

BOARD OF DIRECTORS

Mr. G. Parmeswara Rao	- Chairman
Mr. Sai Gundavelli	- Managing Director & CEO
Mr. G. R. Venugopala Chary	- Independent Director
Mr. Khalik Ashwin	- Independent Director (Resigned on 11.02.2011)
Dr. Rafiq K Dossani	- Independent Director (Appointed on 12.11.2010)
Mr. Jnana Ranjan Dash	- Independent Director (Appointed on 11.02.2011)
Mrs. Veena Gundavelli	- Director (Appointed on 11.02.2011)
Mr. T. Maheshwar Rao	- Executive Director

COMPLIANCE OFFICER

Mr. Sulabh Mishra	- Company Secretary
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REGISTERED & CORPORATE OFFICE

1486 (12-13-522), Lane No. 13,
Street No. 14, Tarnaka,
Secunderabad - 500 017.
Phone No.: 040-2717 0822, Fax No.: 040-2717 3240
<http://www.solix.in>

AUDITORS

M/s. Ramu & Ravi,
Chartered Accountants
814, 8th Floor, Raghava Ratna Towers,
Chirag Ali Lane, Abids,
Hyderabad - 500 001.

BANKERS

Axis Bank Limited,
Citibank, NA.
State Bank of Hyderabad
Union Bank of India

SHARE TRANSFER AGENTS

M/s.Venture Capital and Corporate Investments Limited
12-10-167, Bharatnagar,
Hyderabad - 500 018.
Phone Nos.: 040-23818475 / 476
Fax No.: 040-23868024
<http://www.vccipl.com>

CONTENTS	Page No.
Notice of Annual General Meeting	3
Directors' Report	11
Solix Intangible Assets	18
Management Discussion and Analysis	26
Corporate Governance Report	31
Auditors' Certificate on Corporate Governance	41
CEO/CFO Certificate	43
Auditors' Report	45
Financial Statements	49
Notes to Accounts	55
Cash Flow Statement	61
Balance Sheet Abstract and Company's General Business Profile	64
Statement under Section 212 of the Companies Act, 1956	65
CONSOLIDATED ACCOUNTS	
Auditors' Report	66
Consolidated Financial Statements	68
Consolidated Notes to Accounts	74
Consolidated Cash Flow Statement	81
Notes	84
Proxy / Attendance	87

NOTICE OF ANNUAL GENERAL MEETING

NOTICE TO MEMBERS

Notice is hereby given to all the members of the Company that the Thirty First Annual General Meeting of **SOLIX TECHNOLOGIES LIMITED** will be held on Friday 30th September 2011, at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad-500 003 at 3.00 PM to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. To appoint a Director in the place of Dr. Rafiq K. Dossani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. G. R. Venugopala Chary, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and fix their remuneration and for that purpose to pass the following resolution with or without any modifications as an ORDINARY RESOLUTION.

“RESOLVED THAT M/s. Ramu and Ravi, Chartered Accountants, Hyderabad (Firm Registration Number 006610S.) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. **To Consider and if thought fit, to pass the following resolution with or without modification, as an ORDINARY RESOLUTION:**

“RESOLVED THAT Mr. Jnana Ranjan Dash, who was appointed as an Additional Director on 11th February, 2011 under the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.”

6. **To Consider and if thought fit, to pass the following resolution with or without modification, as an ORDINARY RESOLUTION:**

“RESOLVED THAT Mrs. Veena Gundavelli, who was appointed as an Additional Director on 11th February 2011 under the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, in writing, proposing her candidature for the office of a Director be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.”

7. To Consider and if thought fit, to pass the following resolution with or without modification, as a SPECIAL RESOLUTION:

“RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and pursuant to the provisions of Schedule XIII of the Companies Act 1956 and subject to such approvals and permissions as may be required, Mr. T. M. Rao, Executive Director be and is hereby re-appointed for a further term of 5 (five) years w.e.f. 25th June, 2011 with a remuneration as approved and recommended by the Remuneration Committee set out hereunder including remuneration to be paid in case of inadequacy of profits, absence of profits or no profits, upon terms and conditions and at such remuneration for a period of three years i.e. up to 25th June, 2014, as approved by the Remuneration Committee.

REMUNERATION

- a) **Period of appointment:** 5 (Five) years from 25th June, 2011 to 24th June, 2016.
- b) **Salary:** The salary of Mr. T. M. Rao shall be Rs. 67,885/- p.m.+ perks commencing from 25th June, 2011 to 24th June, 2014.

RESOLVED FURTHER THAT where in any financial year, during the currency of tenure of Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay him remuneration by way of salary and perquisites not exceeding the limits as prescribed under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof.

Place: Secunderabad
Date: 12th Aug 2011

**By order of the Board of Directors
of Solix Technologies Ltd.,**

sd/-
Sulabh Mishra
Company Secretary

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint Proxy to attend and vote instead of himself and the Proxy need not be the Member of the Company. The Proxies in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. Members/proxies are requested to fill the attendance slips in for attending the Meeting and bring their copies of the Annual Report to the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. Members are requested to notify immediately, any change in their address to the Registrar & Share Transfer Agent.
6. The Company has already notified closure of Register of Members and Transfer Books thereof from 25th September, 2011 to 30th September, 2011 (both days inclusive).
7. Non-Resident Indian Shareholders are requested to inform M/s. Venture Capital and Corporate Investments Limited immediately of:
 - a) the change in the Residential status on their return to India for permanent settlement.
 - b) the particulars of the Bank Account maintained in India with complete name, branch, account number and address of the Bank, if not furnished earlier.
8. Corporate Members intending to depute their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
9. M/s. Venture Capital and Corporate Investments Limited, (12-10-167, Bharatnagar, Hyderabad-500018, Ph.Nos: 040-23818475 / 476, Fax No.:040-23868024) acts as the Company's Registrar and Share Transfer Agent for both manual and electronic form of shareholding. All communication relating to shares should be addressed to them directly.
10. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.
11. The information pertaining to the Directors proposed to be re-appointed are furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges:
 1. **Dr. Rafiq K. Dossani** is a Senior Research Scholar at the Shorenstein Asia-Pacific Research Center, Stanford University. His research areas include development, education, finance, international relations, outsourcing and telecommunications. Prior to joining Stanford University, he was the CEO of Jardine Fleming India, an investment bank. He has also served as Deputy Editor, Business India Magazine.

Dr. Rafiq is the Director of the Center for South Asia at Stanford University for AY 2009-2010. He is on the advisory board of the Silicon Valley Indian Professionals Association, a member of the India Community Center Speakers Forum and a member of the Education Advisory Council of the American India Foundation.

2. **Mr. G.R.Venugopala Chary** has been an Independent Director at Solix Technologies Ltd since July 2005. He

completed his academics & technical education at Hyderabad. He has served for 6 years at Bharat Electronics Limited, Bangalore and 14 years at Vazir Sultan Tobacco Ltd., Hyderabad. During his two decades of service, he has gained rich experience in product development, up gradation of machinery and maintenance of special machines. Mr. G.R.Venugopala Chary, a committed entrepreneur, established a small scale industry in the name of M/s.Budhan Engineerings Pvt. Ltd., Hyderabad in the year 1982 to offer engineering support to leading cigarette companies.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956.

Item No. 5 and 6

The Board of Directors of the Company at its meeting held on 11.02.2011, appointed **Mr. Jnana Ranjan Dash** and **Mrs. Veena Gundavelli** as an Additional Directors of the Company, in terms of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Mr. Jnana Ranjan Dash and Mrs. Veena Gundavelli hold office up to date of this Annual General Meeting. The Company has received a valid notice under Section 257 of the Companies Act, 1956 proposing their candidature for the office of a Director.

Mr. Jnana Ranjan Dash is a Chartered Member of TiE (The Indus Entrepreneurs) Silicon Valley, USA. He is also an Author and speaks at conferences worldwide. Mr. Dash holds an M.S. in Systems Design and a B.S. in Engineering from the University of Waterloo, Ontario. He serves as Director of Eternal Systems, Inc. Mr. Jnana Dash is the Chief Technology Officer at Sonata Software Ltd. He joined the firm in March, 2005. Mr. Dash serves as Chief Technology Evangelist at Foldera, Inc., Chief Technology Advisor at SOA Software Inc., and Chief Technical Officer at Know Now, Inc. He is a technology and software visionary and executive consultant. Mr. Dash has been a visionary in the zero latency enterprise movement for several years at IBM and Oracle. He focused on the planning and rollout of Oracle's core server software products. Mr. Dash spent two years as the Vice President of Advanced Technology and Systems Architecture at Oracle's consulting group mapping Oracle products to solution themes.

Prior to Oracle, he worked with IBM for 16 years and was a key member of the original team developing DB2 for the mainframe in California and DB2 for Unix, NT in Austin. Before leaving IBM, Mr. Dash was head of IBM's database architecture, strategy, and technology group at the Silicon Valley Laboratory in San Jose. (now Availigent, Inc.) and MobiApps. Mr. Dash serves as Member of Advisory Board of Proactivity Inc. and an Industry Advisor of Diamondhead Ventures. He was a Director of Serus Corporation.

Mrs. Veena Gundavelli founded Emagia Corp. in 1998. Mrs. Veena also served as Chief Executive Officer and President of Emagia Corp. She has an extensive experience in the software industry and has a strong business management background combined with a solid technical expertise. Mrs.Veena is a visionary and seasoned Entrepreneur. Prior to Emagia, she Co-founded Solix Technologies and served as its Vice President. She held several management and development roles at Cisco Systems, Canon Information systems and other companies in USA.

She serves as Chairman and Director of Emagia Corporation. Ms. Gundavelli has been a Non Executive Director of previously. She serves as a Member of Board of Advisors of Star Analytics Inc. She holds a MSCE from Santa Clara University and a BSEE from Osmania University.

In view of the background and valuable experience of Mr. Jnana Ranjan Dash and Mrs. Veena Gundavelli, it will be in the interest of the Company that they continue as Directors of the Company. Your Directors recommend the resolution for your approval.

Except for Mr. G P Rao, Chairman, Mr. Sai Gundavelli, Managing Director and Mr. T M Rao, Executive Director, none of the Directors are in any way concerned or interested in the proposed resolutions.

Item No. 7

The members at its Annual General Meeting held on 29th September 2006 re-appointed Mr. T. M. Rao as Whole-Time Director of the Company for a period of five years with effect from 25th June 2006 as per Schedule XIII and other applicable provisions of the Companies Act, 1956. The tenure of the office of Whole-Time Director was expired on 25th June 2011.

The Board of Directors at its meeting held on 18th May 2011 has re-appointed Mr. T. M. Rao as Executive Director of the Company for a further term of 5 years i.e. up to 24th June 2016 and accepted the recommendations of the Remuneration Committee and has approved remuneration of Executive Director, subject to approval of the shareholders of the Company for a period of 3 years starting from 25th June 2011 to 24th June 2014 as per Schedule XIII of the Companies Act, 1956..

Mr. T. M. Rao, presently, Solix's Executive Director, is also a member of its Board of Directors. He brings with him an end up experience in Engineering and Enterprise Operations. He has an experience of more than 3 Decades and has held strategic level positions in or has been responsible for Engineering Operations and General Executive Management. Prior to joining SOLIX, Mr. T.M. Rao has held key positions in both Private and Government Sectors. He started his career as a Design Engineer catering to Large Power Stations & other organisations.

With his rich experience and deep knowledge about the Finance, Legal and other admin & technical areas, Mr. T. M. Rao has immensely contributed to the growth of the Company and has played a Key Role in journey of progress of SOLIX.

Information a required under Section II, 1(B) (iv) of Schedule XIII of the Companies Act, 1956 is given below:

I General Information:

Sl No.	Information Sought	Information		
1.	Nature of Industry	The Company is engaged in IT and ITES Software development & other related activities.		
2.	Date of commencement of commercial production	The Company has started its operation from August 2001.		
3.	Financial Performance of the Company	(Rs. In lakhs)		
		Particulars	Year 2011	Year 2010
		Total Revenue	480.46	471.91
		Total Expenditure	421.31	433.00
		Profit After Tax	29.64	28.72
		Paid up Equity Capital	627.50	627.50
		Reserve & Surplus	843.32	813.71
	Dividend Rate	Nil	Nil	
4.	Export Performance and net foreign exchange collaboration	Export Turnover - Rs.436.68 lakhs Net FE earnings – Rs.415.97 lakhs		
5.	Foreign Investment or collaborators	There is no foreign investment or collaborators during the year.		

II Information about appointee:

1.	Background details	The background detail of Mr. T. M. Rao is given in explanatory statement.
2.	Past Remuneration, recognition of awards and his suitability	Mr. T. M. Rao is drawing total emoluments of Rs. 8.43 lakhs p.a. together with perquisites and other benefits. Mr. T. M. Rao has rich experience and deep knowledge about the Finance, Legal and other admin & technical areas and has immensely contributed to the growth of the Company by his incisive and broad based knowledge.
3.	Remuneration proposed	As per details given in the resolution read with explanatory statement.
4.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Mr. T. M. Rao has been serving on the Board of the Company since several years now. He has led the Company from its nascent stage and has propelled its growth. He has streamlined the business process operations of the Company and has been a strategic management persona. His skill set and his experience places him at par with similar positions on other companies of comparable size and nature. Considering the general industry and the specific Company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.
5.	Pecuniary relationship directly or indirectly with Company, or relationship with the managerial personnel, if any	Mr. T. M. Rao is a Promoter Director and Executive Director of the Company. In addition, other disclosures are given in Notes to Accounts. Mr. G P Rao, Mr. Sai Gundavelli, and Mrs. Veena Gundavelli, Directors of the Company are relatives of Mr. T. M. Rao.

III Other Information:

1.	Reason for loss, steps taken or proposed to be taken for improvement, Background details and expected increase in productivity and profits in measurable terms	The Company is a profit making company and there are no losses or inadequate profits during the year under review.
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IV Disclosures:

The details of the remuneration package of Executive Director are given in the Explanatory Statement together with accompanying resolution. Other disclosures are being mentioned in the Corporate Governance Report as required under Schedule XIII of the Companies Act, 1956.

