 (xv) of the CARO, 2003 are not applicable to this Company

(xvi) According to the information and explanations given to us and as per the books of account audited by us, during the period covered under our audit, the company has not availed any term loans. Hence, provisions of Paragraph 4 (xvi) of the CARO, 2003 are not applicable to this Company.

(xvii) According to the information and explanations given to us and on an over all examination of the balance sheet of the company, during the period covered under audit, no funds raised on short term basis have been used for long term investment.

(xviii) According to the information and explanations given to us and based on the books of account audited by us, during the period covered under our audit, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained U/s.301 of the Act.

(xix) According to the information and explanations given to us, during the period covered under our audit, the Company has not issued any debentures. Hence, creation of security or charge for the same is not applicable.

(xx) According to the information and explanations furnished to us, during the period covered under our audit, the Company has not raised any money by public issues. Hence, provisions of Paragraph 4(xx) of the CARO, 2003 are not applicable to this company.

(xxi) According to the information and explanations given to us and on the basis of our examination of the books of account, during the year covered under our audit, no fraud on or by the company has been noticed or reported to us.

for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

Place: Hyderabad
Date: 27.05.2013

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

BALANCE SHEET AS AT 31st MARCH 2013

Particulars	Note No	As at 31-03-2013 ₹	As at 31-03-2013 ₹	As at 31-03-2012 ₹	As at 31-03-2012 ₹
EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	1	172,365,240		174,447,210	
(b) Reserves and surplus	2	1,637,817,754		1,613,657,675	
			1,810,182,994		**1,788,104,885**
(2) Non-current liabilities					
(a) Other Long term liabilities	3	39,778,498		51,091,688	
(b) Long-term provisions	4	1,135,456		2,968,141	
			40,913,954		**54,059,829**
(3) Current liabilities					
(a) Trade Payables	5	1,739,837		-	
(b) Other current liabilities	6	14,235,408		5,028,570	
(c) Short term Provisions	7	128,808		519,555	
			16,104,053		**5,548,125**
Total			**1,867,201,001**		**1,847,712,839**
ASSETS					
(1) Non-current assets					
(a) Fixed assets	8				
(i) Tangible assets		355,568,855		375,391,331	
(ii) Intangible assets		356,592		713,185	
(iii) Capital work-in-progress		48,876,656		125,846	
(b) Non-current investments	9	953,404,053		953,404,053	
(c) Long-term loans and advances	10	37,962,117		79,994,652	
			1,396,168,273		**1,409,629,067**
(2) Current assets					
(a) Trade receivables	11	14,064,490		9,508,785	
(b) Cash and Bank Balances	12	420,923,011		395,101,517	
(c) Short-term loans and advances	13	2,372,331		972,038	
(d) Other current assets	14	33,672,896		32,501,432	
			471,032,728		**438,083,772**
Total			**1,867,201,001**		**1,847,712,839**
Significant accounting policies and notes on financial statements	1-20				

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No. 003621S)

For and on behalf of Board of Directors

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

B.S.Srinivasan
Director

Place: Hyderabad
Date: 27.05.2013

C.Lalitha
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

Particulars	Note No	Year Ended 31.03.2013 ₹	Year Ended 31.03.2012 ₹
INCOME:			
Revenue from operations	15	27,004,763	31,713,980
Other income	16	123,254,067	105,071,660
Total		**150,258,830**	**136,785,640**
Expenses			
Purchse of Traded goods & Support Services		10,019,358	-
Employee benefits expense	17	20,869,159	68,553,155
Other expenses	18	43,896,197	31,171,644
Finance costs	19	-	396,913
Depreciation and amortization expense	8	31,689,178	34,929,689
Total		**106,473,892**	**135,051,401**
Profit before exceptional and extraordinary items and tax		**43,784,938**	**1,734,239**
Exceptional items		-	-
Profit before extraordinary items and tax		**43,784,938**	**1,734,239**
Extraordinary Items		-	-
Profit before tax		**43,784,938**	**1,734,239**
Tax expense:			
(i) Current tax		8,800,000	350,000
(ii) Prior Period Taxes / (credits)		(454,721)	-
Profit after tax for the year		**35,439,659**	**1,384,239**
Earnings per equity share			
- Basic (Rs.)		2.09	0.08
- Diluted (Rs.)		2.09	0.08

Significant accounting policies and notes on financial statements	1-20	

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No. 003621S)

For and on behalf of Board of Directors

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

B.S.Srinivasan
Director

Place: Hyderabad
Date: 27.05.2013

C.Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended 31-03-2013 ₹	Year ended 31-03-2012 ₹
A CASH FLOW FROM OPERATIANG ACTIVITIES:		
Net Profit before Tax and Extraordinary Items	43,784,938	1,734,239
Adjustments for :		
Depreciation	31,689,178	34,929,689
Interest	(46,097,040)	(33,793,950)
Provision for Leave Encashment	-	16,932
Provision for Gratuity	-	68,493
Profit on sale of assets	-	(183,368)
Excess Provision/Credit Balnces Written back	(4,152,195)	(858,299)
Operating Profit before Working Capital changes	**25,224,881**	**1,913,736**
Adjustments for:		
Trade and other payables	1,562,248	(2,168,612)
Trade and other receivables	36,592,662	2,389,405
Net Cash generated from operations	**63,379,791**	**2,134,529**
Tax paid	(8,345,278)	(350,000)
Net Cash from operating activities (A)	**55,034,513**	**1,784,529**
B CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	43,736,836	21,159,244
Purchase of Fixed Assets	(60,260,919)	(15,218,340)
Sale of Fixed assets	-	297,000
Net Cash flow from Investing Activities (B)	**(16,524,083)**	**6,237,904**
C CASH FLOW FROM FINANCING ACTIVITIES :		
Extraordinary Items : Buy Back of Equity Shares	(13,361,550)	(35,786,315)
Interest Paid	-	(396,913)
Net Cash used in Financing Activities (C)	**(13,361,550)**	**(36,183,228)**
Net Increase in Cash and Cash Equivalents (A+B+C)	25,148,880	(28,160,795)
Cash and cash Equivalants as at beginning of the year	392,590,185	420,750,980
Cash and cash Equivalants as at end of the year	**417,739,065**	**392,590,185**

The above cash flow statement has been prepared using indirect method, in accordance with AS-3, Cash flow statements. Previous year figures have been restated wherever necessary to conform to this year's classification.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No. 003621S)

For and on behalf of Board of Directors

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

B.S.Srinivasan
Director

Place: Hyderabad
Date: 27.05.2013

C.Lalitha
Company Secretary

Particulars	As at 31-03-2013 Number of shares	As at 31-03-2013 ₹	As at 31-03-2012 Number of shares	As at 31-03-2012 ₹
1.Share Capital				
Authorised:				
Equity Shares of Rs 10/- each.	50,000,000	500,000,000	50,000,000	500,000,000
Issued, subscribed and paid up:				
As per last Balance sheet:				
Equity Shares of Rs 10/- each fully paid up	17,030,710	170,307,100	17,589,296	175,892,960
Equity Shares of Rs.10/-each,Rs.5/-Paid up	28,200	141,000	28,200	141,000
Forfeited shares (amount originally paidup)	799,822	3,999,110	799,822	3,999,110
	17,858,732	174,447,210	18,417,318	180,033,070
Less: Bought Back during the year	208,197	2,081,970	558,586	5,585,860
Closing Balance	**17,650,535**	**172,365,240**	**17,858,732**	**174,447,210**

The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share.

NOTES:

(a) Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31-03-2013 Number of Shares held	As at 31-03-2013 % to paid up capital	As at 31-03-2012 Number of Shares held	As at 31-03-2012 % to paid up capital
Softsol Technologies Inc.	8,875,444	52.11%	8,875,444	52.11%
Sambasiva Rao Madala	904,715	5.31%	904,715	5.31%
Adalat Corporation	259,370	15.24%	259,370	15.24%
B.Prameela	259,369	15.24%	259,369	15.24%

(b) Reconciliation of Number of Shares (fully paid up):

Particulars	As at 31-03-2013 No. of Equity Shares Rs. 10/- each	As at 31-03-2013 ₹	As at 31-03-2012 No. of Equity Shares Rs. 10/- each	As at 31-03-2012 ₹
Shares of fully paid up outstanding at the beginning of the year	17,030,710	170,307,100	17,589,296	175,892,960
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	208,197	2,081,970	558,586	5,585,860
Shares outstanding at the end of the year	**16,822,513**	**168,225,130**	**17,030,710**	**170,307,100**

(c) Calls unpaid on equity shares:

Particulars	As at 31-03-2013 Number of Equity Shares	As at 31-03-2013 ₹	As at 31-03-2012 Number of Equity Shares	As at 31-03-2012 ₹
(i) Calls unpaid by Directors and Officers	NIL	NIL	NIL	NIL
(ii) Others (@ Rs.5/- per share)	28,200	141,000	28,200	141,000
Total	**28,200**	**141,000**	**28,200**	**141,000**

(d) Forfeited Shares (Amount originally paid up):

Particulars	As at 31-03-2013 Number of Equity Shares	As at 31-03-2013 ₹	As at 31-03-2012 Number of Equity Shares	As at 31-03-2012 ₹
Equity shares of partly paid-up, forfeited in earlier years	799,822	3,999,110	799,822	3,999,110
Total	**799,822**	**3,999,110**	**799,822**	**3,999,110**

