

BOARD OF DIRECTORS

Mr. G. Parmeswara Rao	- Chairman
Mrs. Veena Gundavelli	- Managing Director (Appointed on 25.05.2012)
Mr. Sai Gundavelli	- Director (Appointed on 25.05.2012)
Mr. T. Maheshwar Rao	- Executive Director
Mr. G. R. Venugopala Chary	- Independent Director
Dr. Rafiq K. Dossani	- Independent Director
Mr. Jnana Ranjan Dash	- Independent 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 Nos.: 040-2717 0822, 27175157, 27177591
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>

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NOTICE OF
ANNUAL GENERAL MEETING

NOTICE TO MEMBERS

Notice is hereby given to all the members of the Company that the **Thirty Second Annual General Meeting of SOLIX TECHNOLOGIES LIMITED** will be held on Friday, 20th July 2012, 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 2012 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 Mr. Jnana Ranjan Dash, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. G. Parmeswara Rao, 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 a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, if any, and subject to the availability of name and approval of the Registrar of Companies, Andhra Pradesh, Hyderabad, the name of the Company be changed from Solix Technologies Limited to "**TechNvision Ventures Limited**" and the name of the Solix Technologies Limited, wherever it appears in the Memorandum, Articles, Documents etc., be substituted by the new name "**TechNvision Ventures Limited**" in due course."

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

"RESOLVED THAT in Clause I of the Memorandum of Association of the Company be substituted by the following:

"The name of the Company is **TechNvision Ventures Limited**."

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

“**RESOLVED THAT** Clause 1 (d) of the Articles of the Association of the Company be substituted by the following:

“The Company means **TechNvision Ventures Limited.**”

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

“**RESOLVED THAT** pursuant to provisions Sections 198, 269, 309 & 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals and permissions as may be required, Mrs. Veena Gundavelli, Director be and is hereby appointed as the Managing Director of the Company without any remuneration for a period of 5 (Five) years with effect from 25th May 2012 and empowered to exercise all such powers as entitled as a Managing Director.”

Place: Secunderabad
Date: 25th May 2012

**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 at the time of attending the Meeting and bring their copies of the Annual Report to the Meeting.
3. In case of joint shareholders 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 as also email ID to the Registrar & Share Transfer Agent.
6. The Company has already notified closure of Register of Members and Transfer Books thereof from 15th July, 2012 to 20th July 2012 (both days inclusive).
7. Non-Resident Indian Shareholders are requested to inform our Registrar & Share Transfer Agent viz. 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. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agent viz. M/s. Venture Capital and Corporate Investments Limited.
10. 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 directly to them.
11. 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.
12. 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:
 - a. **Mr. Jnana Ranjan Dash** is a Chartered Member of TiE (The Indus Entrepreneurs) Silicon Valley. He is also an author of several technology books as well as blogs 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 also served as the Chief Technology Officer at Sonata Software Ltd. 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. Mr. Dash spent ten years in Oracle Corporation holding several management roles and also served 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. Mr. Dash serves as Member of Advisory Board of Proactivity Inc. and an industry advisor of Diamondhead Ventures. Previously, he also served as a Director of Serus Corporation.

- b. **Mr. G. Parmeswara Rao**, an advocate by profession, holds B.A. and LL.B. from Osmania University, Hyderabad. He has over 37 years of experience in the legal and corporate sector. He has held several positions in the Indian government organizations as Standing Counsel for Accountant General (Audit-I), Director of Commercial Department, Director of Audit, Accountant General (Audit-II), Accountant General (A&E), Director, Postal Audit and various other departments. He also serves as director for Tiebeam Technologies Pvt. Ltd. Since inception, he has made major contributions for the growth and development of the Company.

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

Item No. 5, 6 and 7

The name of the Company Solix Technologies Limited is being changed to **TechNvision Ventures Limited**. Solix Technologies Limited and Solix Technologies Inc., (US based subsidiary of Solix Technologies Limited) share the same name. While Solix Technologies Inc., is branded for its leadership in Enterprise Data Management and Information Life Cycle Management solutions and has customers world-wide, Solix Technologies Limited is in the business of Software Development, Systems Integration Services and investments into companies to develop businesses that have potential for significant growth. In order to improve the messaging and branding so as the customers are not confused about the two different types of entities, the Board of Directors of the Company have decided and approved the change of name for Solix Technologies Limited to that of **TechNvision Ventures Limited**. **TechNvision Ventures** will continue to do business and will continue to invest in companies in related technology areas. Solix Technologies Inc., the US based subsidiary, will continue on the same brand and in the same business of developing, deploying and supporting Enterprise Data Management Solutions – Information Lifecycle Management, Test Data Management, Data Privacy and Cloud Enabling solutions.