Mr. T. M. Rao is concerned and interested in the resolution. Mr. G P Rao, Chairman, Mr. Sai Gundavelli, Managing Director and Mrs. Veena Gundavelli, Directors being relatives of Mr. T. M. Rao are deemed to be interested in the resolution. No other Director is concerned or interested directly or indirectly in the above resolution.

Board of Directors recommends the resolution for your approval.

Place: Secunderabad
Date: 12th Aug 2011

**By order of the Board of Directors
of Solix Technologies Ltd.,**

sd/-
**Sulabh Mishra
Company Secretary**

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholders,

The Ministry of Corporate Affairs (“MCA”) vide its circulars dated 21st April, 2011 and 29th April, 2011 has taken a “Green Initiative in Corporate Governance”, thereby allowing companies to serve electronic documents to its shareholders.

Environment conservation and sustainable development are continuously on your Company’s radar and therefore your Company supports MCA in this initiative. Accordingly, henceforth, we propose to send documents such as notices of general meeting(s), annual report and other communications to the shareholders through e-mail. Please note that all such documents shall be available on the Company’s website www.solix.in and shall also be kept open for inspection at the registered office of the Company during office hours.

We solicit your valuable cooperation and support in our endeavor to contribute our bit to the environment. You are requested to please fill the details in the format provided below. Please note that fields marked ‘*’ are mandatory to fill.

Registered Folio or DP Id - Client Id *

Full Name *

Email Id *

Contact No. (eg: 91-9812345678, 91-22-12345678)

Declaration: (Select whichever is applicable)*

I agree to receive the communication through e-mail

I agree to receive the communication through physical mode

In case there is any change in your e-mail Id or any other details, please e-mail us the details at info@vccilindia.com or info@solix.in or contact us. In case of shares held in electronic form, you are requested to inform your DP as well.

DIRECTORS' REPORT

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their **Thirty First Annual Report** and audited financials for the financial year 2010-11. The financial highlights of the Company are as follows:

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2010-11	2009-10
Total Income	480.66	472.88
Operating Profit (PBIDT)	61.54	52.99
Finance Charges	24.82	1.78
Depreciation and Amortisation	2.18	12.66
Profit Before Tax	34.95	38.55
Provision for Tax	5.50	2.52
Prior Period Adj	(0.19)	7.32
Profit After Tax	29.64	28.71
Profit brought forward from previous year	633.71	605.00
Surplus carried forward	663.35	633.71

COMPANY'S PERFORMANCE

For the financial year ended 31st March, 2011 Profit from Operations was Rs. 61.54 lakhs, as compared to a profit of Rs. 52.99 lakhs in the corresponding period of the previous year. For the year ended 31st March, 2011, the Company's Profit before Tax stood at Rs. 34.95 lakhs as compared to a Profit of Rs. 38.55 lakhs in the previous year, registering a dip of 9.34%.

DIVIDEND

Your Director's, keeping in view of the prevailing circumstances, have decided not to recommend payment of any dividend for the year.

BUSINESS PLANS

We offer Enterprise Data Management suite of products that can be sold individually to solve specific technical challenges, but the emphasis of our product development and sales efforts are to create products that would enable businesses to operate efficiently while reducing infrastructure costs and Meeting compliance requirements. Our products are currently licensed by companies worldwide in diverse industries such as manufacturing, financial services, telecommunications, retail, healthcare, energy, logistics, government and insurance. We sell our products through direct sales force and through alliances with leading software vendors and systems integrators.

Our professional services include a wide range of consulting services such as systems planning and design, installation and systems integration based on our suite of products. We offer our professional services with the initial deployment of our products as well as on an ongoing basis to address the continuing needs of our customers. We also have relationships with resellers, professional service organizations and system integrators which include their participation in the deployment of our products to our customers. These relationships help promote our product and service offerings and provide additional technical expertise to enable us to provide the full range of professional services our customers require to deploy our products.

We offer a suite of software support and maintenance options that are designed to meet the needs of our diverse customer base. These support options include 24 hour coverage that is available seven days a week, 365 days a year, to meet the needs of our global customers. To accomplish this level of support we have established a worldwide support organization with major support centers in Santa Clara, California, USA and Hyderabad, India and also thru our reseller network. In addition to support teams around the globe, we have a customer support website that provides our customers with the ability to submit service requests receive confirmation that a service request has been opened and obtain current status on these requests. Additionally, the customer support website provides access to our support procedures, escalation numbers to provide updates and new information about our products.

According to recent Gartner report - Application data continues to grow exponentially and recommending that Organizations should look to database archiving vendors that offer packaged and custom application support to control storage growth, improve application performance, and support compliance, audit and e-discovery activities. Their key findings are

- Unmanaged application data growth can have significant negative business consequences, including unacceptable application performance, increased cost and an inability to effectively manage risk.
- Successful implementations of database archiving and/or application retirement are frequently seen in organizations that create repeatable processes and methodologies that enable them to work with the business using sets of well-defined parameters.
- Using database archiving products for application retirement is a good way to bring this technology in-house; application retirement is low-hanging fruit and doesn't require integration with core processes for production applications.
- Database archiving products are mature and perform as advertised.

Further, our key strengths were noted as follows –

- There is tight integration with Oracle databases and applications, including support for multiple archiving options such as the use of Oracle purge, custom archiving and a hybrid approach.
- Solix ExAPPS Appliance is a cost-effective solution for organizations looking for simple and repeatable application retirement.
- References cite Solix's consistent willingness to go "above and beyond" in all areas, including implementation, support and requests for enhancements and fixes, as well as providing executive support.

The future looks bright, the demand for ILM products continues to expand as organizations struggle to keep pace with the growth of information, and look for more cost-effective approaches to manage and retain it.

DIRECTORS**A) RE-APPOINTMENT**

Dr. Rafiq K. Dossani and **Mr. G. R. Venugopala Chary**, Non-Executive Directors, retire by rotation and the Board of Directors of your Company at its meeting held on May 18th, 2011 has recommended for the approval of the members their re-appointment as Non-Executive Directors of your Company, liable to retirement by rotation.

B) APPOINTMENT

Mr. Jnana Ranjan Dash and Mrs. Veena Gundavelli was appointed as Additional Directors of the Company, in accordance with Section 260 of the Companies Act, 1956, by the Board of Directors at its meeting held on 11th February, 2011. These two Directors would hold office till the date of the Annual General Meeting of the Company scheduled to be held on 30th September, 2011. The requisite notice has been received from the member pursuant to Section 257 of the Companies Act, 1956 proposing the election of Mr. Jnana Ranjan Dash and Mrs. Veena Gundavelli, Directors of the Company at the ensuing Annual General Meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE

The Management Discussion & Analysis and Corporate Governance Report form an integral part of this Director's Report and are presented as separate sections to this Annual Report. The Auditors' Certificate certifying compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed with the Report on Corporate Governance.

AUDITORS

The auditors, M/s. Ramu and Ravi, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

SUBSIDIARY COMPANIES

The Company has 2 subsidiaries (excluding step down subsidiary companies) as on March 31, 2011. A Statement pursuant to Sec 212(1) (e) and (3) of the Companies Act, 1956, containing the details of the subsidiaries of the Company, is appended as an annexure to this Report.

1. SITI Corporation Inc., USA
2. AccelForce Pte. Ltd., Singapore

Step Down Subsidiaries of AccelForce Pte Ltd., Singapore

1. Solix Technologies Inc., USA
2. Emagia Corporation, USA
3. Emagia India Private Limited , India (Subsidiary of Emagia Corporation USA)

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956. In accordance with the said circulars issued by the Ministry of Corporate Affairs, Government of India, the

Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. A statement disclosing the details pertaining to the subsidiaries of the Company as on 31st March, 2011 pursuant to Section 212 is appended as an Annexure to this Report.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Accounting Standards AS-21 and AS-27 on consolidated financial statements, read with accounting Standard AS-23 on Accounting for Investments in Associates, your Directors have pleasure in attaching the consolidated financial statements for the financial year 31st March, 2011, which form part of this Annual Report. The Company will make available the Annual Reports of the aforesaid subsidiaries upon request by any member/investor of the Company/subsidiary companies. Further, the Annual Reports of the subsidiary companies will also be kept open for inspection by any member/investor at the Company's registered office and that of the subsidiaries concerned.

DEPOSITS

Your Company has not accepted any fixed deposits during the year under review. As such no amount of principal or interest was outstanding on the date of Balance Sheet.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are set out in this report.

PARTICULARS OF EMPLOYEES

The Ministry of Corporate Affairs has vide Notification No.G.S.R.289(E), dated 31st March, 2011 and a General Circular No. 23 dated 03rd May, 2011 in respect of Companies (Particulars of Employees) Amendment Rules 2011 enhanced the limits for the purpose of disclosure of particulars of employees in Directors Report as requisite under Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975 from the existing limit of Rs. 24 lakhs per year i.e. Rs. 2 lakhs per month to that of Rs. 60 lakhs per year i.e. Rs. 5 lakhs per month. In view of the above, there are no employees who are in receipt of remuneration falling within the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that,

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there is no material departure from the same;
- ii. the Directors have 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 financial year and of the profits of the Company for the period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, financial institutions and Central & State Governments for their consistent support to the Company. The Directors also wish to place on record their appreciation of the hard work, dedication and commitment of the employees.

Place: Secunderabad
Date: 18th May 2011

For and on behalf of the Board of Directors

G. Parmeswara Rao
Chairman

ANNEXURE – I FORMING PART OF THE DIRECTORS' REPORT**Disclosure of Particulars under Section 217 (1) (e) of the Companies Act, 1956**

a. Conservation of Energy

Our operations are not energy intensive. However, measures have been taken to reduce energy consumption by using energy efficient equipment.

b. Research & Development

The Company is constantly carrying out research and development of new products, enhancement to existing products, etc.

c. Technology absorption, adaptation and innovation

Your Company continues to use state of art technologies for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software apart from hiring the best talent in the Country.

d. Foreign Exchange earnings and Outgo:

(Rs. In Lakhs)

PARTICULARS	31ST MARCH, 2011	31ST MARCH, 2010
EARNINGS		
Software Development & Services	418.06	394.69
EXPENDITURE		
Travel	2.09	17.38

Place: Secunderabad
Date: 18th May 2011

For and on behalf of the Board of Directors

G. Parmeswara Rao
Chairman

SOLIX INTANGIBLE ASSETS

SOLIX INTANGIBLE ASSETS

We provide a broad and expanding range of Information Technology Products and Services that help Enterprises to create and manage information more effectively and economically. Our solutions enable organizations to find new ways to transform inefficient business process, improve operations and reduce costs.

Solix Enterprise Data Management Suite™

In today's business climate, effective data management has become a vital business issue, debated not just in the CIO's office but in the CFO's, legal counsel's and, in some cases, state and federal courts, and corporate boardrooms. Effective data management is the key to controlling CapEx investments in the Data Center, increasing IT effectiveness, and responding in a timely manner to compliance and litigation requirements. It is a key to providing more – higher quality service – with less – lower overall hardware investment and staff costs. This helps the IT department look better compared to the competition

Effective data management is the key to retiring obsolescent applications, freeing expensive staff and shutting down or reassigning the expensive hardware they run on. It keeps vital enterprise applications such as corporate financials, ERP, and CRM at maximum performance levels. It empowers tiered data management of corporate databases using business policies, providing the most efficient and cost-effective access to the data on which the business runs.

Solix EDMS

And the key to effective data management is the Solix Enterprise Data Management Suite (EDMS). This fully integrated set of leading-edge tools is the solution for managing data holistically to ensure compliance, manage cost, improve performance and operational efficiencies, and maximize data security. It gives IT and the business control over its vital structured data through consistent enforcement of business rules across the enterprise.

Solix EDMS is the leading-edge Enterprise Data Management product in the industry as proven by:

Its central features:

- **Scalability:** Solix EDMS supports production database size in multi-terabytes.
- **Openness:** Solix EDMS works with any database (even non-RDBMS) supporting JDBC.
- **Flexibility:** Solix EDMS comes with tools like Solix Configurator and Solix Patch Synchronizer that make change simple without major rework and disruptions.
- **Integration:** Solix EDMS is a single product suite that manages multiple data management functions: database archiving, application retirement, test data management and data masking.
- **Extensibility:** While Solix EDMS history started with support of Oracle E-Business Suite Database Archiving, the same product with a single codebase has been extended to cover multiple ERPs and other applications across multiple databases - and the application coverage continues to increase.

Its leading edge components including:

- Single-Pass Database Cloning™ and data subsetting, which makes the creation database copies for testing and training fast and efficient while keeping those clones to a manageable size.
- Automated data masking, which provides several approaches to protecting sensitive data in those clones while preserving data formats.
- Its highly flexible architecture, allows easy customization to integrate with the major business applications in your environment.

- The Solix Enterprise Metadata Manager, which manages the metadata for all data types from multiple applications independent of the database platforms through an extensible metadata model framework.
- The ability to be easily configured to work with custom and home-grown applications and custom data architectures, including legacy mainframe applications.
- Its fully integrated product set that allows it to address database archiving, application retirement, test data management, and data masking for multiple core business applications from a single installation instance

Vendors who rebrand and sell it as part of their product suites under OEM:

- Oracle FLEXCUBE Universal Banking

List of Validated Integrations from respective vendors for the following products:

- Oracle E-Business Suite R 12.1
- PeopleSoft R 9.0
- JD Edwards Enterprise One R 8.12
- Siebel CRM 8.1
- Hitachi's HCAP
- EMC Centera
- NetApp FlexClone
- IBM DR 550

Solix EDMS 5.0 supports latest version of Database 11gR2, Weblogic 11.1 and Linux 5.5 or higher

Solix EDMS Components

The Solix EDMS includes:

- **Solix EDMS Database Archiving**, which enforces business policies for classifying, tiering, archiving and managing the lifecycle of structured data for pre-packaged applications such as Oracle E-Business Suite, PeopleSoft, Siebel, JD Edwards, BaaN or custom applications or data warehouses from a single console.
- **Solix EDMS Test Data Management**, which manages database cloning and subsetting for automated creation of databases for testing, development,QA, and other non-production applications while reducing infrastructure costs and improving development cycles.
- **Solix EDMS Data Masking**, which ensures data security and compliance by masking sensitive data in test databases using several masking algorithms and at the same time maintaining referential integrity of the data to keep the application testing process seamless.
- **Solix EDMS Application Retirement**, which empowers application portfolio management by automating the process of retirement of obsolete applications while archiving vital data, thereby allowing companies to reassign expensive IT staff and shut down or recycle servers and storage systems while guaranteeing integrity of all data archived.