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
2.Reserves and Surplus		
(a) Capital Redemption Reserve		
Balance as per last Balance sheet	15,968,980	10,383,120
Additions: Transfer from Statement of Profit and Loss	2,081,970	5,585,860
Closing Balance(a)	**18,050,950**	**15,968,980**
(b) Securities Premium Reserve		
Balance as per last Balance sheet	681,393,158	711,593,613
Less: Amount utilised towards consideration paid over and above the face value of equity shares bought back during the year	11,279,580	30,200,455
Closing Balance(b)	**670,113,578**	**681,393,158**
(c) General Reserve		
Balance as per last Balance sheet	69,690,129	69,690,129
Closing Balance(c)	**69,690,129**	**69,690,129**
(d) Surplus in Statement of Profit and Loss		
Balance as per last Balance sheet	846,605,408	850,807,029
Add: Profit for the year	35,439,659	1,384,239
Less: Transfer to Capital redemption reserve towards face value of shares bought back	2,081,970	5,585,860
Closing Balance(d)	**879,963,097**	**846,605,408**
Total (a+b+c+d)	**1,637,817,754**	**1,613,657,675**
3. Other Long Term Liabilities		
Deposits	37,734,857	49,097,660
Liabilities for Capital Goods	2,043,641	1,994,028
Total	**39,778,498**	**51,091,688**
4. Long-term provisions		
Provision for Employee benefits:		
Gratuity	1,089,339	2,649,526
Leave Encashment	46,117	318,615
Total	**1,135,456**	**2,968,141**

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
5.Trade Payables		
Trade Payables-Unsecured		
(a) Due to Micro, Small and Medium enterprises	-	-
(b) Others	1,739,837	-
Total	**1,739,837**	**-**
Notes:		
(i) There are no defaults as on the balance sheet date in payment of trade payables.		
(ii) Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company		
(iii) Disclosures relating to dues payable to Micro, Small and Medium Enterprises:		
(a) Principal amount due and remaining unpaid	-	-
(b) Interest due on above and the unpaid interest	-	-
(c) Interest Paid	-	-
(d) Payments made beyond the appointment day during the year	-	-
(e) Interest due and payable for the period of delay	-	-
(f) Interest accrued and remaining unpaid	-	-
(g) Amount of further interest remaining due & payable in succeeding years	-	-
6.Other current liabilities		
Other Payables:		
Expenses Payable	3,230,761	5,028,570
Overdraft in current account with bank (cheques issued but not presented)	11,004,647	-
Total	**14,235,408**	**5,028,570**
7. Short-term provisions		
Provision for employee benefits		
Gratuity	78,262	487,500
Leave Encashment	50,546	32,055
Total	**128,808**	**519,555**

8. FIXED ASSETS

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2012 ₹	ADDITIONS ₹	DELETIONS ₹	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹	FOR THE YEAR ₹	ON DEDUCTIONS ₹	TOTAL AS AT 31.03.2013 ₹	AS AT 31.03.2013 ₹	AS AT 31.03.2012 ₹
	TANGIBLE ASSETS:										
1	Land :										
	Own	13,918,307	-	-	13,918,307	-	-	-	-	13,918,307	13,918,307
	Leasehold (see Note No.20.9.2)	5,540,142	-	-	5,540,142	223,844	55,961	-	279,805	5,260,337	5,316,298
2	Building	303,595,703	-	-	303,595,703	57,533,682	12,303,101	-	69,836,783	233,758,920	246,062,021
3	Plant & Equipment										
	a) Computers	30,467,704	-	-	30,467,704	28,790,028	671,070	-	29,461,098	1,006,606	1,677,676
	b) Others	131,430,167	1,605,808	-	133,035,975	57,924,258	11,250,561	-	69,174,819	63,861,156	73,505,909
4	Furniture & Fixtures	55,684,625	9,858,537	-	65,543,162	29,134,101	5,544,983	-	34,679,084	30,864,078	26,550,524
5	Office Equipment	11,781,161	45,764	-	11,826,925	6,243,154	776,299	-	7,019,453	4,807,472	5,538,007
6	Vehicles	8,818,183	-	-	8,818,183	5,997,637	730,240	-	6,727,877	2,090,306	2,820,546
7	Library Books	18,592	-	-	18,592	16,549	370	-	16,919	1,673	2,043
	TOTAL-A	**561,254,584**	**11,510,109**	**-**	**572,764,693**	**185,863,253**	**31,332,585**	**-**	**217,195,838**	**355,568,855**	**375,391,331**
	PREVIOUS YEAR	**535,048,492**	**27,953,453**	**1,747,361**	**561,254,584**	**152,942,148**	**34,554,834**	**1,633,729**	**185,863,253**	**375,391,331**	**382,106,344**
B	**INTANGIBLE ASSETS:**										
1	Computer Software	2,871,917	-	-	2,871,917	2,158,732	356,593	-	2,515,325	356,592	713,185
	TOTAL-B	**2,871,917**	**-**	**-**	**2,871,917**	**2,158,732**	**356,593**	**-**	**2,515,325**	**356,592**	**713,185**
	PREVIOUS YEAR	**2,101,477**	**770,440**	**-**	**2,871,917**	**1,783,877**	**374,855**	**-**	**2,158,732**	**713,185**	**317,600**

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
9. Non-current investments		
Other Non-current investments - (Non trade - Unquoted)		
13,120 Common Stock of $ 100 each fully paid up in Softsol Resources Inc., USA, a Wholly owned subsidiary	953,404,053	953,404,053
Total	**953,404,053**	**953,404,053**
Note: Aggregate amount of unquoted investments	953,404,053	953,404,053
10. Long-term loans and advances		
(a) Unsecured, Considered Good		
Capital Advances	120,183	33,054,127
EMDs	90,000	10,000
MAT Credit	-	8,050,000
Security Deposits	3,703,570	3,210,470
Intercorporate Loans	-	2,153,537
Advance Income Tax(net of provisions)	34,048,364	33,516,518
Total	**37,962,117**	**79,994,652**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any Director is a Partner or a Director or a Member	NIL	NIL
11. Trade Receivables		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	14,064,490	9,508,785
Total	**14,064,490**	**9,508,785**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any Director is a Partner or a Director or a Member	NIL	NIL
12. Cash and Bank Balances		
(a) Cash and Cash Equivalents		
i) Cash on hand	37,687	42,861
ii) Balance with scheduled banks in India		
- In Current Accounts	3,701,378	2,906,076
- In Fixed Deposits, maturing in less than twelve months	414,000,000	389,641,248
(b) Other Bank Balances		
Fixed Deposits with Banks held as margin money for Bank Guarantees with maturity period of more than 12 months	3,183,946	2,511,332
Total	**420,923,011**	**395,101,517**

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
13. Short-term loans and advances		
Unsecured, Considered Good		
Staff Advances	2,000	1,000
Prepaid Expenses	820,250	965,610
Service tax Input Credit	1,550,081	-
Advance for Expenses	-	5,428
Total	**2,372,331**	**972,038**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any Director is a Partner or a Director or a Member		
14. Other current assets		
Rent Receivable	6,705,707	6,680,761
Interest Acrrued on Bank Deposits	26,967,189	24,606,986
Advance for Buy back of Shares	-	1,213,685
Total	**33,672,896**	**32,501,432**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any Director is a Partner or a Director or a Member		

Particulars	Year ended 31-03-2013 ₹	Year ended 31-03-2012 ₹
15.Revenue from operations		
Sale of Software Products / Services		
- Exports (Services)	13,520,467	31,713,980
- Domestic:		
- Products	13,452,296	-
- Services	32,000	-
Total	**27,004,763**	**31,713,980**
16. Other Income		
Interest on Bank Deposits	43,925,376	34,190,863
Interest on IT refund	2,171,664	-
Rent	71,367,019	68,718,826
Profit on sale of assets	-	183,368
Excess Provisions written back	2,241,910	858,299
Foreign exchange fluctuation gain(net)	334,272	1,108,304
Miscellaneous receipts	1,303,541	12,000
Credit Balances Written in	1,910,285	-
Total	**123,254,067**	**105,071,660**

Particulars	Year ended 31-03-2013 ₹	Year ended 31-03-2012 ₹
17. Employee Benefits		
Salaries and Wages	19,464,364	63,923,697
Contribution to provident and other funds	763,798	2,353,417
Staff welfare expenses	640,997	2,276,041
Total	**20,869,159**	**68,553,155**
18. Other Expenses		
Power and fuel	12,531,275	4,337,366
Rent	10,000	52,000
Repairs to : Buildings	5,026,160	1,589,978
: Machinery	5,444,058	5,583,223
: Others	489,453	744,463
Insurance	364,622	353,382
Rates and taxes	3,287,502	2,582,925
Payments to Auditor for : Statutory audit	84,270	84,270
: tax matters	28,090	49,635
: Others	95,506	-
Legal and Professional Charges	2,370,728	1,928,986
Director's Sitting Fee	60,000	75,000
Internet & Communication Expenses	2,144,078	3,113,366
Fees and Subscriptions	122,883	112,800
Travelling Expenses	1,921,098	3,002,393
Staff training & Recruitment Charges	36,800	564,422
Advertisement Charges	145,847	63,531
Shares Buy Back Expenses	462,022	979,633
Commission	3,279,834	745,980
Printing & Stationery	237,583	255,950
Security Service Charges	2,073,715	2,536,896
Advances written off	2,158,964	-
Miscellaneous expenses	1,521,709	2,415,445
Total	**43,896,197**	**31,171,644**
19. Finance Costs		
Interest to Bank	-	396,913
Total	**-**	**396,913**

20. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

20.1. Summary of Significant Accounting Policies:

A. Basis of Preparation:

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India and the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 under historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the services rendered and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

C. Revenue recognition:

i) Revenue from software services is recognised under proportionate completion method for the services rendered and delivered as per the contracts entered.

ii) Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from products is stated exclusive of sales tax.

iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Rental income is recognised on accrual basis.

v) Insurance Claims are recognised as and when they are settled/admitted.