Hence, the alteration of Clause I to the Memorandum of Association and Article 1 (d) of Articles of Association is in accordance with Section 94 and Section 31 of the Companies Act, 1956 respectively and it requires the approval of the shareholders in the general meeting.

Your Directors propose these resolutions mentioned in Item Nos. 5, 6 & 7 of the Notice of this Annual Report. None of the Directors are in any way concerned or interested in the proposed resolutions.

Item No. 8

The Board of Directors of the Company at its Meeting held on 25th May 2012 appointed Mrs. Veena Gundavelli as Managing Director of the Company in place of Mr. Sai Gundavelli who has resigned from the office of Managing Director w.e.f. 25th May 2012. Mrs. Veena Gundavelli shall serve as the Managing Director of the Company for a period of 5 (five) years with effect from 25th May 2012 without remuneration as per Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

Mrs. Veena Gundavelli has founded Emagia Corp. in 1998. She served as Chief Executive Officer and President of Emagia Corp. She has an extensive experience in the software industry and 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. Earlier, she has held several management and development roles at Cisco Systems, Canon Information systems and other companies.

She serves as Chairman and Director of Emagia Corporation. Mrs. Gundavelli has been a Non Executive Director of Solix Technologies Limited 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.

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

I General Information:

SI No.	Information Sought	Information																																							
1.	Nature of Industry	The Company is engaged in IT and ITES and Software development activities and investment into its related Companies.																																							
2.	Date of commencement of commercial production	The Company has started its operation from August 2001.																																							
3.	Financial Performance of the Company	(₹ in Lakhs)																																							
		<table border="1"> <thead> <tr> <th rowspan="2">PARTICULARS</th> <th colspan="2">STANDALONE</th> <th colspan="2">CONSOLIDATED</th> </tr> <tr> <th>2011-2012</th> <th>2010-2011</th> <th>2011-2012</th> <th>2010-2011</th> </tr> </thead> <tbody> <tr> <td>Total Revenue</td> <td>555.31</td> <td>480.46</td> <td>2,910.35</td> <td>2,737.19</td> </tr> <tr> <td>Total Expenditure</td> <td>548.76</td> <td>421.31</td> <td>2,801.20</td> <td>2,672.03</td> </tr> <tr> <td>Profit After Tax</td> <td>3.44</td> <td>29.64</td> <td>106.24</td> <td>65.64</td> </tr> <tr> <td>Paid up Equity Capital</td> <td>627.50</td> <td>627.50</td> <td>1,139.10</td> <td>1,074.00</td> </tr> <tr> <td>Reserve & Surplus</td> <td>846.79</td> <td>843.32</td> <td>2,108.05</td> <td>1,058.59</td> </tr> <tr> <td>Dividend Rate</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	PARTICULARS	STANDALONE		CONSOLIDATED		2011-2012	2010-2011	2011-2012	2010-2011	Total Revenue	555.31	480.46	2,910.35	2,737.19	Total Expenditure	548.76	421.31	2,801.20	2,672.03	Profit After Tax	3.44	29.64	106.24	65.64	Paid up Equity Capital	627.50	627.50	1,139.10	1,074.00	Reserve & Surplus	846.79	843.32	2,108.05	1,058.59	Dividend Rate	Nil	Nil	Nil	Nil
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Dividend Rate	Nil	Nil	Nil	Nil																																					
4.	Export Performance and net foreign exchange collaboration	Export Turnover – 438.70 Net FE Gain/(Loss) – 91.30																																							
5.	Foreign Investment or collaborators	There are no foreign investments or collaborators during the fiscal year.																																							

II Information about appointee:

1.	Background details	The background detail of Mrs. Veena Gundavelli is given in explanatory statement.
2.	Past Remuneration, recognition of awards and his suitability	Nil Mrs. Veena Gundavelli has rich experience and deep knowledge in the field of IT & ITES Product Development & Service Industry and has immensely contributed to the growth of the Company by her 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	Mrs. Veena Gundavelli is serving on the Board of the Company since 2010. She has streamlined the business process operations of the Company and has been a strategic management persona. Her skill set and her experience places her at par with similar positions on other companies of comparable size and nature.
5.	Pecuniary relationship directly or indirectly with Company, or relationship with the managerial personnel, if any	Mrs. Veena Gundavelli is a Promoter Director and Managing Director of the Company. In addition, other disclosures are given in Notes to Accounts. Mr. Sai Gundavelli, Director of the Company is her Husband and Mr. T M Rao, Executive Director & Mr. G.Parameswara Rao, Director are her relatives.

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 other disclosures are being mentioned in the Corporate Governance Report as required under Schedule XIII of the Companies Act, 1956.

The Explanatory Statement together with the accompanying Notice is to be regarded as an abstract under the provisions of Section 302 of the Companies Act, 1956.