At the core of the Solix EDMS is the Solix Enterprise Metadata Manager, which manages the metadata for all data types from multiple applications independent of the database platforms through an extensible metadata model framework. This guarantees the relational integrity of all data managed via Solix EDMS, regardless of where it is physically or logically in the tiered system, specifically including data archived from retired applications. That ensures that data remains searchable, readable, and understandable.

Solix EDMS is available as an integrated product suite features:

- Policy-based data archiving from a single management console.
- Automated archiving and purge processes.
- Automated cloning and subsetting based on user-defined business rules.
- Management of database cloning activity and destinations.
- Masking or encryption of sensitive data in database clones and subsets.

Benefits

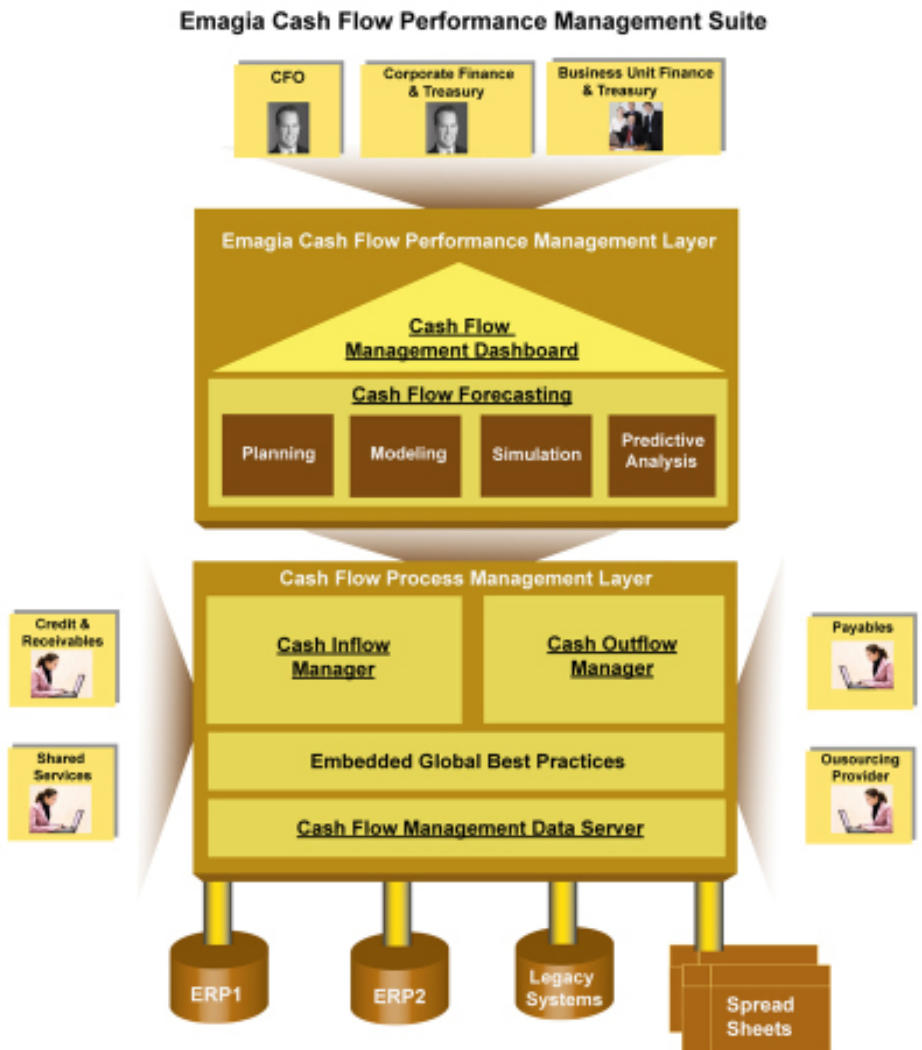
- Increased application performance leading to improved business agility.
- Decreased cost of data and storage footprint.
- Faster cloning for test, development, and QA leading to improved DBA productivity.
- Minimized risk of breach of sensitive data in non-production databases.
- Improved compliance through read-only archived data.
- Improved records management through long term data retention and data immutability.
- Optimized application portfolio leading to lower operating costs.

Emagia Cash Flow Performance Management Suite

Driving Excellence In Cash Flow Management

Cash flow is the lifeblood of any business. Today’s corporations face tremendous pressure to maximize cash flow performance while ensuring that daily financial operations are aligned with corporate objectives. Lack of timely information on cash flows and complexity introduced by multiple, disconnected financial systems and processes impede finance executives’ ability to measure and monitor business performance and proactively guide cash flow management operations.

Emagia Cash Flow Performance Management Suite 6.0 is a unified solution that combines specialized Business Performance Management (BPM) capabilities with advanced process automation around cash flow processes such as credit, receivables, payables and treasury functions. With embedded best practices, powerful analytics and decision support, and proven technology, Emagia allows Global 2000 companies to optimize working capital, maximize Free Cash Flow, improve operational efficiencies, and bring about a higher level of predictability into cash flow performance.



Emagia Cash Flow Performance Management Suite enables:

- Consolidation of Global Cash Flow Data
- Global Cash Flow Performance Management and Scorecarding
- Cash Flow Forecasting across receivables and payables
- Best Practices Enabled Cash Flow Process Automation
- Credit Risk and Receivables Management
- Payables Management
- Dispute Resolution
- Cash Flow Forecasting
- Collaboration on Cash Flow Processes Across the Enterprise and Supply Chain

Our customers have gained significant cash flow improvements by leveraging Emagia Cash Flow Performance Management Suite including:

- 20%-25% reduction in Days Sales Outstanding
- Millions of dollars of savings in bad debt expense
- Reduced risk in the Accounts Receivable portfolio
- Optimized Days Payable Outstanding
- Reduced operational expenses
- Improved revenues and profitability
- Improved cash forecasting accuracy and predictability
- Maximized Free Cash Flow
- Increased shareholder value

Emagia Cash Flow Performance Management Suite 6.0 supports Microsoft Windows Server, HP-UX, Sun Solaris/SunOne and UNIX Platforms. Emagia Cash Flow Performance Management Suite 6.0 version has been released.

Siti - Empowering Talent Management™

Recruitsharp automates, streamlines and simplifies every facet of the recruitment process. With **Requisition Management System, Candidate Management System, Staffing Vendor Management System** and **Intelligence System**, Recruitsharp is the industry's most robust offerings.

Whether you're an HR Professional, a Recruiter or a Hiring Manager, Recruitsharp will:

- Accelerate the hiring process
- Save administrative, advertising and agencies' costs
- Gain total visibility into your recruitment processes
- Ensure fair hiring practices and comply with EEO and AA regulations

Requisition Management System

- Quick requisitions: Create requisitions faster using predefined job descriptions
- Reduce administrative burdens: Automate requisition approval process and lift administrative burdens such as paperwork, document storage and email tracking
- One click posting: Requisition Quick-Post™ to Major Job Boards and Corporate web site
- Visibility: View applicant status in the hiring process with applicant tracking
- Faster hiring: Real-time responses result in faster hiring
- Improve communications: With easy online collaboration and up-to-date status, internal communications are dramatically improved
- Eliminate bottlenecks: Monitor requisition activity to identify issues requiring proactive management

Candidate Management System

- Quick results: Maintain central repository of candidates for local search
- Larger talent pool: Multi-channel sourcing captures candidates from your corporate website, external job boards, employee referrals and career fairs
- Regulatory compliance: Save all communications and notes for candidates
- Short listed Results: Candidate Auto-Rank™ shortlist's and ranks candidates based on weighted prescreen questions
- Visibility: view applicant status in the hiring process with applicant tracking
- Easy communications: Integrated Email client enables automated acknowledgement emails and custom emails for interview scheduling and offers

Staffing Vendor Management System

- Manage vendors: A single view into all vendor activities and performance
- Expedite hiring of urgent positions: Restrict outsourcing to preferred vendors and
- Selective access: Prevent unsolicited submissions
- Reduce duplication: Stop vendors from submitting duplicate candidates
- Ranks vendor response: Time stamps clearly identify which vendor first submitted a candidate
- Reduce administrative burden: Coordinate online with all vendors via a web-based system and eliminate wasted time answering telephone and email enquiries.

Intelligence System

- Monitor: Allows monitoring the effectiveness and costs of recruiting processes
- Report: Get instant, on-demand graphical standard and custom reports on key staffing metrics such as performance, time, expense, vendors and compliance
- Analyze and Plan: Perform proactive workforce planning and align people and processes with goals
- Reminders: Automated email alerts for specified criteria
- Forecast: Forecast human capital requirement based on past performance

The key factors for our success can be summed up as follows:

1. Teamwork
2. Sincerity
3. Passion
4. Commitment

From the Desk:

While we have come a long way and have many success stories to share, we have to constantly set new milestones for ourselves and to take our organization to newer heights.

Please feel free to reach me at:

1486 (12-13-522), Lane No. 13, Street No.14, Tarnaka, Secunderabad – 500017
Ph No: 040-27170822 (3 Lines)

With best regards,

Sd/-
T.M. Rao
Whole Time Director

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act 1956, and Generally Accepted Accounting Principles (GAAP) in India. The Management of your Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements, as well as various estimates and judgments used therein. The estimates 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 the company's state of affairs and profits for the year.

The following discussion may include forward looking statements which may involve risks and uncertainties, including but not limited to the risks inherent to Company's growth strategy, dependency on certain clients, dependency on availability of qualified technical personnel and other factors discussed in this Report.

INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

The shift of the role of Information Technology (IT) from merely supporting businesses to transforming businesses has led to an increase in the importance of IT. The increasing acceptance of outsourcing and off-shoring of activities as an economic necessity has contributed to the continued growth of our revenue.

We complement our industry expertise with specialized support for our clients. In addition, we continue to evaluate and train our professionals in new technologies and methodologies. Finally we ensure the integrity of our service delivery by utilizing a scalable and secure infrastructure.

OPPORTUNITY

Global Companies are increasingly turning to technology service providers in order to meet their need for high quality, cost competitive technology solutions. Technology companies have been outsourcing software research and development and related support functions to technology service providers to reduce cycle time for introducing new products and services.

We believe our strong brand, robust quality process and access to skilled talent base places us in a unique position to take advantage of the trend towards cost competitive technology solutions.

We believe our competitive strengths include:

- Commitment to superior quality and process execution
- Strong brand and long standing client relationships
- Ability to scale
- Innovation and leadership

OUTLOOK, RISKS AND CONCERNS

- Our revenues are mainly derived in US dollars while significant portion of costs are in Indian Rupees. The exchange rate between the Indian Rupees and that of foreign currencies has fluctuated significantly and may continue to fluctuate in the future. Currency fluctuations can adversely affect our revenues and gross margins.
- Our revenues and expenses are difficult to predict and can vary significantly from period to period. We may not

be able to sustain our previous margins or levels of profitability.

- Our revenues are highly dependent on clients who are primarily located in the US. The economic changes and other factors that affect the economic health of the US may affect our operations.
- In an economic slowdown, our clients may reduce or postpone their technology spending significantly. Reduction in spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.
- The market for IT services is highly competitive. Our Competitors include software companies, IT companies, etc. We may also face competition from IT and ITES companies.
- Our revenues are highly dependent upon a small number of clients and the loss of any of our major clients could significantly impact our business.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The internal control systems of the Company are implemented with a view to achieve good culture in the organization. The internal control systems of the Company would ensure that any vulnerability in the achievement of the company's objectives caused risk factors whether internal or external, existing or emerging are corrected and reported in a timely manner.

The Company strictly adheres to the internal control systems established over the years. The Company has a policy of maintaining effective internal control system and strict implementation of policies and procedures so as to safe guard the assets and interests of the Company. The Company has an Audit Committee consisting of Independent Directors of the Company and reviews the internal control system periodically and suggests corrective action, if any, required.

ANALYSIS OF OUR FINANCIAL STATEMENTS

PERFORMANCE

(Rs. In Lakhs)

PARTICULARS	2010-11	2009-10
Total Income	480.66	472.88
Operating Profit (PBIDT)	61.54	52.99
Profit Before Tax	34.95	38.55
Profit After Tax	29.64	28.71
Earnings Per Share (Rs.)	0.47	0.46

SEGMENT RESULT

(Rs. In Lakhs)

	STAND ALONE	
	YEAR ENDED	
PARTICULARS	31 ST MARCH 2011 (AUDITED)	31 ST MARCH 2010 (AUDITED)
1. REVENUE		
Overseas	436.68	404.37
Domestic	43.78	67.54
TOTAL	480.46	471.91
2. SEGMENT RESULTS		
Profit / (Loss) before tax and interest from each Segment		
Overseas	176.41	86.48
Domestic	3.72	5.74
TOTAL	180.13	92.22
LESS		
(i) Interest	24.41	1.32
(ii) Other Un-allocable expenditure net off	120.79	60.63
(i) Un-allocable income	0.21	0.97
Total Profit Before Tax	35.14	31.24

ACCOUNTING POLICY

The Company's financial statement abided by the generally accepted accounting principles and the Accounting Standards as per section 211(3C) of the Companies Act 1956. The financial statements were prepared under the historical cost convention basis and disclosures were made in accordance with the requirement of Schedule VI of the Companies Act, 1956 and the Indian Accounting Standards. The Company followed the mercantile system of accounting and recognized income and expenditure on an accrual basis. The Company made all relevant provisions as were applicable as on March 31, 2011.