D. Fixed Assets:

i) Tangible Fixed assets are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction cost to the extent such expenditure is related to construction or is incidental thereto.

Direct expenditure during construction period attributable to the cost of assets under construction / erection is considered as capital work in progress.

ii) Computer software is classified as an "Intangible Asset".

E. Depreciation and Amortisation:

i) Depreciation on tangible fixed assets has been provided under Written down Value method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956.
ii) Intangible assets are amortized over their estimated useful life.
iii) Leasehold land is amortised equally over the lease period. The lease rentals are charged to revenue.

F. Foreign Currency Transactions:

i) Initial Recognition: Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.
ii) Conversion: Foreign currency monetary items are reported at the closing exchange rates on Balance Sheet date.
iii) **Exchange Differences:**
a) Exchange differences, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of assets and are depreciated over the balance life of the assets.
b) Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

G. Investments:

Investments intended to be held for more than one year are treated as long term and others as short-term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

H. Retirement benefits:

i) Defined Contribution Plan: Company's contribution paid/payable during the year to Provident Fund and Employees State Insurance Corporation are recognized in the Statement of Profit and Loss.
ii) Defined Benefit Plan: At each 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 which is measured at the present value of estimated future cash flows using a discount rate. Actuarial gain/ losses are recognized in the Statement of Profit and Loss as income or expense.

I. Earnings per share:

i) Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.
ii) Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

J. Taxes on Income:

Tax expense, comprising of current and deferred tax have been determined and charged to statement of Profit & Loss.

i) Current Tax:

Provision is made for income tax liability estimated to arise on profit for the year at the current rate of tax in accordance with the Income tax Act, 1961.

ii) Deferred Tax:

In accordance with the Accounting Standard – 22 (AS 22) "Accounting for Taxes on income, the company recognizes the deferred tax liability in the accounts, Deferred tax resulting from timing difference between book and tax profits is accounted for at the current rate of tax. Deferred tax asset is recognized only when there is virtual certainty, supported by convincing evidence, that such assets will be realised.

iii) Minimum Alternate Tax (MAT) Credit:

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax within the specified period and the MAT credit available can be utilised. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down if considered not recoverable within the specified period.

K. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

L. Business / Geographical Segments:

The Company is engaged in the business of Software development and service. Since the inherent nature of development of software and services all types are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

M. Provisions and Contingent Liabilities:

i) A provision is recognised when the Company has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

ii) Contingent liabilities are disclosed when there is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, and such liability that may arise is termed as a contingent liability.

N. Prior Period Expense/Income:

The company follows the practise of making adjustments through "Expenses/Income under/ over provided "in previous years in respect of material transactions pertaining to in that period prior to the current accounting year.

O. General:

Accounting policies not specifically referred to above are in consistent with the generally accepted accounting principles followed in India.

20.2. Employee benefits (AS-15):

The following tables summarize the components of net benefit recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective employee benefit plans.

a. Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	Current Year ₹	Previous Year ₹	Current Year ₹	Previous Year ₹
Current Service Cost	1,73,312	613,381	8,601	22,628
Interest Cost on benefit obligation	1,95,419	261,014	20,080	39,234
Net Actuarial (Gain)/Loss Recognized in the year	(8,03,000)	(332,199)	(68,137)	(134,492)
Past Service Cost	NIL	NIL	NIL	NIL
Expenses recognized in Statement of Profit & Loss	(4,34,269)	542,196	(39,456)	(72,630)

b. Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at Mar 31, 2013 ₹	As at Mar 31, 2012 ₹	As at Mar 31, 2013 ₹	As at Mar 31, 2012 ₹
Opening defined benefit obligation	31,37,026	3,732,755	3,50,670	527,815
Interest Cost	1,95,419	261,014	20,085	39,234
Current service cost	1,73,312	613,381	8,601	22,628
Benefits paid	15,35,156	1,137,925	2,14,551	104,515
Actuarial (Gain)/Loss on obligation	(8,03,000)	(332,199)	(68,137)	(134,492)
Closing defined benefit obligation	11,67,601	3,137,026	96,663	3,50,670

The principal assumptions used in determining gratuity and leave benefit obligation in the above plans are as under:

Particulars	**Current Year**	**Previous Year**
Discount Rate	8.25 %	8.60 %
Employee turnover	5.00 %	5.00 %
Further salary rise	7.00 %	7.00 %
Mortality	Indian Assured Lives Mortality(2006-08) Ultimate	LIC (1994 – 96) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

20.3. The Company is engaged in the business of Software. Since the inherent nature of all software jobs are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

20.4. Related Party Disclosures (AS-18):

Names of the related parties and nature of relationships and particulars of transactions with the said related parties during the year are as follows:

a) Name of related parties and description of relationship:

i) Key Management Personnel — Sri.Madala Bhaskara Rao, WTD.

ii) Subsidiary — SoftSol Resources Inc., USA

Note: Information of related parties and the relationship is as identified by the Company on the basis of information available with them and relied upon by the auditors.

b) Aggregate Related Party transactions

	Key Management Personnel ₹	**Subsidiaries** ₹
Remuneration (Incl. PF Contribution)	1417600	---
(Previous year)	(1437600)	---
Sales	---	13520467
(Previous year)	---	(31713980)
Trade receivables	---	---
(Previous year)	---	(9508785)

Note: As the liability for Gratuity is provided on actuarial basis for all the employees of the company as a whole, the amount pertaining to the Key Management Personnel is not ascertainable and therefore not included in the above.

20.5. Earnings per Equity Share (AS-20):

	Current Year ₹	Previous Year ₹
Net profit after tax (₹)	3,54,39,659	13,84,239
Weighted average number of equity shares	1,69,31,873	1,75,34,944
Basic Earnings per equity share ₹	2.09	0.08
Nominal value of shares (fully paid up) (₹)	10	10

20.6. In terms of Accounting Standard 22, Accounting for Taxes on Income, following are the components of deferred tax asset.

Particulars	Amount (₹)	
	Current Year	**Previous Year**
Deferred Tax Asset Component:		
Depreciation on fixed assets	2,17,94,213	2,00,87,621
Provision for gratuity	6,43,859	10,17,808
Provision for Leave encashment	82,918	1,13,775
Net Deferred Tax Asset	2,25,20,991	2,12,19,204
However, following prudence, no deferred tax asset has been recognized.		

20.7. Impairment of Assets (AS-28):

	Current Year ₹	Prev. Year ₹
i) Amount of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
ii) Amount of reversal of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
iii) Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv) Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

20.8. Contingent liabilities and commitments (AS-29):
(to the extent not provided for)

Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
A) Contingent liabilities:		
(i) Claims against the company not acknowledged as debt:- Disputed demands of Income-tax	NIL	2,49,59,584
(ii) Guarantees and letters of credit:- Guarantees given by the bankers	27,47,614	25,11,332
B) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for	1,50,00,000	1,20,00,000

20.9. Other explanatory information:

20.9.1. Additional Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable:

	Current year ₹	Previous year ₹
a) Value of Imports calculated on CIF Basis	Nil	Nil
b) Expenditure in Foreign Currency – Travel	Nil	1,70,109
c) Amount remitted during the year in foreign currency on account of dividends	Nil	Nil
d) Earnings in foreign exchange - Software	1,35,20,467	3,17,13,980

20.9.2. During the financial year 2005-06, the Govt. of A.P. allotted a land of one acre to the company, bearing Plot No.6, in Sy.No.408/1, I.T. Industries Layout, Madhurawada Village, Visakhapatnam District on outright sale basis under its ICT policy 2005-10 at a consideration of Rs.10.00 lakhs per acre vide MOU dt.13.06.2005 and Agreement for sale of land dt.23.02.2006. Accordingly, the company has paid the consideration and took possession of the same and started developing the same for its IT facility. Subsequently, on getting the permission from the Govt. of India for developing, operating and maintaining IT / ITES SEZ in the said land, the Govt. of A.P. converted the above sale of land into lease and fixed a one time lease payment of Rs.10.00 lakhs per acre and further fixed an annual lease rental of Rs.1,000/- per acre vide lease deed dated 05.02.2009. As per the above, the GOAP adjusted the amount of Rs.10.00 lakhs paid by the company towards sale consideration for the one time lease premium.

As per the lease deed, the land will be converted from leasehold to freehold after a period of 10 years from the execution of the above lease deed, subject to provisions of the SEZ Act, 2005 / SEZ Rules, 2006.

As the period of 10 years from the execution of the lease deed is not yet completed, the company is continuing to pay the annual lease rental of Rs.1,000/- and showing the land as a leasehold land in the fixed asset schedule.

20.9.3. Sundry Debtors include ₹ NIL (Previous year ₹95,08,785/-) due from SoftSol Resources Inc., a wholly owned foreign subsidiary of this company. Maximum amount outstanding at any time during the year is ₹1,35,20,467/-(Prev. Years ₹1,77,88,398/-)

20.9.4. In the opinion of the board, the assets other than fixed assets and non–current investments, have a value on realization in the ordinary course of business of atleast equal to the amount at which they are stated in the balance sheet.

20.9.5. As per the scheme of buyback of company's shares approved in financial year 2009-10, during the year, the company bought back 2,08,197 (Previous Year 5,58,586)equity shares at a total cost of ₹1,33,61,550/- (Previous Year ₹3,57,86,315/-). Towards this, an amount of ₹20,81,970/-, being the amount equivalent to the face value of shares bought back was transferred from statement of Profit & Loss to the Capital Redemption Reserve Account and an amount of ₹1,12,79,580/- (Prev. Year ₹3,02,00,455/-) being the amount equivalent to the difference amount between the face value and the actual consideration paid for the shares bought back, was utilized from the balance available in securities premium account.

20.9.6. Previous year's figures have been regrouped wherever necessary to conform to the layout adopted in the current year.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No:003621S)

For and on behalf of the Board

J.VENKATESWARLU
Partner
ICAI Ms.No.022481

Bhaskara Rao Madala
Whole time Director

Dr. T.Hanuman Chowdary
Director

Place: Hyderabad
Date: 27.05.2013

B.S.Srinivasan
Director

C.Lalitha
Company Secretary

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, 2012
2. Shares of Subsidiary Company held on the above date and extent of holding	
i) Number of Shares	13,120 Ordinary Shares ofUSD 100 each
ii) Extent of holding	100%
3. Net Aggregate Amount of Profits / (Losses) of the Subsidiary for rhe 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 (43,916)
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 94,749

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: 27-05-2013

B.S. Srinivasan
Director

C. Lalitha
Company Secretary

SoftSol Resources Inc., USA

Board of Directors

Mr. Srinivasa Rao Madala	President & CEO
Dr. Durga V.L.K. Madala	Director

Registered Office

46755, Frement Blvd.,
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 2012

Dear Members
Your Directors take pleasure in presenting their report for the financial year 2012

The Financial Highlights :

(USD in 000's)

Particulars	2012	2011
Total Revenue	13,478	13,873
Other Income	02	03
Total Operating Expense	13,556	13,731
Provision for Taxation	(32)	50
Net Profit	(44)	95

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
April 24, 2013

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, 2012, 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 of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opnion. An audit also 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, 2012, 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
Cerriots, CA 90703
April 24, 2013

BALANCE SHEET AS OF DECEMBER 31,2012

	As of 31.12.2012 in USD	As of 31.12.2012 in Rs.	As of 31.12.2011 in USD
		1USD = 54.39	
Assets			
Current Assets			
Cash	1,206,119	65,600,812	1,210,951
Accounts Receivable	1,693,077	92,086,458	2,330,858
Less: Allowance for doubtful Accounts	(96,120)	(5,227,967)	(115,964)
Employee Advances	20,053	1,090,683	23,979
Prepaid Federal Income Taxes	18,938	1,030,038	-
Prepaid State Income Taxes	2,466	134,126	-
Prepaid Expenses	53,778	2,924,985	70,595
Deffered tax asset	92,865	5,050,927	59,106
Total Current Assets	**2,991,176**	**162,690,063**	**3,579,525**
Property & Equipment			
Property and Equipment	278,245	15,133,746	275,598
Less: Accumulated Depreciation	(238,522)	(12,973,212)	(216,495)
Total Property & Equipment	**39,723**	**2,160,534**	**59,103**
Other Assets			
Intangible assets	30,000	1,631,700	30,000
Less: Accumulated Amortisation	(2,500)	(135,975)	(500)
Investments	100,000	5,439,000	-
Deferred Tax Assets-Non Current	5,313	288,974	755
Refundable Deposits	11,613	631,631	11,613
Total Other Assets	**144,426**	**7,855,330**	**41,868**
Total Assets	**3,175,325**	**172,705,927**	**3,680,496**
Liabilities and Stock Holders equity			
Current Liabilities			
Account Payable	615,254	33,463,665	1,166,930
Deferred Revenue	-	-	123,240
Accrued Expenses and Other Liabilities	235,682	12,818,744	22,021
Total Current Liabilities	850,936	46,282,409	1,312,191
Total Liabilities	**850,936**	**46,282,409**	**1,312,191**
Stockholders Equity			
Common Stock, $ 100 par, 1,000,000 shares authorised, 13,120 shares issued and outstanding	1,312,000	71,359,680	1,312,000
Retained Earnings	1,012,389	55,063,838	1,056,305
Total Stockholders Equity	2,324,389	126,423,518	2,368,305
Total Liabilities and Stockholders Equity	**3,175,325**	**172,705,927**	**3,680,496**

STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31,2012

	As of 31.12.2012 in USD	As of 31.12.2012 in Rs. 1USD = 52.77	As of 31.12.2011 in USD
Revenue			
Consulting Income	13,478,487	711,259,759	13,873,815
Total Revenue	**13,478,487**	**711,259,759**	**13,873,815**
Cost of Sales			
See Schedule I-Analysis of Cost of Sales	(11,305,810)	(596,607,594)	(11,805,039)
Gross Profit	**2,172,677**	**114,652,165**	**2,068,776**
Operating Expenses			
Selling Expenses			
See Schedule II-Analysis of Selling expenses	1,052,417	55,536,045	947,119
General & Administrative Expenses			
See Schedule III-Analysis of G & A Expenses	1,198,087	63,223,051	978,984
Total operating expenses	**2,250,504**	**118,759,096**	**1,926,103**
Income from opeartions	(77,827)	(4,106,931)	142,673
Other Income (Other Expenses)			
Other Income	2,231	117,730	1,014
Gain/(Loss) on disposal of equipment	-	-	1,589
Total Other Income	**2,231**	**117,730**	**2,603**
Income from Operations before Income Taxes	**(75,596)**	**(3,989,201)**	**145,276**
Provision for Income Taxes			
Federal Income Tax-Current	3,560	187,861	31,014
State Income Tax-Current	3,078	162,426	14,154
Federal Income Tax-Deferred	(29,586)	(1,561,253)	3,483
State Income Tax-Deferred	(8,731)	(460,735)	1,876
Total Provision for Income Tax	(31,679)	(1,671,701)	50,527
Net Income	**(43,917)**	**(2,317,500)**	**94,749**

Statement of Retained Earnings

	Common Stock	Retained Earnings	Total USD	Amount Rs.
Retained Earnings, January 1, 2012	1,312,000	1,056,305	2,368,305	128,812,109
Net Income		(43,916)	(43,916)	(2,317,500)
Retained Earnings, December 31, 2012	**1,312,000**	**1,012,389**	**2,324,389**	**126,494,609**

Schedule-I
Analysis of Cost of Sales

	As of 31.12.2012 in USD	As of 31.12.2012 in Rs.	As of 31.12.2011 in USD
Consulting Outsourced	5,377,419	283,766,401	6,120,024
Consulting Bonus	520,735	27,479,186	436,682
Holiday and Vacation pay-Consultants	93,022	4,908,771	97,849
Salaries & Wages -Consultants	4,347,818	229,434,356	4,231,972
Taxes-Payroll-Consultants	395,488	20,869,902	405,274
Per Diem - consultant	49,700	2,622,669	119,317
Insurance Medical & Dental	372,701	19,667,432	281,319
Reimbursement of Expenses	1,463	77,203	-
Leagal & Immigration-Consultants	117,668	6,209,340	84,757
Relocation Expenses	-	-	850
Others	-	-	15,840
Travel-Consultancy	29,796	1,572,335	11,155
Total Cost of Sales	**11,305,810**	**596,607,594**	**11,805,039**

Schedule-II
Analysis of Selling Expenses

	As of 31.12.2012 in USD	As of 31.12.2012 in Rs.	As of 31.12.2011 in USD
Salaries & Wages	638,973	33,718,605	554,335
Taxes-Payroll	38,773	2,046,051	37,074
Employees Bonus	239,006	12,612,347	253,436
Holiday and Vacation pay	47,895	2,527,419	38,482
Sales Commission	25,000	1,319,250	-
Travel -Sales	13,319	702,844	-
Insurance Medical & Dental	5,225	275,723	62,123
Business Development	44,226	2,333,806	1,669
Total Selling Expenses	**1,052,417**	**55,536,045**	**947,119**

Schedule-III

General & Administrative Expenses

	As of 31.12.2012 in USD	As of 31.12.2012 in Rs.	As of 31.12.2011 in USD
Auto Expenses	17,959	947,696	31,997
Adavertisement Expenses	-	-	9,030
Bad debt Expenses	-	-	295
Bank Charges	4,137	218,309	3,185
Charitable Contribution	300	15,831	500
Depreciation	24,027	1,267,905	31,301
Dues & Publication	4,932	260,262	4,478
Finance and Accounts	170,000	8,970,900	-
Frieght & Postage	3,866	204,009	2,665
Internet Access & Web Hosting	-	-	233
Insurance	96,450	5,089,667	45,928
Janitorial	7,242	382,160	6,977
Meals & Entertainment	4,360	230,077	12,997
Miscellaneous Expenses	-	-	97
Office Expenses	234	12,348	1,195
Officers Salaries & Wages	173,989	9,181,400	184,060
Outside Services	76,478	4,035,744	30,271
Professional Fees	47,295	2,495,757	36,812
Professional Development	2,395	126,384	23,100
Recruting	56,012	2,955,753	31,625
Relocation	-	-	1,550
Rent	136,910	7,224,741	124,997
Salaries & Wages	208,121	10,982,545	188,718
Repairs & Manitenance	-	-	2,180
Supplies	23,450	1,237,457	20,220
Taxes, Permits & Licenses	15,436	814,558	16,120
Taxes Payroll	19,831	1,046,482	17,431
Taxes-State Prior Year	721	38,047	409
Telephone	78,192	4,126,192	99,689
Travel	1,672	88,231	26,071
Utilites	24,078	1,270,596	24,853
Total General & Administrative Expenses	**1,198,087**	**63,223,051**	**978,984**