1. Share Capital

At present, we have only one class of shares-equity shares of par value Rs. 10/- each. Our Authorized share capital is Rs. 7.00 crores, divided into 70 lakhs equity shares of Rs. 10/- each. The issued, subscribed and paid up capitals as at March 31, 2011 were stood at Rs. 6.28 crores.

2. Reserves and Surplus

The Reserve & Surplus of the Company consists of Share Premium of Rs.180 lakhs and Profit & Loss Account of Rs.663.32 lakhs including Profit of Rs.29.64 lakhs during the year 2010-11. The Company has total Reserve & Surplus of Rs.843.32 lakhs as compared to Rs. 813.71 lakhs in the last year.

3. Profit and Loss Account

The Profit and Loss for the year ended March 31, 2011 is Rs.29.64 lakhs as against Rs.28.71 Lakhs last year.

4. Fixed Assets

We have incurred a capital expenditure of Rs. 4.08 lakhs in the financial year 2010-11.

5. Sundry Debtors

Sundry debtors amounted to Rs. 1,070.87lakhs as at March 31, 2011 compared to Rs. 1,072.86 lakhs as at March 31, 2010. These debts are considered good and realizable.

6. Cash and Cash Equivalent

The bank balances include both rupees accounts and foreign currency accounts.

7. Current liabilities and provisions

The position of current liabilities is Rs. 350.21 lakhs as on 31.03.2011 as against the last year amount of Rs.334.20 lakhs.

REVENUE ANALYSIS

The Company's revenue (net sales) stood at Rs. 480.66 lakhs in 2010-11 as against Rs. 472.88 lakhs in last year.

MARGINS

There was a divergence between the EBIDTA and PAT margins for the year under review.

- EBITDA margin stood at 12.81% in 2010-11 compared with 11.23% in last year.
- PAT margin stood at 6.17% in 2010-11 compared with 6.07% in last year.

TAXATION

The Company's corporate tax burden is increased from Rs.2.52 lakhs in last year to Rs. 5.50 lakhs this year due to a decline in pre-tax profit.

HUMAN RESOURCES

Our professionals are our most important assets. We believe that the quality and level of service that our professionals deliver are amongst excellent in the technology industry. The Company understands the significance of human resources in the growth of an organization and is committed to build a highly motivated and committed Human resource team especially when we are in growth mode. We are boosting our hiring sources and strengthening our recruitment channels to improve both our hiring rate as well as the quality of resources we hire.

FORWARD LOOKING STATEMENTS

This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. Forward Looking statements are based on certain assumptions and expectation of future events. The Company cannot guarantee that these assumption and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

We believe that sound corporate governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performances rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in international corporate governance.

The Company is committed to achieve the good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate cultures which aim at true Corporate Governance. The Corporate Governance process and systems have gradually strengthened over the years.

A report, in line with the requirement of the Listing Agreement, on the practices followed by the Company and other voluntary compliances are given below:

2. BOARD OF DIRECTORS

i. Board Composition

The Company's Board of Directors comprised 7 Directors, consisting of two Executive Directors, two Non-Executive Directors and three Independent Directors as defined under the Listing Agreement with Stock Exchanges. The composition of the Board is in accordance with the requirements of the Corporate Governance of the Listing Agreement with the Stock Exchanges. All Directors certified that they are not members of more than ten committees in terms of the Listing Agreement and do not act as Chairman of more than five committees across all the companies in which they are Directors. The below table give the composition of the Company's Board.

The constitution of the Board during the financial year 2010-11 is as under:

DIRECTOR	CATEGORY	NUMBER OF		
		OTHER DIRECTORSHIP	COMMITTEE MEMBERSHIP OF COMPANY'S & OTHER BOARD	COMMITTEE CHAIRMANSHIP
Mr. G.Parmeswara Rao	Non-Executive Chairman, Promoter	1	3	-
Mr. Sai Gundavelli	Managing Director, Promoter	2	-	-
Mr. T.M.Rao	Executive Director, Promoter	3	-	-
Mrs. Veena Gundavelli*	Non-Executive Director, Promoter	2	-	-
Mr. G.R.Venugopala Chary	Non-Executive, Independent	1	2	1
Mr. Khalik Ashwin**	Non-Executive Director, Independent	-	2	1
Dr. Rafiq K. Dossani	Non-Executive Director, Independent	-	2	1
Mr. Jnana Ranjan Dash*	Non-Executive Director, Independent	-	3	-

*Mr.Jnana Ranjan Dash & Mrs. Veena Gundavelli are appointed as Additional Directors on 11.02.2011.

**Mr. Khalik Ashwin has resigned on 11.02.2011.

ii. Board Meetings and Attendance of Directors

The Board of Directors of the Company met five times during the Financial Year 2010-11 i.e., on 29th May, 31st July, 1st September, 12th November in 2010 and 11th February in 2011. The following table gives attendance record of the Directors at the Board Meetings held during the financial year 2010-11 and the previous AGM held on 27.12.2010.

NAME OF THE DIRECTOR	NO. OF BOARD MEETINGS HELD DURING THE TENURE	NO. OF BOARD MEETINGS ATTENDED	WHETHER ATTENDED LAST AGM
Mr. G.Parmeswara Rao	5	5	Yes
Mr. Sai Gundavelli	5	1	No
Mr. T.M.Rao	5	5	Yes
Mrs. Veena Gundavelli*	1	Nil	No
Mr. G.R.Venugopala Chary	5	5	Yes
Mr. Khalik Ashwin**	5	5	No
Dr. Rafiq K. Dossani	2	Nil	No
Mr. Jnana Ranjan Dash*	1	Nil	No

*Mr.Jnana Ranjan Dash & Mrs. Veena Gundavelli are appointed as Additional Directors on 11.02.2011.

**Mr. Khalik Ashwin has resigned on 11.02.2011.

iii. Code of Ethics

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. The Code of Conduct is posted on the Company's web-site www.solix.in. All Directors and designated personnel in the senior management affirmed their compliance with the Code for the year under review. The declaration to this effect was signed by Mr. T. M. Rao, Executive Director, is annexed to this Report.

3. BOARD LEVEL COMMITTEES

The Board committees focus on certain specific areas and make informed decisions within the delegated authority. Each committee of the Board functions according to its charter that defines its scope, power and role in accordance with the Companies Act, 1956 and Listing Agreement requirements. The Company has three Board level committees:

- A. Audit Committee.
- B. Remuneration Committee.
- C. Shareholders' /Investors' Grievance Committee.

A) AUDIT COMMITTEE

TERMS OF REFERENCE

The terms of reference of the Audit Committee are in accordance with all items listed in Clause 49(II)(D) & (E) of the listing agreement and Section 292(A) of the Companies Act, 1956. The same inter alia includes the following:

(a) Primary objectives of the Audit Committee

The Audit Committee addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements and other management information and adequacy of provisions of liabilities. The Audit Committee is

mainly responsible for:

1. Integrity of the Company's financial statements and disclosure of financial information.
2. Review of performance of the Company's internal control systems, internal audit functions and accounting practices.
3. Auditing and accounting matters, including recommending the appointment of Statutory Auditors to the shareholders, the scope of the annual audits, and fees to be paid to the auditors. 11
4. Reviewing with the management, annual and quarterly financial statements before submission to the Board for approval
5. Review of related party transactions etc.
6. Review of Company's financial and risk management policies.

(b) Scope of the Audit Committee

1. Meet four times a year or more frequently as circumstances may require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
2. Recommending the appointment and removal of Statutory Auditors, fixation of audit fees and also to approve the payment for other services.
3. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
4. Consider and review with the Management and Auditors:
 - Significant findings during the year, including the status of previous audit recommendations,
 - Any difficulties encountered in the course of audit work including any restriction on the scope of activities or access to required information.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval focusing primarily on:
 - Any changes in the accounting policies and practices.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - Significant adjustment arising out of audit.

(c) Composition of the Audit Committee as on 31st March 2011

The Audit Committee is constituted as per the requirements of clause 49 of the Listing Agreement. The composition of Audit Committee is in compliance with the requirements of Clause 49(II)(A) of the Listing Agreement. It consists of 4 members; three of them including Chairman are independent Directors. The Chairman of Audit Committee was present at the last Annual General Meeting of the Company. The Corporate Officers make periodic presentations to the Audit Committee. Representatives of Statutory Auditors also participate in the Audit Committee meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The Audit Committee currently comprises of the following Directors:

1. Mr. G. R. Venugopala Chary, Chairman
2. Dr. Rafiq K. Dossani, Director
3. Mr. Jnana Ranjan Dash, Director
4. Mr. G. Parmeswara Rao, Director

MEETINGS

During the Financial Year 2010-11, four meetings of the Committee were held on 29th May, 31st July, 12th November in 2010 & 11th February in 2011. The particulars of attendance at the Committee Meetings during the year are given in the table below:

SL. NO.	NAME	CATEGORY	DESIGNATION	NO.OF MEETINGS ATTENDED
1	Mr. G.R.Venugopala Chary	Independent Director	Chairman	4
2	Mr. Khalik Ashwin**	Independent Director	Member	4
3	Dr. Rafiq K. Dossani	Independent Director	Member	Nil
4	Mr. Jnana Ranjan Dash*	Independent Director	Member	Nil
5	Mr. G. Parmeswara Rao	Director	Memebr	2

*Mr.Jnana Ranjan Dash & Mrs. Veena Gundavelli are appointed as Additional Directors on 11.02.2011.

**Mr. Khalik Ashwin has resigned on 11.02.2011.

B) REMUNERATION COMMITTEE**(a) Terms of reference**

The broad terms of reference of the Remuneration Committee are:

- Review the performance of the Managing Director and other Executive Directors, if any, after considering the Company's performance.
- Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Executive Directors.
- Finalise the perquisites package of the Managing Director/Executive Directors within the overall ceiling fixed by the Board.

(b) Composition, meetings and attendance

The remuneration committee of the Company consists of five members out of which four are Independent Directors. There was no Remuneration Committee meeting during the year under review:

The composition of the Remuneration Committee is as follows:

SL. NO.	NAME	CATEGORY	DESIGNATION
1	Mr. G. R. Venugopala Chary	Independent Director	Chairman
2	Mr. Khalik Ashwin**	Independent Director	Member
3	Dr. Rafiq K. Dossani	Independent Director	Member
4	Mr. Jnana Ranjan Dash*	Independent Director	Member
5	Mr. G. Parmeswara Rao	Director	Member

*Mr.Jnana Ranjan Dash & Mrs. Veena Gundavelli are appointed as Additional Directors on 11.02.2011.

**Mr. Khalik Ashwin has resigned on 11.02.2011.

REMUNERATION POLICY

The appointment and remuneration of the Executive Directors is governed by a resolution passed by the Board of Directors and the shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Executive Directors is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meeting.

The details of remuneration paid/payable to the Directors for the year 2010- 2011 are:

(Amount in Rs)

NAME OF DIRECTOR	SALARY	PERQUISITES	CONTRIBUTION TO P.F.	COMMISSION	TOTAL
Mr. T.M.Rao	814,620	19,800	9,360	Nil	843,780
Mr. Sai Gundavelli	Nil	Nil	Nil	Nil	Nil

C) SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors' Grievance Committee is responsible for resolving investor's complaints pertaining to share transfers, non receipt of annual reports, issue of duplicate share certificates, transmission of shares & other related complaints.

The Chairman of the Committee is an independent non-executive Director. The composition of the Committee and their attendance are given below:

SL. NO.	NAME	CATEGORY	DESIGNATION	NO. OF MEETINGS ATTENDED
1	Mr. G. R. Venugopala Chary	Independent Director	Chairman	4
2	Mr. Khalik Ashwin**	Independent Director	Member	4
3	Dr. Rafiq K. Dossani	Independent Director	Member	1
4	Mr. Jnana Ranjan Dash	Independent Director	Member	1
5	Mr. G. Parmeswara Rao	Director	Member	4

*Mr.Jnana Ranjan Dash & Mrs. Veena Gundavelli are appointed as Additional Directors on 11.02.2011.

**Mr. Khalik Ashwin has resigned on 11.02.2011.

4. SUBSIDIARIES

There are no material non-listed India subsidiary companies under the Company to nominate its Directors on such subsidiaries.

As a majority shareholder, the Company has its representatives on the Board of the subsidiary company and monitors the performance of such company, inter alia, by the following means:

- a) Financial statements and particulars of investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company.
- b) Minutes of the meetings of the unlisted subsidiary company are placed before the Company's Board.
- c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary company is placed before the Company's Board.

5. CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s. Ramu and Ravi, Chartered Accountants, Statutory Auditors of the Company, regarding compliance of conditions of Corporate Governance is given as an annexure to the Report.

6. GENERAL BODY MEETINGS

a. Details of Location and Time of holding the last three AGMs.

YEAR	LOCATION	DATE AND TIME
AGM-2008	1486 (12-13-522), Lane No. 13, Street No. 14, Tarnaka, Secunderabad-500 017	29-09-2008, 4.00 P. M.
AGM-2009	'West Minister Hall, Hotel Central Court, Lakdi-Ka-Pool, Hyderabad	30-09-2009, 2.30 P. M.
AGM-2010	'CHOIR HALL", Hotel Minerva Grand, S.D.Road, Secunderabad – 500 003.	27-12-2010, 3.00 P. M.

At the Annual General Meeting held in 2010, there was no special resolution passed.

b. There were no resolutions passed by way of postal ballot during the year under review.

6. DISCLOSURES**(i) Compliances by the Company:**

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during the last three years/period.

(ii) Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behaviour, frauds and other grievances. No personnel of the Company have been denied to the Audit Committee.

(iii) Compliance with the Mandatory requirements and Implementation of the Non-Mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clauses of the Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the Listing Agreement.

(iv) Code of Conduct:

The Company has obtained declaration from the Managing Director and Whole-Time Director confirming compliance of Code of Conduct.

Declaration as required under Clause 49 (I) (D) (ii) of the Stock Exchange Listing Agreement

I hereby declare that all the Directors and senior personnel of the Company have affirmed compliance with Code of Business Conduct for the financial year ended on 31st March 2010.