Statement of Cash Flow for the Year ended December 31, 2012

	Year Ended 31.12.2012 in USD	Year Ended 31.12.2012 in Rs.	Year Ended 31.12.2011 in USD
Cash Flows from Operating Activities			
Net Income	**(43,916)**	**(2,388,591)**	**94,749**
Adjustments to reconcile Net Income to Net Cash provided by Opertaions :			
Amortisation and Depreciation	24,027	1,306,829	31,301
Provision for Bad and Doubtful Accounts	-	-	295
Prior period adjustment	-	-	(29,286)
(Gain) /Losson disposal of equipment	-	-	(1,589)
Changes in Operating Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	617,937	33,609,593	96,511
Decrease/(Increase) in deferred tax assets	(38,317)	(2,084,062)	5,359
Increase in Pre paid Expenses	-	-	38,319
Decrease in Prepaid Expenses	16,816	914,622	-
Decrease in Prepaid Income Taxes	(21,404)	(1,164,164)	18,863
Increase in Employee Advances	3,925	213,481	(12,487)
Increase/Decrease in Accounts Payable	(551,675)	(30,005,603)	192,595
Increase in deferred revenue	(123,240)	(6,703,024)	123,240
Decrease in Accrued Liabilities	213,661	11,621,022	226
Net Cash Provided by (used in) Operating Activities	**97,814**	**5,320,103**	**558,096**
Cash Flow from Investing Activities :			
Acquisition of equipment	(2,646)	(143,916)	(31,719)
Proceeds from Property disposal		-	2,000
Investment in Securities	(100,000)	(5,439,000)	-
Net Cash provided by(used in) Investing Activities	**(102,646)**	**(5,582,916)**	**(29,719)**
Net Decrease in Cash & Cash Equivalents	**(4,832)**	**(262,812)**	**528,377**
Cash at the Beginning of the Year	**1,210,951**	**65,863,625**	**682,573**
Cash & Cash Equivalents at the end of the Year	**1,206,119**	**65,600,812**	**1,210,950**

Supplementary Disclosure

Income Tax paid during the Year	7,095	385,897	24,253

Notes to Financial Statements (Dec 31st, 2012)

Note - 1 - Nature of Business

SoftSol Resources, Inc. dba SoftSol Inc. (the "Company") 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. The Company 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

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, 2012 was $ 22,027.

Long-Lived Assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with FASB ASC No. 360, 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.

Intangible Assets

Intangible assets consist of the cost to acquire domain name "SoftSol.com" registered to a third party. It is being amortized on a straight-line basis over the estimated useful lives of 15 years. Amortization expense for the year 2012 is $ 2,000.

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.

Deferred Revenue

Advance payment received for services to be provided under contract agreements are deferred until the requisite service is provided and accepted, at which time revenue is considered earned and recognized.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC No. 740 "Accounting for Income Taxes", 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 2009-2011. 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

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 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 $9.19 million that accounts for 65% of the company's total revenue for the year. Accounts Receivable from Cisco as of December 31, 2012 is $603,506 which is 35.65% 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, 2012, the employee advances has balance of $ 20,053.

Note 5 - Investment

The Company invested $100,00 for a 98% stake in an India based company SoftSol Global Technologies Private Limited (SGTPL) which engages in IT services also.

Note 6 - 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., and Softsol India Limited. The Company also subleases it office space to STI.

SoftSol Global Technologies Private Limited (SGTPL) is majority owned foreign subsidiary of the Company and is providing offshore services to them.

Related party transactions were consummated 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, 2012 are as follows:

Softsol Technologies Inc.	Amount
Consulting Income	$ 939,525
Accounts Receivable	434,410
Rental and Other Income	475,200

Softsol India Limited	Amount
Consulting Outsourced	$ 426,012
Accounts Payable	-

Softsol Global Technologies Pvt. Ltd.,	Amount
Consulting Outsourced	$ 387,230
Accounts Payable	66,044

Note 7 - Commitments Under Operating Lease

On April 17, 2013 the Company had entered into agreement with Prologies Limited Partnership I to lease 6,825 square feet office located at 46755 Fremont Boulevard, Fremont, California. The lease has tem of five (5) years beginning June 1, 2013. The minimum lease payments under this operating lease are as follows.

Year	Amount
2013	$ 38,345
2014	63,178
2015	65,073
2016	67,025
2017	69,036

Rent expense totaled $ 136,910 for the year ended December 31, 2012.

Note 8 - 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 the tax bases of assets and liabilities.

All of the income before tax as shown in the Statement of Income for the year ended December 31,2012 is derived in the United States.

The components of income tax expense (benefit) relating to earning from operations for the year ended December 31, 2012 are as follows:

	Current	Deferred	Total
State	$ 3,078	$ (8,731)	$ (5,653)
Federal	3,560	(29,586)	(26,026)
Total	**$ 6,638**	**$ (38,317)**	**$ (31,679)**

The components of deffered tax assets as at December 31, 2012 are as follows:

Deferred tax assets - Current	
Capital loss	$ 5,492
Bad debt	37,487
Accrued salary and taxes	42,242
State income tax - current	923
State income tax - deferred	6,721
	92,865
Deferred tax assets - Noncurrent	
Depreciation - Federal	2,577
Depreciation - State	2,736
	5,313
Valuation Allowance	-
Net deferred tax asset	**$ 98,178**

Note 9 - Vacation Leave

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

Note 10 - Employee Pension Plan

The Company had a 401 (K) plan known as the SoftSol Resources & MedSoft, Inc. 401 (K) plan (the "Plan") which was terminated on December 31, 2001. Total accumulated contribution as of December 31, 2012 was $1,896 and is payable to participants.

A new 401 (k) plan known as Softsol Resources Inc. 401(k) Plan (Plan no. 7113353) was adapted effective October 1, 2005. The Plan is available to eligible employees through payroll deductions within statutory and plan limits. There is no matching contribution from the employer.

Note 11 - 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. The contributed amount will be used to reimburse the employees for their eligible medical expenses and childcare expenses. The Company has $15,474 as accumulated contributions into this account as of December 31, 2012.

Note 12 - 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 13 - Contingencies

There are no pending legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities as IT consultants. Legal reserves will be established in accordance with FASB ASC 450 (formerly knows 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, 2012.

Note 14 - Subsequent Events

Subsequent events have been evaluated through April 24, 2013, which is the date the financial statements were available to be issued.

Independent Auditor's Report

To the Board of Directors of
SoftSol India Limited

We have audited the accompanying consolidated financial statements of SoftSol India Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

for SARATHY & BALU
Chartered Accountants
(Firm Regn.No.003621S)

Place: Hyderabad
Date: 27.05.2013

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

CONSOLIDATED BALANCE SHEET AS AT 31.03.2013

Particulars	Note No	As at 31-03-2013 ₹	₹	As at 31-03-2012 ₹	₹
Equity and Liabilities					
(1) Shareholders' funds					
(a) Share capital	1	172,365,240		174,447,210	
(b) Reserves and surplus	2	1,688,344,545		1,667,687,676	
			1,860,709,785		**1,842,134,886**
(2) Non-current liabilities					
(a) Other Long term liabilities	3	39,778,498		57,395,414	
(b) Long-term provisions	4	1,135,456		2,968,141	
			40,913,954		**60,363,555**
(3) Current liabilities					
(a) Trade payables	5	35,203,502		50,179,685	
(b) Other current liabilities	6	27,054,152		6,154,944	
(c) Short-term provisions	7	128,808		519,555	
			62,386,462		**56,854,184**
Total			**1,964,010,201**		**1,959,352,625**
Assets					
(1) Non-current assets					
(a) Fixed assets					
(i)Tangible assets	8	357,729,389		378,414,450	
(ii)Intangible assets		879,359,644		888,517,363	
(iii)Capital work-in-progress		48,876,656		125,846	
(b) Non-current investments	9	5,439,000		-	
(c) Deferred tax assets (net)		5,339,901		3,061,890	
(d) Long-term loans and advances	10	39,757,912		80,588,657	
			1,336,502,502		**1,350,708,206**
(2) Current assets					
(a) Trade receivables	11	100,922,981		113,291,828	
(b) Cash and cash equivalents	12	486,523,823		457,041,661	
(c) Short-term loans and advances	13	6,387,999		5,809,498	
(d) Other current assets	14	33,672,896		32,501,432	
			627,507,699		**608,644,419**
Total			**1,964,010,201**		**1,959,352,625**

Significant accounting policies and notes on financial statements 1-20

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No. 003621S)

For and on behalf of Board of Directors

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

B.S.Srinivasan
Director

Place: Hyderabad
Date: 27.05.2013

C.Lalitha
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

Particulars	Note No	Year ended 31-03-2013 ₹	Year ended 31-03-2012 ₹
INCOME			
Revenue from operations	15	724,744,055	663,168,357
Other income	16	123,371,797	110,455,986
Total		**848,115,852**	**773,624,343**
EXPENSES			
Purchse of Traded goods & Support Services		10,019,358	
Employee benefits expense	17	422,574,452	404,354,464
Other expenses	18	342,769,222	318,508,755
Finance costs	19	-	396,913
Depreciation and amortization expense	8	32,957,083	36,425,877
Total		**808,320,115**	**759,686,009**
Profit before exceptional and extraordinary items and tax		**39,795,737**	**13,938,334**
Exceptional items		-	-
Profit before extraordinary items and tax		**39,795,737**	**13,938,334**
Extraordinary Items		-	-
Profit before tax		**39,795,737**	**13,938,334**
Tax expense:			
i) Current tax		7,128,299	2,765,190
ii) Prior period taxes / (credits)		(454,721)	
Profit after tax for the year		**33,122,159**	**11,173,144**
Earnings per equity share			
- Basic (Rs.)		1.96	0.66
- Diluted (Rs.)		1.96	0.66

Significant accounting policies and notes on financial statements	1-20	

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No. 003621S)

For and on behalf of Board of Directors

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

B.S.Srinivasan
Director

Place: Hyderabad
Date: 27.05.2013

C.Lalitha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		Year ended 31-03-2013 ₹	Year ended 31-03-2012 ₹
A	**CASH FLOW FROM OPERATIANG ACTIVITIES:**		
	Net Profit before Tax and Extraordinary Items	39,795,737	13,938,334
	Adjustments for :		
	Depreciation	32,957,083	36,425,877
	Prior Period Adjustment	-	(1,497,979)
	Provision for bad and doubtful debts	-	15,089
	Interest	(46,097,040)	(33,793,950)
	Provision for Leave Encashment	-	16,932
	Provision for Gratuity	-	68,493
	Foreign exchange fluctuation gain	3,891,313	(2,581,913)
	Excess Provision written back	(4,152,195)	(858,299)
	Profit on sale of assets	-	(264,645)
	Operating Profit before Working Capital changes	**26,394,898**	**11,467,940**
	Adjustments for Working Capital:		
	Trade and other receivables	64,627,335	10,667,119
	Trade and other payables	(16,822,333)	11,902,197
	Net Cash generated from operations	**74,199,899**	**34,037,256**
	Tax paid	(9,921,802)	(1,450,348)
	Net Cash flow from Operating Activities	**64,278,097**	**32,586,908**
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest Received	43,736,836	21,159,244
	Purchase of Fixed Assets	(60,404,835)	(16,840,633)
	Sale of Fixed Assets	-	399,300
	Purchase of Investments	(5,439,000)	-
	Net Cash flow from Investing Activities	**(22,106,999)**	**4,717,911**
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Extraordinary Items : Buy Back of Equity Shares	(13,361,550)	(35,786,315)
	Interest Paid	-	(396,913)
	Net Cash used in Financing Activities	**(13,361,550)**	**(36,183,228)**
	Net Increase in Cash and Cash Equivalents	**28,809,548**	**1,121,592**
	Cash and cash Equivalants as at beginning of the year	454,530,329	453,408,737
	Cash and cash Equivalants as at end of the year	**483,339,877**	**454,530,329**

The above cash flow statement has been prepared using indirect method, in accordance with AS-3, Cash flow statements. Previous year figures have been restated wherever necessary to conform to this year's classification.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No. 003621S)

For and on behalf of Board of Directors

J. VENKATESWARLU
Partner
ICAI Ms. No.022481

Bhaskara Rao Madala
Wholetime Director

Dr. T. Hanuman Chowdary
Director

B.S.Srinivasan
Director

Place: Hyderabad
Date: 27.05.2013

C.Lalitha
Company Secretary

Particulars	As at 31-03-2013 Number of shares	₹	As at 31-03-2012 Number of shares	₹
1.Share Capital				
Authorised:				
Equity Shares of Rs 10/- each.	50,000,000	500,000,000	50,000,000	500,000,000
Issued, subscribed and paid up:				
As per last Balance sheet				
Equity Shares of Rs 10/- each fully paid up	17,030,710	170,307,100	17,589,296	175,892,960
Equity Shares of Rs.10/-each, Rs.5/- Paid-up	28,200	141,000	28,200	141,000
Forfeited shares (amount originally paid-up)	799,822	3,999,110	799,822	3,999,110
	17,858,732	174,447,210	18,417,318	180,033,070
Less: Bought Back during the year	208,197	2,081,970	558,586	5,585,860
Closing Balance	**17,650,535**	**172,365,240**	**17,858,732**	**174,447,210**

The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share.

a. Details of share holders holding morethan 5% of total number of shares

Name of the Share Holder	As at 31-03-2013 Number of Shares held	% to paid up capital	As at 31-03-2012 Number of Shares held	% to paid up capital
Softsol Technologies Inc.	8,875,444	52.11%	8,875,444	52.11%
Sambasiva Rao Madala	904,715	5.31%	904,715	5.31%
Adalat Corporation	259,370	15.24%	259,370	15.24%
B.Prameela	259,369	15.24%	259,369	15.24%

b. Reconciliation of Number of Shares (fully paid-up):

Name of the Share Holder	As at 31-03-2013 Number of Equity Shares of Rs. 10 each	₹	As at 31-03-2012 Number of Equity Shares of Rs. 10 each	₹
Shares of fully paid-up outstanding at the begining of the year	17,030,710	170,307,100	17,589,296	175,892,960
Add: Shares Issued during the year	-	-	-	-
	17,030,710	170,307,100	17,589,296	175,892,960
Less: Shares bought back during the year	208,197	2,081,970	558,586	5,585,860
Shares outstanding at the end of the year	**16,822,513**	**168,225,130**	**17,030,710**	**170,307,100**

(c) Calls unpaid on equity shares:

Particulars	As at 31-03-2013 Number of Equity Shares	₹	As at 31-03-2012 Number of Equity Shares	₹
(i) Calls unpaid by Directors and Officers	NIL	NIL	NIL	NIL
(ii) Others (@ Rs.5/- per share)	28,200	141,000	28,200	141,000
Total	**28,200**	**141,000**	**28,200**	**141,000**

(d) Forfeited Shares (Amount originally paid up):

Particulars	As at 31-03-2013 Number of Equity Shares	₹	As at 31-03-2012 Number of Equity Shares	₹
Equity shares of partly paid-up, forfeited in earlier years	799,822	3,999,110	799,822	3,999,110
Total	**799,822**	**3,999,110**	**799,822**	**3,999,110**

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
2. Reserves and Surplus		
(a) Capital Redemption Reserve		
Balance as per last Balance sheet	15,968,980	10,383,120
Add: Transfer from Statement of Profit & Loss, amount equivalent to the face value of shares bought back	2,081,970	5,585,860
Closing Balance(a)	**18,050,950**	**15,968,980**
(b) Securities Premium Reserve		
Balance as per last Balance sheet	681,393,158	711,593,613
Less: Amount utilised towards consideration paid over and above the face value of equity shares bought back during the year	11,279,580	30,200,455
Closing Balance(b)	**670,113,578**	**681,393,158**
(c) General Reserve		
Balance as per last Balance sheet	69,690,129	69,690,129
Closing Balance(c)	**69,690,129**	**69,690,129**
(d) Foreign Currency Translation Reserve		
Balance as per last Balance sheet	-	-
Add: Movement during the year	16,159,921	-
Closing Balance(d)	**16,159,921**	**-**
(e) Surplus in Statement of Profit and Loss		
Balance as per last Balance sheet	900,635,409	895,048,125
Add: Profit for the year	33,122,159	11,173,144
Less: (i) Transfer to Foreign currency translation reserve	(1,390,363)	-
(ii) Pre-aquisition reserve transferred to Goodwill	(15,955,267)	-
(iii) Transfer to Capital redemption reserve towards face value of shares bought back	(2,081,970)	5,585,860
Closing Balance(e)	**914,329,967**	**900,635,409**
Total (a+b+c+d+e)	**1,688,344,545**	**1,667,687,676**

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
3.Other Long Term Liabilities		
Deposits	37,734,857	49,097,660
Deferred Revenue	-	6,303,726
Liabilities for Capital Goods	2,043,641	1,994,028
Total	**39,778,498**	**57,395,414**
4. Long-term provisions		
Provision for employee retirement benefits:		
Gratuity	1,089,339	2,649,526
Leave Encashment	46,117	318,615
Total	**1,135,456**	**2,968,141**
5.Trade Payables		
Trade Payables-Unsecured		
(a) Due to Micro, Small and Medium Enterprises	-	-
(b) Others	35,203,502	50,179,685
Total	**35,203,502**	**50,179,685**

Notes:

(i) There are no defaults as on the balance sheet date in payment of trade payables.