For and on behalf of the Board
sd/-

Place: Secunderabad
Date: 18th May 2011

G. Parmeswara Rao
Chairman

7. MEANS OF COMMUNICATION

- a. The Quarterly, half-yearly and annual financial results of the company are communicated to the stock exchanges immediately after the same is considered by the Board and are published in prominent English and Telugu news papers.
- b. The Company's website: www.solix.in.
The audited financial statements viz., Balance Sheet, Profit and Loss Account are posted on the Company's website in the Shareholders section.

8. CEO/CFO CERTIFICATE

As required by Clause 49 of the Listing Agreement, the certification from Managing Director and Whole Time Director was placed at a duly convened Meeting of the Board of Directors and is given as an Annexure to this report.

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

DATE : **Friday , the 30th September, 2011**
 TIME : **3.00 PM**
 VENUE : **'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad 500 003.**

b. Financial Calendar for the year 2011-12 (Tentative)

Results for Quarter ending June, 2011	-	Within 45 days of the quarter
Results for Quarter ending September, 2011	-	Within 45 days of the quarter
Results for Quarter ending December, 2011	-	Within 45 days of the quarter
Results for Quarter ending March, 2012	-	Last week of May 2012

c. Book Closure Date

25th September, 2011 to 30th September, 2011 (both days inclusive)

d. Listing of equity shares & stock code

The equity shares of the company are listed at :

The Bombay Stock Exchange Ltd., Mumbai, 1st Floor, New Trading Ring, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 and the listing fee for 2010-11 has already been paid by the Company.

e. Stock Codes

BSE SCRIP CODE – **501421** Name: **Solix Tech**

f. Stock Market Data

The Stock Market data of shares of the Company for the period from April 2010 to March 2011 is given below:

MONTH	HIGH (in Rs.)	LOW (in Rs.)
April - 2010	22.45	17.45
May - 2010	20.75	16.00
June - 2010	20.20	16.25
July - 2010	20.50	17.05
August - 2010	21.25	18.75
September - 2010	21.00	16.90
October - 2010	21.25	17.55
November - 2010	20.15	16.50
December - 2010	19.30	15.50
January - 2011	19.65	17.35
February - 2011	19.80	16.40
March - 2011	18.40	15.25

g. Distribution of Shareholding as on 31st March, 2011

NO. OF SHARES	SHAREHOLDERS		SHARES	
	NUMBERS	%	NUMBERS	%
1 - 500	364	71.37	58,076	0.92
501 - 1,000	53	10.39	44,490	0.70
1,001 - 2,000	37	7.25	53,526	0.85
2,001 - 3,000	10	1.96	24,560	0.39
3,001 - 4,000	9	1.76	32,669	0.52
4,001 - 5,000	5	0.98	21,757	0.34
5,001 - 10,000	7	1.37	45,212	0.72
10,001 and Above	25	4.90	5,994,710	95.53
TOTAL	510	100.00	62,75,000	100.00

h. Shareholding Pattern as on 31st March, 2011

SL. NO.	CATEGORY	NO OF SHARE HOLDERS	NO OF SHARES	%
1	Promoters - Indian	12	46,63,273	74.32
2	Promoters - Foreign	Nil	Nil	Nil
3	Mutual Funds & UTI	Nil	Nil	Nil
4	Foreign Institutional Investors	Nil	Nil	Nil
5	Non-Resident Indians/OCBs	6	522,267	8.32
6	Bodies Corporate	26	331,537	5.28
7	Others- Individuals upto Rs.1 Lakh	456	245,945	3.92
8	Others- Individuals in excess of Rs.1Lakh	10	511,978	8.16
	TOTAL	510	62,75,000	100.00

i. Depository Registrar and Share Transfer Agent

M/s Venture Capital & Corporate Investments Limited,
12-10-167, Bharat Nagar,
Hyderabad – 500 018
Ph: 040-23818475/76 Fax: 040-23868024
www.vccipl.com

j. Address for Correspondence

For all matters relating to Shares and Annual Reports & Grievances:

Sulabh Mishra
Company Secretary
Solix Technologies Limited
1486 (12-13-522), Lane No. 13, Street No. 14,
Tarnaka, Secunderabad - 500 017
E-mail: info@solix.in
Website: www.solix.in

For and on behalf of the Board of Directors

Place: Secunderabad
Date: 18th May 2011

sd/-
G. Parmeswara Rao
Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Solix Technologies Limited.

We have examined the compliance of the conditions of Corporate Governance by **Solix Technologies Limited** for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

The compliance of the 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us:

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.MURTHY
Partner
Membership No.200021
Place: Hyderabad
Date: 18th May 2011

**CEO/CFO
CERTIFICATE**

CERTIFICATE OF MANAGING DIRECTOR & WHOLE-TIME DIRECTOR PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT.

To,
**The Board of Directors,
Solix Technologies Limited.**

We certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and Notes on Accounts as well as the Cash Flow Statements of **Solix Technologies Limited** for the year ended March 31, 2011 and the Directors' Report and these statements/reports.
 - do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. 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 we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - significant improvement in internal control over financial reporting during the year;
 - significant changes in accounting policies if any, made during the year and that the same have been discussed in the notes to the financial statements; and
 - no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

Place: Secunderabad
Date: 18th May 2011

T.M.Rao
Whole-Time Director

Sai Gundavelli
Managing Director

AUDITORS' REPORT

To,
The Members,
Solix Technologies Limited.

1. We have audited the attached Balance Sheet of **Solix Technologies Limited**, as at 31st March 2011 and Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the enclosed Annexure a statement on matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments referred to in Para 3 above, we report that:
 - i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - iii. the Balance Sheet and Profit and Loss Account dealt with by this Report is in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
 - v. on the basis of review of written representations received from the Directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956; in the manner so required 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 31st, 2011; and
 - b. in the case of Profit & Loss Account, of the Profits of the company for the year ended on that date.
 - c. In the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.MURTHY
Partner
Membership No.200021
Place: Hyderabad
Date: 18th May 2011

814, 8th Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.
Phones: 23204877 / 23204498 - Fax: 23205653 - E-mail: contact@ramunravi.com

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i)	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	As per the programme designed by the company all tangible fixed assets have been physically verified by the management at reasonable intervals, and no material discrepancies have been noticed in respect of those assets, which have been physically verified.
	(c)	The Company has not disposed off substantial part of its fixed asset during the year.
(ii)		Due to the nature of Company's business of development of Computer Software and exports, the Company does not maintain inventories relating to finished products. Consequently, provisions of Clause 4(ii) of Companies (Auditor's Report) Order, 2003 are not applicable in relation to its activities.
(iii)		The Company has taken loans during the earlier year from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 where the rate of interest and other terms and conditions of loans which are not prima facie prejudicial to the interest of the company. The maximum amount involved is Rs.233.02 Lakhs. The year end balances of such loans taken is Rs.228.19 Lakhs.
(iv)		In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and in respect of sale of Computer Software and related services. During the course of our audit, no major weakness has been noticed in the internal controls.
(v)		Based on the examination of the books of account and related records and according to the information and explanations provided to us, we are of the opinion that the company has maintained the contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
(vi)		The Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
(vii)		In our opinion the Company has adequate internal audit system commensurate with the size of the Company and nature of its business.
(viii)		According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the Company.
(ix)	(a)	According to the information and explanations given to us and the records of the Company examined by us the Company is generally 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, customs duty, excise duty, cess and other material statutory dues applicable to it.
	(b)	According to the information and explanations given to us, there are no arrears of undisputed statutory dues payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, as at 31 st March, 2011 for a period of more than six months from the date they became payable.

	(c)	As explained to us, and according to the information and explanations given to us, the disputed Income Tax which have not been deposited with the appropriate authorities are as under.			
		NATURE OF DUES	AMOUNT DEMAND	AMOUNT PAID	FORUM WHERE DISPUTES ARE PENDING
		Income Tax	Rs 146.72 Lakhs	Rs 96.17 Lakhs	(i)Income Tax Appellate Tribunal Mumbai (ii)(Commissioner of Income Tax (Appeals), Mumbai)
(x)		The company does not have any accumulated losses nor has incurred any cash losses during the current year and the immediately preceding financial year.			
(xi)		Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of its dues to the banks. During the year company has not taken any loans from financial institutions nor has it issued any debentures.			
(xii)		According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debenture and other securities.			
(xiii)		In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society to which the provisions of special statute relating to Chit Funds are applicable			
(xiv)		In our opinion and according to the information and explanations given to us the Company is not dealing in shares, securities and debentures and other investments.			
(xv)		According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.			
(xvi)		According to the information and explanations given to us and the records of the Company examined by us, the Company has not obtained any term loans during the year.			
(xvii)		According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have <i>prima facie</i> , not been utilized for long term investment.			
(xviii)		According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.			
(xix)		According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our Report.			
(xx)		The Company has not raised any money by way of public issue during the year.			
(xxi)		According to the information and explanations given to us and on the basis of the audit procedures applied by us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the year.			

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.MURTHY
Partner
Membership No.200021
Place: Hyderabad
Date: 18th May 2011

FINANCIAL STATEMENTS

SOLIX TECHNOLOGIES LIMITED				
BALANCE SHEET AS AT 31 ST MARCH, 2011				
		AS ON 31 ST MARCH, 2011		AS ON 31 ST MARCH, 2010
PARTICULARS	SCHEDULE	RUPEES		RUPEES
SOURCES OF FUNDS				
1. SHARE HOLDERS' FUNDS				
Share Capital	1	62,750,000		62,750,000
Reserves & Surplus	2	84,334,650		81,370,908
2. LOAN FUNDS				
Secured Loans	3	47,584,176		50,159,176
Unsecured Loans	4	619,300		259,300
TOTAL		195,288,126		194,539,384
APPLICATION OF FUNDS				
1. FIXED ASSETS				
Gross Block	5	10,242,228		9,834,228
Less : Depreciation		7,828,625		7,610,734
Net Block		2,413,603		2,223,494
2. INVESTMENTS				
	6	82,923,490		82,923,490
3. CURRENT ASSETS, LOANS & ADVANCES				
Software Work-in-Process		23,766,727		22,117,777
Sundry Debtors	7	107,086,914		107,286,371
Cash & Bank Balances	8	1,004,024		738,847
Loans & Advances	9	12,959,346		12,514,905
<i>Total of Current Assets, Loans & Advances (a)</i>		144,817,011		142,657,901
LESS: CURRENT LIABILITIES & PROVISIONS				
Liabilities	10	28,509,202		16,424,613
Provisions	11	6,511,879		16,995,990
<i>Total of Current Liabilities & Provisions (b)</i>		35,021,081		33,420,603
Net Current Assets (a-b)		109,795,931		109,237,298
4. DEFERRED TAX ASSET (Net)				
		155,103		155,103
TOTAL		195,288,126		194,539,384

Significant Accounting Policies and Notes to Accounts 17

As per our Report of even date attached

For and on behalf of the Board

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

SOLIX TECHNOLOGIES LIMITED			
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2011			
		YEAR ENDED	
		AS ON 31 ST MARCH, 2011	AS ON 31 ST MARCH, 2010
PARTICULARS	SCHEDULE	RUPEES	RUPEES
INCOME			
Sales & Services (TDS Rs.462,558/- P.Y. Rs. 10,87,660/-)	12	48,045,755	47,190,806
Miscellaneous Income	13	20,732	97,009
TOTAL		48,066,487	47,287,815
EXPENDITURE			
Cost of sales	14	36,944,207	39,275,635
Selling, General & Administrative Expenses	15	4,927,518	2,700,544
Finance Charges	16	2,482,235	177,740
Preliminary Expenses Written Off		-	12,593
Depreciation & Amortization		217,892	1,266,095
TOTAL		44,571,852	43,432,607
PROFIT BEFORE TAXES		3,494,635	3,855,208
Provision for Taxation :			
Current Tax		550,000	575,000
Deferred tax		-	(323,188)
Prior Period Expenses		(19,107)	732,154
PROFIT FOR THE YEAR		2,963,742	2,871,242
SURPLUS BROUGHT FORWARD FROM LAST YEAR		63,370,908	60,499,666
SURPLUS CARRIED TO BALANCE SHEET		66,334,650	63,370,908
EARNING PER SHARE			
Equity shares of par value Rs.10/- each			
Basic		0.47	0.46
Diluted		0.47	0.46
Number of shares used in computing earnings per share		6,275,000	6,275,000

Significant Accounting Policies and Notes to Accounts 17

As per our Report of even date attached

For and on behalf of the Board

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF THE BALANCE SHEET		
PARTICULARS	AS ON 31 ST MARCH, 2011	AS ON 31 ST MARCH, 2010
1. SHARE CAPITAL		
Authorised :		
70,00,000 Equity Shares of Rs.10/- each	70,000,000	70,000,000
Issued, Subscribed and Paid up:		
62,75,000 Equity Shares of Rs.10/- each fully Paid up (Including Bonus Shares of 55,00,000 Equity Shares of Rs 10/- each fully paid up, allotted on 3 rd May, 2005 by capitalising out of Reserves of Rs. 550 lakhs)	62,750,000	62,750,000
TOTAL	62,750,000	62,750,000
2. RESERVES & SURPLUS		
Share Premium Account	18,000,000	18,000,000
Profit & Loss Account	66,334,650	63,370,908
TOTAL	84,334,650	81,370,908
3. SECURED LOANS		
From Technology Development Board, New Delhi, India	47,584,176	50,159,176
TOTAL	47,584,176	50,159,176
4. UNSECURED LOANS		
From Directors & their relatives	619,300	259,300
TOTAL	619,300	259,300

5. FIXED ASSETS									
SL.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2010	NET ADDITIONS	AS ON 31.03.2011	AS ON 01.04.2010	PROVISION FOR THE YEAR	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
1	Computers & Accessories	6,772,183	324,000	7,096,183	6,757,302	17,389	6,774,691	321,492	14,881
2	Office equipment	1,066,910	-	1,066,910	206,614	50,678	257,292	809,618	860,296
3	Furniture & fixtures	1,109,778	84,000	1,193,778	325,641	71,293	396,934	796,844	784,137
4	Electrical	117,422	-	117,422	22,312	5,578	27,890	89,532	95,110
5	Vehicles	767,935	-	767,935	298,866	72,954	371,820	396,115	469,069
	TOTAL	9,834,228	408,000	10,242,228	7,610,735	217,892	7,828,627	2,413,601	2,223,493
	PREVIOUS YEAR	9,834,228	-	9,834,228	6,344,639	1,266,095	7,610,735	2,223,493	