(ii) Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company

(iii) Disclosures relating to dues payable to Micro, Small and Medium Enterprises:

(a) Principal amount due and remaining unpaid	-	-
(b) Interest due on above and the unpaid interest	-	-
(c) Interest Paid	-	-
(d) Payments made beyond the appointment day during the year	-	-
(e) Interest due and payable for the period of delay	-	-
(f) Interest accrued and remaining unpaid	-	-
(g) Amount of further interest remaining due & payable in succeeding years	-	-

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
6. Other current liabilities		
Other Payables:		
Expenses Payable	16,049,505	4,308,803
Overdraft in current account with bank (cheques issued but not presented)	11,004,647	1,846,141
Total	**27,054,152**	**6,154,944**
7. Short-term provisions		
Provision for employee benefits:		
Gratuity	78,262	487,500
Leave Encashment	50,546	32,055
Total	**128,808**	**519,555**

8. FIXED ASSETS

Sl. No	Particulars	Gross Block: As at 01.04.2012 ₹	Gross Block: Additions ₹	Gross Block: Deductions ₹	Gross Block: Foreign exchange adjustment ₹	Gross Block: As at 31.03.2013 ₹	DEPRECIATION: As at 31.03.2012 ₹	DEPRECIATION: For the year ₹	DEPRECIATION: On Deductions ₹	DEPRECIATION: Foreign exchange adjustment ₹	DEPRECIATION: TOTAL AS AT 31.03.2013 ₹	NET BLOCK: AS AT 31.03.2013 ₹	NET BLOCK: AS AT 31.03.2012 ₹
A	**TANGIBLE ASSETS:**												
1	**Land :**												
	Own	13,918,307	-	-	-	13,918,307	-	-	-		-	13,918,307	13,918,307
	Leasehold (see Note No.20.10.1)	5,540,142	-	-	-	5,540,142	223,844	55,961	-		279,805	5,260,337	5,316,298
2	Building	303,595,703	-	-	-	303,595,703	57,533,682	12,303,101	-		69,836,783	233,758,920	246,062,021
3	Plant & Equipment												
	a) Computers	30,467,704	-	-	-	30,467,704	28,790,028	671,070	-		29,461,098	1,006,606	1,677,676
	b) Others	131,430,167	1,605,808	-	-	133,035,975	57,924,258	11,250,561	-		69,174,819	63,861,156	73,505,909
4	Furniture & Fixtures	55,684,625	9,858,537	-	-	65,543,162	29,134,101	5,544,983	-		34,679,084	30,864,078	26,550,524
5	Office Equipment	11,781,161	45,764	-	-	11,826,925	6,243,154	776,299	-		7,019,453	4,807,472	5,538,007
6	Vehicles	8,818,183	-	-	-	8,818,183	5,997,637	730,240	-		6,727,877	2,090,306	2,820,546
7	Library Books	18,592	-	-	-	18,592	16,549	370	-		16,919	1,673	2,043
8	Subsidiary's assets	14,096,838	143,970	-	892,938	15,133,746	11,073,719	1,162,365	-	737,128	12,973,212	2,160,534	3,023,118
	TOTAL-A	575,351,422	11,654,079	-	892,938	587,898,439	196,936,972	32,494,950	-	737,128	230,169,050	357,729,389	378,414,449
	Previous year	549,145,330	27,953,453	1,747,361	-	575,351,422	162,545,254	36,025,447	1,633,729	-	196,936,972	378,414,449	386,062,154
B	**INTANGIBLE ASSETS:**												
1	Computer Software	2,871,917	-	-		2,871,917	2,158,732	356,593	-	-	2,515,325	356,592	713,185
2	Goodwill	886,295,253	-	-	(8,787,926)	877,507,327	-	-	-	-	-	877,507,327	886,295,253
3	Subsidiary's assets	1,534,500	-	-	97,200	1,631,700	25,575	105,540	-	4,860	135,975	1,495,725	1,508,925
	TOTAL-B	890,701,670	-	-	(8,690,726)	882,010,944	2,184,307	462,133	-	4,860	2,651,300	879,359,644	888,517,363
	Previous year	888,396,730	2,304,940	-	-	890,701,670	1,783,877	400,430	-	-	2,184,307	888,517,363	895,140,855

Foreign exchange adjustments represents exchange differences resulting from translation of fixed assets relating to non-integral foreign operations.

Particulars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
9. Non-current investments		
Other Non-current investments - (Non trade - Unquoted)		
Investments in subsidiary:		
5,52,275 equity shares of Rs.10/- each fully paid-up in SoftSol Global Technologies Private Limited	5,439,000	-
Total	**5,439,000**	**-**
Note: Aggregate amount of unquoted investments	5,439,000	-
10. Long-term loans and advances		
a) Unsecured, Considered Good		
Capital Advances	120,183	33,054,127
Rental Advances	-	10,000
EMDs	90,000	-
MAT Credit	-	8,050,000
Security Deposits	4,335,201	3,804,475
Intercorporate Loans	-	2,153,537
Advance Income Tax (Net off provisions)	35,212,528	33,516,518
Total	**39,757,912**	**80,588,657**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member	NIL	NIL
11. Trade Receivables		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	106,150,948	119,223,387
	106,150,948	119,223,387
Less: Provision for bad and doubtful debts	5,227,967	5,931,559
Total	**100,922,981**	**113,291,828**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member	NIL	NIL
12. Cash and Bank Balances		
(a) Cash and Cash Equivalents:		
i) Cash on hand	37,687	42,861
ii) Balance with scheduled banks		
- In Current Accounts	69,302,190	64,846,220
- In Fixed Deposits, maturing in less than twelve months	414,000,000	389,641,248
(b) Other Bank Balances:		
Fixed Deposits with Banks held as margin money for Bank Guarantees-maturity peiod of more than 12 months	3,183,946	2,511,332
Total	**486,523,823**	**457,041,661**

Particnlars	As at 31-03-2013 ₹	As at 31-03-2012 ₹
13. Short-term loans and advances		
Unsecured, Considered Good		
Staff Advances	1,092,683	1,227,526
Prepaid Expenses	3,745,235	4,576,544
Service tax Input Credit	1,550,081	-
Advance for Expenses	-	5,428
Total	**6,387,999**	**5,809,498**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member	NIL	NIL
14. Other current assets		
Rent Receivable	6,705,707	6,680,761
Interest acrrued on Bank Deposits	26,967,189	24,606,986
Advance for Buy back of Shares	-	1,213,685
Total	**33,672,896**	**32,501,432**
Note: Due by Directors or other officers of the company or any of them either severally or jointly with any persons or due by firms/ private companies in which any director is a partner or a director or a member	NIL	NIL

Particulars	Year ended 31-03-2013 ₹	Year ended 31-03-2012 ₹
15. Revenue from operations		
Sale of Software Products / Services:		
Exports (Services)	711,259,759	663,168,357
Products (domestic)	13,452,296	-
Services (domestic)	32,000	-
Total	**724,744,055**	**663,168,357**
16. Other Income		
Interest Income	43,925,376	34,190,863
Interest on IT refund	2,171,664	-
Rent	71,367,019	68,718,826
Profit on sale of assets	-	259,322
Excess Provision written back	2,241,910	858,299
Foreign exchange fluctuation gain(net)	334,272	6,368,207
Miscellaneous receipts	1,421,271	60,469
Credit Balances Written in	1,910,285	-
Total	**123,371,797**	**110,455,986**

Particulars	Year ended 31-03-2013 ₹	Year ended 31-03-2012 ₹
17. Employee Benefits		
Salaries and Wages	419,932,200	398,758,490
Contribution to provident and other funds	763,798	2,353,417
Staff welfare expenses	1,878,454	3,242,557
Total	**422,574,452**	**404,354,464**
18. Other Expenses		
Power and fuel	12,531,275	4,337,366
Rent	7,234,741	6,026,857
Repairs to : Buildings	5,026,160	1,589,978
: Machinery	6,391,754	7,216,884
: Others	489,453	744,463
Consulting Outsource	270,245,934	260,823,167
Insurance	5,454,289	2,548,740
Rates and taxes	5,186,589	4,206,213
Payments to Auditor for : Satutory Audit	84,270	84,270
: Tax matters	28,090	49,635
: Others	95,506	-
Legal and Professional Charges	9,028,613	6,239,734
Director's Sitting Fee	60,000	75,000
Internet & Communication Expenses	6,474,279	8,017,024
Fees and Subscriptions	122,883	112,800
Travelling Expenses	2,009,329	4,248,587
Staff training & Recruitment Charges	36,800	2,076,097
Advertisement Charges	145,847	495,165
Shares Buy Back Expenses	462,022	979,633
Commission	3,279,834	745,980
Printing & Stationery	237,583	255,950
Security vice Charges	2,073,715	2,536,896
Advances written off	2,158,964	-
Bad Debts	-	14,101
Donations	15,831	23,900
Miscellaneous expenses	3,895,462	5,060,315
Total	**342,769,222**	**318,508,755**
19. Finance Costs		
Interest expense	-	396,913
Total	**-**	**396,913**

20. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

20.1. Consolidated Financial Statements have been prepared to meet the requirements of Clause 32 of the Listing Agreement with the Stock Exchange.

i) Basis of Consolidation:

The Consolidation of accounts is done in accordance with the requirements of Accounting Standard (AS 21) "Consolidation of financial Statements" notified under Sec.211(3C) of the Companies Act,1956. Financial statements of subsidiary was prepared for the year ended 31st December 2012 and the same have been adopted for consolidation.

ii) Companies included in Consolidation:

The Consolidated Financial Statements include the financial statements of SoftSol India Limited as at 31.03.2013 and SoftSol Resources Inc. USA, A wholly owned subsidiary, incorporated in United State of America as at 31.12.2012.

iii) Principles of Consolidation:

The Consolidated Financial statements have been prepared based on a line by line consolidation of Statement of profit and loss and balance sheet. All inter-company balances and transactions have been eliminated on consolidation.

The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognized in the financial statements as goodwill / capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

20.2. Summary of Significant Accounting Policies:

A. Basis of Preparation:

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India and the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 under historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the services rendered and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

C. Revenue recognition:

i) Revenue from software services is recognised under proportionate completion method for the services rendered and delivered as per the contracts entered.

ii) Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from products is stated exclusive of sales tax.

iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Rental income is recognised on accrual basis.

v) Insurance Claims are recognised as and when they are settled/admitted.

D. Fixed Assets:

i) Tangible Fixed assets are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction/ erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction cost to the extent such expenditure is related to construction or is incidental thereto.

Direct expenditure during construction period attributable to the cost of assets under construction / erection is considered as capital work in progress.

ii) Computer software is classified as an "Intangible Asset".