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF THE BALANCE SHEET		
	AS ON 31 ST MARCH, 2011	AS ON 31 ST MARCH, 2010
PARTICULARS	RUPEES	RUPEES
6. INVESTMENTS		
(i) Long Term Investments :		
In shares : Quoted (Non Trade)		
1 (PY 1) fully paid Equity shares of Rs. 10 each in Associated Cement Company Ltd.*	120	120
* Market Value of Investments		
(ii) In subsidiary companies		
(a) 2,850,000 (PY.22,800,000) of US\$ 0.01 (PY US\$ 0.01) fully Paid Common Stock in Solix Technologies Inc., USA.	66,653,328	66,653,328
(b) 4,063,100(PY.4,063,100) in SITI Corporation Inc., USA.	16,270,014	16,270,014
(c) 1(PY 1) of 1 SGD each in AccelForce Pte.Ltd., Singapore	28	28
TOTAL	82,923,490	82,923,490
7. SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months	81,602,141	68,854,472
Other debts	25,484,773	38,431,899
TOTAL	107,086,914	107,286,371
8. CASH & BANK BALANCES		
Cash on hand	585,323	502,299
Balance with Scheduled Banks		
In current account	124,556	(43,597)
In deposit accounts	294,145	280,145
TOTAL	1,004,024	738,847
9. LOANS & ADVANCES		
Advance recoverable in cash or kind or for Value to be Received	12,959,346	12,514,905
TOTAL	12,959,346	12,514,905
10. LIABILITIES		
Sundry Creditors & Other Liabilities	28,509,202	16,424,613
TOTAL	28,509,202	16,424,613
11. PROVISIONS		
Provision for Taxation	6,511,879	16,995,990
TOTAL	6,511,879	16,995,990

As per our Report of even date attached

For and on behalf of the Board

for Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT		
PARTICULARS	YEAR ENDED	
	31ST MARCH, 2011	31ST MARCH, 2010
12. SALES & SERVICES		
Domestic - Information Technology Services	4,378,412	6,753,797
Exports - Information Technology Services	43,667,343	39,469,750
Gain on Foreign Exchange Fluctuation	-	967,259
TOTAL	48,045,755	47,190,806
13. OTHER INCOME		
Interest Received on Fixed Deposits	20,732	14,146
Miscellaneous Income	-	82,863
TOTAL	20,732	97,009
14. COST OF SALES		
Salaries, Allowances and Other Benefits	26,158,375	30,441,803
Software WIP	4,752,963	5,529,444
External Consultants	3,235,470	795,715
Travel & Conveyance Expenses	2,211,664	2,020,107
Insurance	224,988	35,891
Other Expenses	-	183,720
Communication Expenses	360,747	268,956
TOTAL	36,944,207	39,275,635
15. SELLING , ADMINISTRATIVE & OTHER EXPENSES		
Power and Fuel	772,062	536,657
Rent, Rates and Taxes	287,226	451,070
Listing & Filing Fees	33,090	35,835
Repairs and Maintenance	104,319	114,959
Auditors' Remuneration	166,838	191,200
Subscription & Membership Fees	-	182,667
Staff Welfare	188,080	78,691
General Expenses	259,598	25,134
Office Maintenance	188,326	152,935
Legal & Professional Charges	1,534,493	890,517
Bad Debts Written Off	-	40,879
Loss on Foreign Exchange Fluctuation	1,393,486	-
TOTAL	4,927,518	2,700,544
16. FINANCE CHARGES		
Bank Service Charges	41,257	45,486
Interest on		
Loans	2,330,661	52,408
Others	110,317	79,846
TOTAL	2,482,235	177,740

As per our Report of even date attached

For and on behalf of the Board

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

NOTES TO ACCOUNTS

SOLIX TECHNOLOGIES LIMITED.**17. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS:****1. STATEMENT ON ACCOUNTING POLICIES**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (“ICAI”), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.1 REVENUE RECOGNITION

(a) Revenue from software development on fixed- price and fixed - time frame contracts, where there is no uncertainty as to measurement or collectibility, revenue consideration is recognized as per the percentage of completion method. On the time-and-materials contracts, revenue is recognized as related services are rendered.

(b) Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

1.2 FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress includes outstanding capital advances paid to acquire fixed assets as well as expenses incurred in respect of certain fixed assets that are not yet ready for their intended use as at the end of the year.

1.3 DEPRECIATION

Depreciation is provided under the ‘Straight Line Method’ at the rates specified in Schedule XIV of the Companies Act, 1956.

1.4 VALUATION OF INVENTORIES

Inventories mainly represent Work in Process which is valued at cost consisting of employee costs and direct infrastructure expenses.

1.5 BORROWING COST

Borrowing costs represent interest on loan taken from Technology Development Board, Govt. of India, New Delhi and the same are charged to Profit & Loss Account in the year in which they are incurred.

1.6 INVESTMENTS

Investments are stated at cost inclusive of related incidental expenses.

1.7 FOREIGN CURRENCY TRANSACTIONS

Foreign exchange transactions outstanding are restated at appropriate exchange rates at the close of the year. The gain or loss on account of increase / decrease in rupee liability due to fluctuation in the rate of exchange is charged to Profit & Loss Account in respect of current assets and to the fixed assets in respect of liability outstanding.

1.8 RETIREMENT BENEFITS

The Company does not have any retirement benefit plans except Provident Fund & Gratuity. However until such schemes are in operation, the Company follows 'pay as you go' method.

In case of other benefits like Provident Fund, the employees who come under the purview of the Act are extended the benefit.

1.9 CAPITAL COMMITMENTS

There are no capital commitments.

1.10 CONTINGENT LIABILITIES

There are no contingent liabilities as on the date of the Balance Sheet.

1.11 RELATED PARTY DISCLOSURES

As per Accounting Standard on "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

A) LIST OF RELATED PARTIES

Holding Company

Tiebeam Technologies India Private Ltd (formerly Solix Systems Pvt. Ltd.)

Subsidiary Companies

1. Siti Corporation Inc., USA
2. AccelForce Pte Ltd., Singapore

Step Down Subsidiaries of AccelForce Pte Ltd., Singapore

1. Solix Technologies Inc., USA
2. Emagia Corporation, USA
3. Emagia India Private Limited , India (Subsidiary of Emagia Corporation USA)

Key management personnel and the relatives

1. Mr. G.Parmeswara Rao
2. Mrs. G.P.Premalata
3. Mr. Sai Gundavelli
4. Mrs.Veena Gundavelli
5. Mr. G.Srinath
6. Mr. T.M.Rao
7. Mrs. T.Geetanjali

B) TRANSACTIONS WITH RELATED PARTIES

Amount In Rupees

RELATED PARTY	NATURE OF TRANSACTION	AS ON 31 ST MARCH, 2011	AS ON 31 ST MARCH, 2010
Revenue transactions:			
Solix Technologies Inc., USA	Sale of Service	3,61,89,733	2,43,45,200
SITI Corporation Inc., USA	Sale of Service	74,77,610	1,51,24,550
Mrs. G.P.Premalata	Rent Payment	240,000	240,000

C) Details of amounts due to or due from and maximum amounts from subsidiaries for the year ended 31st March, 2011 and 2010.

Amount In Rupees

PARTICULARS	AS ON 31 ST MARCH 2011	AS ON 31 ST MARCH 2010
SUNDRY DEBTORS (Dues From)		
Solix Technologies Inc., USA	6,19,79,129	6,48,71,170
SITI Corporation Inc., USA	4,31,80,569	3,98,17,541
SUNDRY CREDITORS (Dues To)		
Solix Technologies Inc., USA	20,56,732	20,56,732
Tiebeam Ventures Inc., USA	16,24,227	16,24,227
LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	1,70,36,147	1,57,81,864
Digiprise India Pvt. Ltd. – Loan Taken	19,54,847	38,50,082
Emagia India Private Limited – Loan Due from	1,48,340	10,000
MAXIMUM BALANCES OF LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	1,70,91,863	1,57,81,864
Digiprise India Pvt. Ltd. – Loan Taken	19,54,847	39,17,072
Emagia India Private Limited – Loan Due from	1,48,340	10,000

1.12 DUES TO SMALL SCALE INDUSTRIES

There are no Small Scale Industrial undertakings to whom amount is outstanding for more than 30 days as at the Balance Sheet date.

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

1.13 PAYMENT TO AUDITORS

Amount In Rupees

PARTICULARS	31 ST MARCH, 2011	31 ST MARCH, 2010
As Auditors	1,65,450	1,65,450
Other Certification Charges	1,388	Nil
Reimbursement of Expenses	Nil	1,199
TOTAL	1,66,838	1,66,649

1.14 TRANSACTION WITH KEY MANAGEMENT PERSONNEL

The key management personnel comprises of directors. The aggregate managerial remuneration under section 198 of the Companies Act 1956, to the directors (including managing director) is :

Amount In Rupees

PARTICULARS	31 ST MARCH, 2011	31 ST MARCH, 2010
Whole Time Director gross Remuneration	8,43,780	703,200
TOTAL REMUNERATION	8,43,780	703,200

1.15 TAXES ON INCOME

Current tax is the amount payable on the taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.

1.16 DEFERRED TAX

Deferred tax is recognized, as the difference between the taxable income and the accounting income that originate at one period and capable of reversal in one or more subsequent periods.

The break up of net deferred tax assets as on 31st March, 2011 is as under:

Amount In Rupees

PARTICULARS	AS ON 31 ST MARCH, 2011	CURRENT YEAR	AS ON 1 ST APRIL, 2010
Difference between book and tax depreciation and unabsorbed Depreciation	(1,55,103)	Nil	(1,55,103)
Expenditure Disallowed U/s 40A(3) of Income Tax Act, 1961	Nil	Nil	Nil
TOTAL	(155,103)	NIL	(1,55,103)

1.17 INCOME TAX

The Income tax department has raised a tax demand of Rs. 37,68,906/- (including interest) for the Assessment year 2002-2003. The Company filed Appeal before the ITAT and pending disposal of the said appeal by the Hon'ble IT Appellate Tribunal, Mumbai, the company has paid the entire amount of Rs. 37,68,906/- under protest. The decision of the tribunal is awaited.

The Income tax department has also raised a tax demand of Rs.99,80,358/- dated 21.12.2006 (inclusive of interest) for the Assessment year 2004-2005. Pending disposal of our appeal by CIT (Appeals), Mumbai, the company paid an amount of Rs. 26.29 lakhs till 29th June 2008. However, after considering the further set-off of previous year losses, the tax demand was revised to Rs.41,32,246 by an Order U/s 154 of the Income Tax 1961. Further, the Company made an application for rectification of the assessment order to allow credit for TDS & self assessment tax paid, as a result of which the tax demand has been reduced to Rs.35,57,129/-.

The Income Tax department has also raised a tax demand of Rs.9,23,013/- dated 22.12.2008 for the Assessment Year 2006-2007 disallowing deduction U/s 10A. An appeal has been filed with the Hon'ble CIT (Appeals), Mumbai.

The Solix operations are covered under Software Technology Park ("STPs") Scheme and the same is exempt for a period of 10 years commencing from the fiscal year i.e., 2001-2002 in which the unit commenced its commercial operations, or March 31st, 2011 whichever is earlier.

1.18 SEGMENT REPORTING

- a) Software development Services, Information Technology enabled services and products are considered as its business segment. The Company is primarily engaged in the said business, the activities as such are governed by the same sets of risk and return. Therefore they have been grouped as single segment as per AS-17 dealing with segment reporting. All the assets of the company are located in India and hence secondary segment reporting is based on geographical location of the customers.
- b) Information about secondary segment information:

Rupees in Lakhs

REVENUE	31 ST MARCH, 2011	31 ST MARCH, 2010
Domestic Sales	43.78	67.54
Overseas Sales	436.68	404.37
TOTAL	480.46	471.91
Profit/Loss before Tax and Unallocated expenditure from each segment		
Domestic	3.72	5.74
Overseas	176.41	86.48
TOTAL	180.13	92.22
Unallocated expenditure net of income		
Profit before taxes	35.14	31.24
<i>Capital employed Assets-External liabilities</i>		
Domestic	24.53	450.33
Overseas	1,803.68	1,308.98
Unallocated corporate assets-liabilities	118.45	186.09
TOTAL	1,946.66	1,945.40

1.19 FOREIGN EXCHANGE INFLOW / OUTFLOW:

- a) Earning in foreign currency : **Rs.418.06/- Lakhs** (Pr year Rs 394.69/- Lakhs)
- b) Expenditure in foreign currency : **Rs.2.09/- Lakhs** (Pr. Year Rs. 17.38/- Lakhs)

1.20 SUNDRY DEBTORS:

Though the amount of Rs.816.02 Lakhs is due from the debtors which are more than six months, the management of the Company is of view that the amounts are recoverable in full. Accordingly, the Company made an application to the Exchange Control authorities of Reserve Bank of India for extension of time and the approval is awaited.

1.21. Previous year figures have been regrouped / reclassified to confirm to current year classification.

As per our Report of even date attached

For and on behalf of the Board

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

CASH FLOW STATEMENT

SOLIX TECHNOLOGIES LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011		
Rupees in Thousands		
	AS ON 31ST MARCH, 2011	AS ON 31ST MARCH, 2010
A. Cash Flow from operating activities :		
Income from Operating activities	2,983	2,871
Adjustment for :		
Add : Depereciation & Amortization	218	1,266
Preliminary expenses	-	13
Loss on Liquidation of Subsidiaries	-	0.1
Deferred Tax	(19)	(323)
Operating Profit before working capital charges	3,812	3,827
Adjustment for :		
(Increase)/ Decrease in trade and other receivable	199	(9,714)
(Increase) /Decrease in the Loans & Advances	(444)	3,706
Increase in Software Work in Progress	(1,649)	1,429
Increase / (Decrease) in Trade payables	1,600	288
Net cash from operating activities (A)	2,888	(464)
B. Cash Flow from investment activities :		
Investment in fixed assets	(408)	-
Sale of shares	-	-
Net cash used in Investing activities (B)	(408)	-
C. Cash Flow from Financing activities :		
Proceeds from long term & other borrowings	(2,215)	(84)
Net cash used in Financing activities (C)	(2,215)	(84)
Net increase in cash and cash equivalent (A+B+C)	265	(548)
Cash & Cash equivalent at the beginning of the year	739	1,287
Cash & Cash equivalent at the end of the year	1,004	739

As per our Report of even date attached

For and on behalf of the Board

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

CERTIFICATE

We have examined the attached Cash Flow Statement of **Solix Technologies Limited** for the period ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Clause 32 listing agreement of Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 18th May, 2011 to the members of the Company.

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.MURTHY
Partner
Membership No.200021
Place: Hyderabad
Date: 18th May 2011

SOLIX TECHNOLOGIES LIMITED		
ABSTRACT OF BALANCE SHEET AND PROFILE OF THE COMPANY'S GENERAL BUSINESS		
		Rupees in Thousands
I	Registration Details	
	Registration No.	01-054066
	State Code	01
	Balance Sheet Date	31/03/2011
II	Capital Raised during the year (Rupees in Thousands)	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
	Others - Conversion of part of Loan into Equity	NIL
III	Position of Mobilisation and Deployment of Funds	
	Total Liabilities	195,288
	Total Assets	195,288
	Sources of Funds:	
	Paid-up Capital	62,750
	Reserve & Surplus	84,334
	Secured Loans	47,584
	Unsecured Loans	619
	Application of Funds:	
	Net Fixed Assets	2,223
	Investments	82,923
	Net Current Assets	109,795
	Misc. Expenditure	Nil
	Deferred Tax Assets	155
IV	Performance of company (Rupees in Rupees):	
	Turnover	48,066
	Total Expenditure	44,571
	Profit/(Loss) Before Tax	3,494
	Profit/(Loss) After Tax	2,963
V	Generic Names of Three Principal Products / Services of Company	
	(as per monetary terms).	
	i) Item Code No. (ITC Code)	NA
	Product Description	IT & IT Enabled Services

As per our Report of even date attached

For and on behalf of the Board

for Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY ACCOUNTS					
NAME OF THE SUBSIDIARY	SITI CORPORATION INC, US	ACCELFORCE PTE LTD, SINGAPORE	SOLIX TECHNOLOGIES INC., USA	EMAGIA CORPORATION., USA	EMAGIA INDIA PVT LTD, INDIA
FINANCIAL PERIOD ENDED	31ST MARCH, 2011	31ST MARCH, 2011	31ST MARCH, 2011	31ST MARCH, 2011	31ST MARCH, 2011
Holding company's interest	94.5%	100%	82.61%	60.89%	100%
Shares held by the holding company in the subsidiary	28,350,000 shares	1 Share	22,800,000 Shares	26,312,538 shares	49,999 shares
Par Value of each share	US\$ 0.014	S\$ 1	US\$ 0.01	US\$ 0.003	Rs. 10
THE NET AGGREGATE OF PROFITS OR LOSSES OF THE SUBSIDIARY FOR THE CURRENT PERIOD SO FAR AS CONCERN THE MEMBERS OF THE HOLDING COMPANY (IN RUPEES)					
a. dealt with or provide for in the accounts of the holding company	-	-	-	-	-
b. not dealt with or provided for in the accounts of the holding company	(871,921)	-	932,568	791,773	564,052
THE NET AGGREGATE OF PROFITS OR LOSSES OF THE SUBSIDIARY FOR PREVIOUS FINANCIAL YEAR OF THE SUBSIDIARY SO FAR AS IT CONCERN THE MEMBERS OF THE HOLDING COMPANY (IN RUPEES)					
a. dealt with or provide for in the accounts of the holding company	-	-	-	-	-
b. not dealt with or provided for in the accounts of the holding company	(2,830,351)	-	1,075,754	5,066,211	83,540

As per our Report of even date attached

For and on behalf of the Board

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

AUDITORS' REPORT

AUDITORS' REPORT

To,
The Members,
Solix Technologies Limited.

1. We have audited the attached Consolidated Balance Sheet of SOLIX TECHNOLOGIES LIMITED and its subsidiaries as at 31st March, 2011 and also Consolidated Profit and Loss Account and Consolidated Cash Flow Statements for the period ended on that date annexed thereto. These consolidated 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.
2. We conducted our audit in accordance with the Indian auditing standards issued by the Institute of Chartered Accountants of India. Our audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates and judgments made by the management in the preparation of financial statements and evaluating the overall financial statement presentation. We planned and performed our audit, so as to obtain all the information and explanations which we considered necessary in order to provide us the sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements and to provide a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Solix Technologies Limited and its subsidiaries in the consolidated financial statements.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports of individual financial statements of Solix Technologies Limited and its subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st March, 2011;
 - ii) in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the period ended on that date; and
 - iii) in the case of the consolidated Cash Flow Statements of the Company and its subsidiary for the period ended on that date.

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

KVR Murthy
Partner
Membership No. 200021
FRN No. 006610S
Place: Hyderabad.
Date: 18th May 2011

814, 8th Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.
Phones: 23204877 / 23204498 - Fax: 23205653 - E-mail: contact@ramunravi.com

CONSOLIDATED FINANCIAL STATEMENTS

SOLIX TECHNOLOGIES LIMITED			
CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH, 2011			
		AS ON 31 ST MARCH, 2011	AS ON 31 ST MARCH, 2010
PARTICULARS	SCHEDULE	RUPEES	RUPEES
SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS			
Share Capital	1	62,750,000	62,750,000
Reserves & Surpluses	2	105,858,768	94,096,618
Preferred Stock	3	44,650,000	45,140,000
2. LOAN FUNDS			
Secured Loans	4	67,565,301	70,368,342
Unsecured Loans	5	77,489,035	19,128,554
TOTAL		358,313,104	291,483,515
APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	6	444,451,301	364,835,309
Less : Depreciation		130,579,288	114,402,475
Net Block		313,872,013	250,432,833
2. INVESTMENTS	7	120	120
3. CURRENT ASSETS, LOANS & ADVANCES			
Software Work-in-Progress		27,469,979	22,117,777
Sundry Debtors	8	196,245,516	92,226,516
Cash & Bank Balances	9	16,410,919	9,909,166
Loans & Advances	10	29,088,459	90,885,490
<i>Total of Current Assets, Loans & Advances (a)</i>		269,214,874	215,138,949
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	218,417,127	91,657,957
Provisions	12	6,511,879	82,585,534
<i>Total of Current Liabilities & Provisions (b)</i>		224,929,006	174,243,491
Net Current Assets (a-b)		44,285,868	40,895,458
4. DEFERRED TAX ASSET		155,103	155,103
TOTAL		358,313,104	291,483,515

Significant Accounting Policies and Notes to Accounts

18

As per our Report of even date attached

For and on behalf of the Board

for Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

SOLIX TECHNOLOGIES LIMITED			
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH , 2011			
		YEAR ENDED	
		31 ST MARCH, 2011	31 ST MARCH, 2010
PARTICULARS	SCHEDULE	RUPEES	RUPEES
INCOME			
Sales & Services (TDS Rs.10,87,660/- P.Y. Rs. 10,77,471/-)	13	273,697,964	234,860,820
Other Income	14	20,732	4,213,908
TOTAL		273,718,696	239,074,728
EXPENDITURE			
Cost of sales	15	206,617,554	187,476,858
Selling ,General & Administrative Expenses	16	40,571,546	21,667,772
Finance Charges	17	3,836,853	6,563,821
Preliminary Expenses Written Off		-	12,593
Depreciation & Amortization		16,176,812	15,298,460
TOTAL		267,202,765	231,019,503
PROFIT BEFORE TAXES		6,515,931	8,055,224
Provision for Taxation :			
Current / Fringe Benefit Tax		717,366	867,796
Deferred tax		-	(323,188)
Prior Period Expenses		(765,070)	732,154
PROFIT FOR THE YEAR		6,563,635	6,778,463
SURPLUS BROUGHT FORWARD FROM LAST YEAR		80,509,371	73,730,908
SURPLUS CARRIED TO BALANCE SHEET		87,073,005	80,509,371
EARNING PER SHARE			
Equity shares of par value Rs.10/- each			
Basic		1.05	1.08
Diluted		1.05	1.08
Number of shares used in computing earnings per share		6,275,000	6,275,000

Significant Accounting Policies and Notes to Accounts 18

As per our Report of even date attached

For and on behalf of the Board

for Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

SOLIX TECHNOLOGIES LIMITED									
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET									
PARTICULARS		AS ON 31 ST MARCH, 2011			AS ON 31 ST MARCH, 2010				
1. SHARE CAPITAL									
Authorised :									
70,00,000 Equity Shares of Rs.10/- each		70,000,000			70,000,000				
Issued, Subscribed and Paid up:									
62,75,000 (P.Y 62,75,000)Equity Shares of Rs.10/- each fully Paid up Includes Bonus Shares of 55,00,000 Equity Shares of Rs 10/- each fully paid up, allotted on 3 rd May, 2005 by capitalising out of Reserves of Rs. 550 lakhs		62,750,000			62,750,000				
TOTAL		62,750,000			62,750,000				
2. RESERVES & SURPLUS									
Share Premium Account		18,000,000			18,000,000				
Profit & Loss Account		87,073,005			80,509,371				
Add: Exchange Fluctuation Adjustment		785,763			(4,412,752)				
TOTAL		105,858,768			94,096,618				
3. PREFERRED STOCK									
Prefererd Stock in Solix Technologies Inc., 1,650,000 Nos		44,650,000			45,140,000				
TOTAL		44,650,000			45,140,000				
4. SECURED LOANS									
From Technology Development Board, New Delhi, India		47,584,176			50,159,176				
From Banks (Against assignment of debts and hypothecation of equipment)		19,981,125			20,209,166				
TOTAL		67,565,301			70,368,342				
5. UNSECURED LOANS									
From Directors & their relatives		77,489,035			14,424,945				
Others		-			4,703,610				
TOTAL		77,489,035			19,128,554				
6. FIXED ASSETS									
		GROSS BLOCK			DEPRECIATION			NET BLOCK	
SL.NO.	PARTICULARS	AS ON 01.04.2010	NET ADDITIONS EXCHANGE FLUCTUATION	AS ON 31.03.2011	AS ON 01.4.2010	PROVISION FOR THE YEAR	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
1	Computers & Accessories	6,772,183	324,000	7,096,183	6,757,302	13,116	6,770,418	325,765	14,881
2	Office equipment	1,066,910	-	1,066,910	206,614	50,678	257,292	809,618	860,296
3	Furniture & fixtures	1,109,778	84,000	1,193,778	325,641	75,566	401,207	792,571	784,137
4	Electrical	117,422	-	117,422	22,312	5,578	27,889	89,533	95,110
5	Vehicles	767,935	-	767,935	298,866	72,954	371,820	396,115	469,069
6	Fixed Asset of Subsidiaries	355,001,080	79,207,992	434,209,073	106,791,741	15,958,920	122,750,661	311,458,411	248,209,339
	TOTAL	364,835,309	79,615,992	444,451,301	114,402,475	16,176,812	130,579,288	313,872,013	250,432,833
	PREVIOUS YEAR	357,609,723	7,225,585	364,835,309	99,104,015	15,298,460	114,402,475	250,432,833	

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET		
PARTICULARS	YEAR ENDED	
	AS ON 31 ST MARCH, 2011	AS ON 31 ST MARCH, 2010
7. INVESTMENTS		
Long Term Investments :		
In shares : Quoted (Non Trade)		
1 (P.Y 1) fully paid Equity shares of Rs. 10/- each in Associated Cement Company Ltd.*	120	120
Market Value of Investments *		-
8. SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months	196,245,516	16,088,802
Other debts	-	76,137,714
TOTAL	196,245,516	92,226,516
9. CASH & BANK BALANCES		
Cash in Hand	622,801	618,902
Balance with Scheduled Banks		
In Current accounts	15,493,972	9,010,119
In Deposit accounts	294,145	280,145
TOTAL	16,410,919	9,909,166
10. LOANS & ADVANCES		
Advance recoverable in cash or kind or for value to be received	13,301,096	556,427
Other Loans and Advances	15,787,363	90,329,063
TOTAL	29,088,459	90,885,490
11. CURRENT LIABILITIES		
Sundry Creditors & other Liabilities	218,417,127	91,657,957
TOTAL	218,417,127	91,657,957
12. PROVISIONS		
Provisions for taxation	6,511,879	82,585,534
TOTAL	6,511,879	82,585,534

As per our Report of even date attached

For and on behalf of the Board

for Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT		
PARTICULARS	YEAR ENDED	
	31 ST MARCH, 2011	31 ST MARCH, 2010
13. SALES & SERVICES		
Information Technology Services	273,697,964	67,527,391
Business Process Outsourcing	-	42,565,093
Software Products	-	123,801,077
Gain on Foreign Exchange Fluctuation	-	967,259
TOTAL	273,697,964	234,860,820
14. OTHER INCOME		
Interest Received	20,732	14,146
Miscellaneous Income	-	4,199,762
TOTAL	20,732	4,213,908
15. COST OF SALES		
Salaries, Allowances and Other Benefits	92,292,822	89,891,353
External Consultants	82,499,133	40,563,317
Software WIP	4,752,963	5,529,444
Communication Expenses	4,497,205	6,073,008
Travel & Conveyance Expenses	14,671,296	14,824,930
Insurance	6,759,411	8,901,669
Electricity Charges	1,144,724	536,657
Equipment Rental	-	127,176
Other Expenses	-	21,029,304
TOTAL	206,617,554	187,476,858
16. SELLING , ADMINISTRATIVE & OTHER EXPENSES		
Rent, Rates and Taxes	6,727,982	6,911,994
Listing and Filing Fees	33,090	71,085
Repairs and Maintenance	320,951	456,813
Advertisement	1,287,176	557,965
Auditors' Remuneration	181,838	1,152,200
Subscription & Membership Fees	-	794,112
Staff Welfare	3,264,054	186,356
Business Promotion	1,191,838	-
Conference and Meeting Expenses	1,144,046	7,696
General Expenses	9,290,278	(865,397)
Office Maintenance	999,578	780,900
Legal & Professional Charges	11,502,393	11,573,170
Loss on Foreign Exchange Fluctuation	1,393,486	-
Bad Debts Written Off	3,234,834	40,879
TOTAL	40,571,546	21,667,772
17. FINANCE CHARGES		
Bank Service Charges	680,063	67,017
Interest on Loans and Others	3,156,790	6,496,804
TOTAL	3,836,853	6,563,821

As per our Report of even date attached

For and on behalf of the Board

for Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

CONSOLIDATED NOTES TO ACCOUNTS

CONSOLIDATED**18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS:****1 . STATEMENT ON ACCOUNTING POLICIES**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (“ICAI”), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the accounting standard on Consolidated Financial Statements issued by the ICAI.
- The financial statements of Solix Technologies Limited, the parent company and its subsidiary companies viz. SITI Corporation Inc., USA and AccelForce Pte. Ltd., Singapore, as also the subsidiary companies of AccelForce Pte. Ltd., Singapore viz., Solix Technologies Inc., USA, Emagia Corp., USA and its Indian subsidiary i.e., Emagia India Pvt. Ltd., have been combined on a line-by-line basis by adding together book values of similar items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain / loss.
- The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

1.1 REVENUE RECOGNITION

- (a) Revenue from software development on fixed- price and fixed - time frame contracts, where there is no uncertainty as to measurement or collectibility, revenue consideration is recognized as per the percentage of completion method. On the time-and-materials contracts, revenue is recognized as related services are rendered.
- (b) Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.
- (c) Profit on sale of investments is recorded on transfer of title from the company and is determined as difference between sales price and carrying value of the investment.