E. Depreciation and Amortisation:

i) Depreciation on tangible fixed assets has been provided under Written down Value method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956.

ii) Intangible assets are amortized over their estimated useful life.

iii) Leasehold land is amortised equally over the lease period. The lease rentals are charged to revenue.

F. Foreign currency transactions and translation of financial statements of foreign subsidiaries:
Foreign currency transactions

i) Initial Recognition: Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.

ii) Conversion: Foreign currency monetary items are reported at the closing exchange rates on Balance Sheet date.

iii) Exchange Differences:

a) Exchange differences, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of assets and are depreciated over the balance life of the assets.

b) Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

Foreign operations

In accordance with AS – 11 (Revised 2003) "The Effect of Changes in Foreign Exchange rates", the financial statements of non-integral foreign operations are translated into Indian rupees as follows:

All assets and liabilities, both monetary and non-monetary, are translated using the closing rate;

Income and expense items are translated at average rate.

The resulting net exchange difference is credited or debited to a foreign currency translation reserve.

G. Investments:

Investments intended to be held for more than one year are treated as long term and others as short-term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

H. Retirement benefits:

i) Defined Contribution Plan: Company's contribution paid/payable during the year to Provident Fund and Employees State Insurance Corporation are recognized in the Statement of Profit and Loss.

ii) Defined Benefit Plan: At each 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 which is measured at the present value of estimated future cash flows using a discount rate. Actuarial gain/ losses are recognized in the Statement of Profit and Loss as income or expense.

I. Earnings per share:

i) Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

ii) Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

J. Taxes on Income:

Tax expense, comprising of current and deferred tax have been determined and charged to statement of Profit & Loss.

i) Current Tax:

Provision is made for income tax liability estimated to arise on profit for the year at the current rate of tax in accordance with the Income tax Act, 1961.

ii) Deferred Tax:

In accordance with the Accounting Standard – 22 (AS 22) "Accounting for Taxes on income, the company recognizes the deferred tax liability in the accounts, Deferred tax resulting from timing difference between book and tax profits is accounted for at the current rate of tax. Deferred tax asset is recognized only when there is virtual certainty, supported by convincing evidence, that such assets will be realised.

iii) Minimum Alternate Tax (MAT) Credit:
MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax within the specified period and the MAT credit available can be utilised. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down if considered not recoverable within the specified period.

K. Impairment of Assets:
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

L. Business / Geographical Segments:
The Company is engaged in the business of Software development and service. Since the inherent nature of development of software and services all types are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

M. Provisions and Contingent Liabilities:

i) A provision is recognised when the Company has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

ii) Contingent liabilities are disclosed when there is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, and such liability that may arise is termed as a contingent liability.

N. Prior Period Expense/Income:
The company follows the practise of making adjustments through "Expenses/Income under/ over provided "in previous years in respect of material transactions pertaining to in that period prior to the current accounting year.

O. General:
Accounting policies not specifically referred to above are in consistent with the generally accepted accounting principles followed in India.

20.3. Employee benefits (AS-15):
The following tables summarize the components of net benefit recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective employee benefit plans.

a. Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	Current Year ₹	Previous Year ₹	Current Year ₹	Previous Year ₹
Current Service Cost	1,73,312	613,381	8,601	22,628
Interest Cost on benefit obligation	1,95,419	261,014	20,080	39,234
Net Actuarial (Gain)/Loss Recognized in the year	(8,03,000)	(332,199)	(68,137)	(134,492)
Past Service Cost	NIL	NIL	NIL	NIL
Expenses recognized in Statement of Profit & Loss	(4,34,269)	542,196	(39,456)	(72,630)

b. Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at Mar 31, 2013 ₹	As at Mar 31, 2012 ₹	As at Mar 31, 2013 ₹	As at Mar 31, 2012 ₹
Opening defined benefit obligation	31,37,026	3,732,755	3,50,670	527,815
Interest Cost	1,95,419	261,014	20,085	39,234
Current service cost	1,73,312	613,381	8,601	22,628
Benefits paid	15,35,156	1,137,925	2,14,551	104,515
Actuarial (Gain)/Loss on obligation	(8,03,000)	(332,199)	(68,137)	(134,492)
Closing defined benefit obligation	11,67,601	3,137,026	96,663	3,50,670

The principal assumptions used in determining gratuity and leave benefit obligation in the above plans are as under:

Particulars	Current Year	Previous Year
Discount Rate	8.25 %	8.60 %
Employee turnover	5.00 %	5.00 %
Further salary rise	7.00 %	7.00 %
Mortality	Indian Assured Lives Mortality(2006-08)Ultimate	LIC (1994 – 96) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

20.4. The Company is engaged in the business of Software. Since the inherent nature of all software jobs are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard – 17, Segment Reporting.

20.5. Related Party Disclosures (AS-18):

Names of the related parties and nature of relationships and particulars of transactions with the said related parties during the year are as follows:

a) Name of related parties and description of relationship:

i) Key Management Personnel Sri.Madala Bhaskara Rao, WTD.

Note: Information of related parties and the relationship is as identified by the Company on the basis of information available with them and relied upon by the auditors.

b) Aggregate Related Party transactions:

	Current Year ₹	Previous Year ₹
Remuneration to Key Management Personnel (Incl. PF Contribution)	14,17,600	14,37,600

Note: As the liability for Gratuity is provided on actuarial basis for all the employees of the company as a whole, the amount pertaining to the Key Management Personnel is not ascertainable and therefore not included in the above.

20.6. Earnings per Equity Share (AS-20):

	Current Year ₹	Previous Year ₹
Net profit after tax (₹)	3,31,22,159	1,11,73,144
Weighted average number of equity shares	1,69,31,873	1,70,44,810
Basic Earnings per equity share ₹	1.96	0.66
Nominal value of shares (fully paid up) (₹)	10	10

20.7. In terms of Accounting Standard 22, Accounting for Taxes on Income, following are the components of deferred tax asset.

Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
Deferred Tax Asset Component:		
Depreciation on fixed assets	2,17,94,213	2,00,87,621
Provision for gratuity	6,43,859	10,17,808
Provision for Leave encashment	82,918	1,13,775
Net Deferred Tax Asset	2,25,20,991	2,12,19,204
However, following prudence, no deferred tax asset has been recognized in the parent company. On consideration of virtual certainty, deferred tax asset has been recognised in subsidiary.		

20.8. Impairment of Assets (AS-28):

	Current Year ₹	Prev. Year ₹
i) Amount of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
ii) Amount of reversal of impairment losses recognized in the Statement of Profit & Loss	Nil	Nil
iii) Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv) Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

20.9. Contingent liabilities and commitments (AS-29):
(to the extent not provided for)

Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
A) Contingent liabilities: (i) Claims against the company not acknowledged as debt:- Disputed demands of Income-tax	NIL	2,49,59,584
(ii) Guarantees and letters of credit:- Guarantees given by the bankers	27,47,614	25,11,332
B) Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for	1,50,00,000	1,20,00,000

20.10. Other explanatory information:

20.10.1. During the financial year 2005-06, the Govt. of A.P. allotted a land of one acre to the company, bearing Plot No.6, in Sy.No.408/1, I.T. Industries Layout, Madhurawada Village, Visakhapatnam District on outright sale basis under its ICT policy 2005-10 at a consideration of Rs.10.00 lakhs per acre vide MOU dt.13.06.2005 and Agreement for sale of land dt.23.02.2006. Accordingly, the company has paid the consideration and took possession of the same and started developing the same for its IT facility. Subsequently, on getting the permission from the Govt. of India for developing, operating and maintaining IT / ITES SEZ in the said land, the Govt. of A.P. converted the above sale of land into lease and fixed a one time lease payment of Rs.10.00 lakhs per acre and further fixed an annual lease rental of Rs.1,000/- per acre vide lease deed dated 05.02.2009. As per the above, the GOAP adjusted the amount of Rs.10.00 lakhs paid by the company towards sale consideration for the one time lease premium.

As per the lease deed, the land will be converted from leasehold to freehold after a period of 10 years from the execution of the above lease deed, subject to provisions of the SEZ Act, 2005 / SEZ Rules, 2006.

As the period of 10 years from the execution of the lease deed is not yet completed, the company is continuing to pay the annual lease rental of Rs.1,000/- and showing the land as a leasehold land in the fixed asset schedule.

20.10.2. In the opinion of the board, the assets other than fixed assets and non–current investments, have a value on realization in the ordinary course of business of atleast equal to the amount at which they are stated in the balance sheet.

20.10.3. As per the scheme of buyback of company's shares approved in financial year 2009-10, during the year, the company bought back 2,08,197 (Previous Year ₹5,58,586)equity shares at a total cost of ₹1,33,61,550/- (Previous Year ₹3,57,86,315/-). Towards this, an amount of ₹20,81,970/-, being the amount equivalent to the face value of shares bought back was transferred from statement of Profit & Loss to the Capital Redemption Reserve Account and an amount of ₹1,12,79,580/- (Prev. Year ₹3,02,00,455/-) being the amount equivalent to the difference amount between the face value and the actual consideration paid for the shares bought back, was utilized from the balance available in securities premium account.

20.10.4. Previous year's figures have been regrouped wherever necessary to conform to the layout adopted in the current year.

Per our report of even date
for SARATHY & BALU
Chartered Accountants
(Firm Regn.No:003621S)

For and on behalf of the Board

J.VENKATESWARLU
Partner
ICAI Ms.No.022481

Bhaskara Rao Madala
Whole time Director

Dr. T.Hanuman Chowdary
Director

Place: Hyderabad
Date: 27.05.2013

B.S.Srinivasan
Director

C.Lalitha
Company Secretary