1.2 FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

1.3 INTANGIBLE ASSETS**Capitalization Policy**

All costs incurred (direct & indirect) for development of a product / tool which is meant to be reused , sold or marketed are identified and capitalized till the point of deployment or sale to an external customer.

All costs incurred, which results in bringing into existence a new version, which would be reused, sold or marketed are capitalized as a separate product / tool till the point of deployment or sale to external customer.

Amortization Policy

The capitalized software is amortized over a period of 9 (nine) years commencing from the year in which the product / tool is deployed or sold to an external customer.

1.4 DEPRECIATION

Depreciation is provided under the 'Straight Line Method' at the rates specified in Schedule XIV of the Companies Act, 1956.

1.5 VALUATION OF INVENTORIES

Closing work-in-process is valued at cost consisting of employee and related direct expenses.

1.6 BORROWING COST

Borrowing costs are charged to profit & loss account in the year in which they are incurred.

1.7 INVESTMENTS

Investments are stated at cost inclusive of brokerage and stamp duty.

1.8 FOREIGN CURRENCY TRANSACTIONS

Foreign exchange transactions outstanding are restated at appropriate exchange rates at the close of the year. The gain or loss on account of increase / decrease in rupee liability due to fluctuation in the rate of exchange is charged to Profit & Loss Account in respect of current assets and to the fixed assets in respect of liability outstanding.

1.9 RETIREMENT BENEFITS

The company does not have any retirement benefit plans. However until such plans are framed, the company will follow 'pay as you go' method.

In case of other benefits like Provident Fund, the employees who come under the purview of the Act are extended the benefit.

1.10 CONTINGENT LIABILITIES

There are no contingent liabilities as on the date of the Balance Sheet.

1.11 RELATED PARTY DISCLOSURES

As per Accounting Standard on "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

A) LIST OF RELATED PARTIES

Holding Company

Tiebeam Technologies India Pvt. Ltd., India (formerly Solix Systems Pvt. Ltd.)

Subsidiary Companies

1. Siti Corporation Inc., USA
2. AccelForce Pte. Ltd., Singapore

Step Down Subsidiaries of AccelForce Pte Ltd., Singapore

1. Solix Technologies Inc., USA
2. Emagia Corporation, USA
3. Emagia India Pvt. Ltd., India (Subsidiary of Emagia Corporation USA)

Key management personnel and relatives

1. Mr. G.Parmeswara Rao
2. Mrs. G.P.Premalata
3. Mr. Sai Gundavelli
4. Mrs.Veena Gundavelli
5. Mr. G.Srinath
6. Mr. T.M.Rao
7. Mrs. T.Geetanjali

B) TRANSACTIONS WITH RELATED PARTIES

Amount In Rupees

RELATED PARTY	NATURE OF TRANSACTION	AS ON 31 ST MARCH, 2011	AS ON 31 ST MARCH, 2010
Revenue transactions:			
Solix Technologies Inc., USA	Sale of services	3,61,89,73	2,43,45,20
SITI Corporation Inc., USA	Sale of services	74,77,61	1,51,24,55
Mrs. G.P.Premalata	Rent Payment	2,40,000	2,40,000

C) Details of amounts due to or due from and maximum dues from subsidiaries for the year ended 31st March, 2010 and 2009.

Amount In Rupees

PARTICULARS	AS ON 31 ST MARCH 2011	AS ON 31 ST MARCH 2010
SUNDRY DEBTORS (DUES FROM)		
Solix Technologies Inc., USA	6,19,79,12	6,48,71,170
SITI Corporation Inc., USA	4,31,80,56	3,98,17,541
SUNDRY CREDITORS (DUES TO)		
Solix Technologies Inc., USA	20,56,732	20,56,732
Tiebeam Ventures Inc., USA	16,24,227	16,24,227
LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	1,70,36,147	1,57,81,864
Digiprise India Pvt. Ltd. – Loan Taken	19,54,847	38,50,082
Emagia India Pvt. Ltd. – Loan Given	1,48,340	10,000
MAXIMUM BALANCES OF LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	1,70,91,863	1,57,81,864
Digiprise India Pvt. Ltd. – Loan Taken	19,54,847	39,17,072
Emagia India Pvt. Ltd. – Loan Given	1,48,340	10,000

1.12 DUES TO SMALL SCALE INDUSTRIES

There are no Small Scale Industrial undertakings to whom amount is outstanding for more than 30 days as at the Balance Sheet date.

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

1.13 PAYMENT TO AUDITORS

Amount In Rupees

PARTICULARS	31 ST MARCH, 2011	31 ST MARCH, 2010
As Auditors	1,65,450	1,65,450
Other Certification Charges	1,388	Nil
Reimbursement of Expenses	Nil	1,199
TOTAL	1,66,838	1,66,649

1.14 TRANSACTION WITH KEY MANAGEMENT PERSONNEL

The key Management personnel comprises of Directors. The aggregate managerial remuneration under section 198 of the Companies Act 1956, to the Directors (including Managing Director) is :

Amount In Rupees

PARTICULARS	31 ST MARCH, 2011	31 ST MARCH, 2010
Whole Time Director gross Remuneration	843,780	7,03,200
TOTAL REMUNERATION	843,780	7,03,200

1.15 TAXES ON INCOME

Current tax is the amount payable on the taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, as the difference between the taxable income and the accounting income that originate at one period and capable of reversal in one or more subsequent periods.

1.16 DEFERRED TAX

The break up of net deferred tax assets as on 31st March, 2009 is as under:

Amount In Rupees

PARTICULARS	AS ON 1 ST APRIL, 2010	CURRENT YEAR	AS ON 31 ST MARCH, 2011
Difference between book and tax depreciation and unabsorbed Depreciation	(155,103)	Nil	(155,103)
Expenditure Disallowed U/s 40A(3) of Income Tax Act, 1961	Nil	Nil	Nil
TOTAL	(155,103)	Nil	(155,103)

1.17 INCOME TAX

The Income tax department has raised a tax demand of Rs. 37,68,906/- (including interest) for the Assessment year 2002-2003. The Company filed an Appeal before the ITAT and pending disposal of the said appeal by the Hon'ble IT Appellate Tribunal, Mumbai, the company has paid the entire amount of Rs. 37,68,906/- under protest.

The Income tax department has also raised a tax demand of Rs.99,80,358/- dated 21.12.2006 (inclusive of interest) for the Assessment year 2004-2005. Pending disposal of our appeal by CIT (Appeals), Mumbai, the company paid an amount of Rs. 26.29 lakhs till 29th June 2008. However, after considering the further set-off of previous year losses, the tax demand was revised to Rs.41,32,246 by an Order U/s 154 of the Income Tax 1961. Further, the Company made an application for rectification of the assessment order to allow credit for TDS & self assessment tax paid, as a result of which the tax demand has been reduced to Rs.35,57,129/-.

The Income Tax department has also raised a tax demand of Rs.9,23,013/- dated 22.12.2008 for the Assessment Year 2006-2007 disallowing deduction U/s 10A. An appeal has been filed with the Hon'ble CIT (Appeals), Mumbai.

The Solix operations are covered under Software Technology Park ("STPs") Scheme and the same is exempt for a period of 10 years commencing from the fiscal year i.e., 2001-2002 in which the unit commenced its commercial operations, or March 31st 2011 which ever is earlier.

1.18 SEGMENT REPORTING

- a) Software development Services, Information Technology enabled services and products are considered as its business segment. The Company is primarily engaged in the said business, the activities as such are governed by the same sets of risk and return. Therefore they have been grouped as single segment as per AS-17 dealing with segment reporting. All the assets of the company are located in India and hence secondary segment reporting is based on geographical location of the customers.

- b) Information about secondary segment information:

Rupees in Lakhs

REVENUE	31 ST MARCH, 2011	31 ST MARCH, 2010
Domestic Sales	43.78	67.54
Overseas Sales	2,693.20	2,281.07
TOTAL	2,736.98	2,348.61
Profit/Loss before Tax and Unallocated expenditure from each segment		
Domestic	0.78	5.74
Overseas	1,365.84	1,228.37
TOTAL	1,366.62	1,234.11
Unallocated expenditure net of income		
Profit before taxes	72.81	73.24
Capital employed Assets-External liabilities		
Domestic	21.86	450.33
Overseas	2,680.82	1,957.33
Unallocated corporate assets-liabilities	105.56	186.09
TOTAL	2,808.24	2,593.75

- 1.19.** (i) Previous year figures have been restated as per audited balance sheet for subsidiary companies.
(ii) Previous year figures have been regrouped / reclassified to confirm to current year classification.

As per our Report of even date attached

For and on behalf of the Board

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

CONSOLIDATED CASH FLOW STATEMENT

SOLIX TECHNOLOGIES LIMITED				
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH ,2011				
		YEAR ENDED		
		31 ST MARCH, 2011	31 ST MARCH, 2010	
(in Rs. Thousands)				
A. Cash Flow from operating activities :				
	Income from Operating activities		6,564	6,778
	Adjustment for :			
	Add : Depereciation & Amortization	16,177	15,298	
	Preliminary expenses	-	13	
	Deferred Tax	-	(323)	14,988
	Operating Profit before working capital charges		22,740	21,766
	Adjustment for :			
	Exchange fluctuation on Consolidation	4,709	(30,289)	
	Increase/ (Decrease) in trade and other receivable	(104,019)	41,803	
	Increase / (Decrease) in the Loans & Advances	61,797	12,016	
	Increase in Software Work in Progress	(5,352)	1,429	
	Increase / (Decrease) in Trade payables	50,686	7,820	66,394
	Net cash from operating activities (A)		30,560	88,160
B. Cash Flow from investment activities :				
	Investment in fixed assets		(79,616)	(7,226)
	Net cash in Investing activities (B)		(79,616)	(7,226)
C. Cash Flow from Financing activities :				
	Proceeds from Pref issue		55,557	(78,966)
	Net cash used in Financing activities (C)		55,557	(78,966)
	Net increase/(decrease) in cash and cash equivalent (A+B+C)		6,502	1,968
	Cash & Cash equivalent at the beginning of the year		9,909	7,941
	Cash & Cash equivalent at the end of the year		16,411	9,909

As per our Report of even date attached

For and on behalf of the Board

for Ramu & Ravi,
FRN No. 0066105
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 18th May 2011

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of **Solix Technologies Limited** for the period ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 of Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 18th May, 2011 to the members of the Company.

for **Ramu & Ravi**,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership No.200021
Place: Hyderabad
Date: 18th May 2011

Solix Technologies Limited

Regd. Off: 1486 (12-13-522), Lane No. 13, Street No. 14, Tarnaka, Secunderabad - 500 017.

PROXY FORM

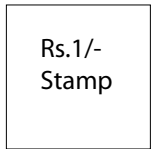
* Demat A/c No.-----
 DP ID. No-----

Regd. Folio No.-----

I/We-----of-----in the District of-----being a member/members of the Company hereby appoint Mr./Mrs.-----of-----as my / our Proxy to vote for me / us on my / our behalf at the Annual General Meeting of **Solix Technologies Limited** to be held on Friday, 30th September 2011 at 3.00 PM at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad-500 003.

Signed this-----day of-----2011

Signature-----



- Note:**
1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
 2. Proxy form duly stamped and executed should reach the Corporate Office of the Company atleast 48 hours before the time fixed for the commencement of the Meeting.
 3. The member/proxy should bring the attendance slip sent herewith duly filled for attending the Meeting and hand it over at the entrance duly signed by them.

Solix Technologies Limited

Regd. Off: 1486 (12-13-522), Lane No. 13, Street No. 14, Tarnaka, Secunderabad - 500 017

ATTENDANCE SLIP

Annual General Meeting, on Friday, 30th September 2011 at 3.00 PM

Demat A/c No.-----
 DP ID. No-----

Regd. Folio No.-----

No. of Shares held-----

I certify that I am a Member/Proxy for the Member of the Company.

I hereby record my presence at the Annual General Meeting of **Solix Technologies Limited** to be held on Friday, 30th September 2011 at 3.00 PM at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad 500 003.

 Signature of Member/Proxy