Mrs. Veena Gundavelli is concerned and interested in the resolution. Mr. Sai Gundavelli, Mr. T M Rao & Mr. G.Parameswara Rao being relatives of Mrs. Veena Gundavelli 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: 25th May 2012

**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,

The Directors submit the **Thirty Second Annual Report** and audited financials for the financial year ended March, 31st 2012.

FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2011-12	2010-11	2011-12	2010-11
Total Income	555.31	480.46	2,909.96	2,736.98
Operating Profit (PBIDT)	8.96	61.54	2,798.89	2,510.26
Finance Charges	0.86	24.82	29.72	37.27
Depreciation and Amortization	2.30	2.18	2.31	161.77
Profit Before Tax	6.66	34.95	109.14	65.16
Provision for Tax	3.22	5.50	2.15	7.17
Prior Period Adj	Nil	(0.19)	-	(7.65)
Profit After Tax	3.44	29.64	106.24	65.64
Profit brought forward from previous year	663.35	633.71	870.73	805.09
Surplus carried forward	666.79	663.35	976.97	870.73
EPS	0.05	0.47	1.88	0.91

COMPANY'S PERFORMANCE

For the financial year ended March 31, 2012, Profit from Operations was ₹ 8.96 Lakhs, as compared to a profit of ₹ 61.54 lakhs in the corresponding period of the previous year. For the year ended March 31, 2012, the Company's Profit before Tax stood at ₹ 6.66 lakhs as compared to a Profit of ₹ 34.95 lakhs in the previous year.

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

Our ability to create value in our portfolio companies has always been underpinned by the differentiated scale of resources, knowledge and networks. With a track record in delivering innovative value creation solutions, we have developed a highly-effective approach and that will continue to be our key execution strategy.

We offer a wide range of software products that can be sold individually to solve specific technical challenges, but the

emphasis of our product development and sales efforts is to create products that enable businesses to be more cost-effective, agile and efficient. We divide our products into three major groups: Enterprise Data Management, Enterprise Cash Flow Management and Enterprise Talent Management.

On Enterprise Data Management front, we plan to expand our solutions to new deployment models based on the Cloud technologies. Solix Cloud will help small, medium and large enterprises solve data growth challenges and provide an Information Lifecycle Management (ILM) framework to manage the risk and complexity of storing vital information. By storing all archived data on tier one media all the time, and by leveraging flash solid state disk (SSD) technology, Solix Cloud provides faster performance and improved access compared to traditional tiered storage solutions deployed on premise. Solix Cloud is also highly secure. All archived data is encrypted and stored in a read-only, immutable format to meet data privacy and compliance objectives. We also plan to expand our market reach to countries in Europe, Australia, South America and Asia. We will continue to strengthen on our market share in North America.

On Enterprise Cash Flow Management front, we plan to strengthen our offerings to finance departments, shared service centers as well as to F&A business process outsourcing centers. Our solution in enterprise and software-as-a-service deployment models will be strengthened with new functionality and features that will enhance cash flow management and forecasting. We will continue to strengthen our analytics platform to offer more business intelligence that can guide our customers in faster and more effective decision making. Our plans also include adding alliances relationships in upcoming economies such as South America and Australia.

On Recruitment Process Outsourcing front, we will continue to strengthen our services strength in technology and IT related recruiting services. Our technology solutions coupled with recruiting services add value to talent management and staffing organizations. Our plans continue to strengthen our technology enhanced recruitment process outsourcing services to our customers in North America.

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.

CHANGE OF NAME OF THE COMPANY

The Board of Directors of the Company, at its meeting held on 25th May, 2012 proposed and approved the change of name of your Company pursuant to the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, if any, and subject to the consent of shareholders of the Company at the ensuing Annual General Meeting. Accordingly, the Company has applied for the availability of name with the Registrar of Companies, Andhra Pradesh, Hyderabad.

Solix Technologies Limited and Solix Technologies Inc., (US based step down subsidiary of Solix Technologies Limited) share the same name. While Solix Technologies Inc., is branded for its leadership in Enterprise Data Management and Information Life Cycle Management solutions and has customers world-wide. Solix Technologies Limited is in the business of Software Development, Systems Integration Services and investments into companies to develop businesses that have potential for significant growth. In order to improve the messaging and branding so as the customers are not confused about the two different types of entities, the Board of Directors of the Company have decided and approved the change of name for Solix Technologies Limited to **TechNvision Ventures Limited**.

DIRECTORS

Re-appointment.

Mr. G. Parmeswara Rao and **Mr. Jnana Ranjan Dash**, Directors, retire by rotation and the Board of Directors of your Company, at its meeting held on May 25th, 2012 recommended for the approval of the members, their re-appointment as Non Executive Directors of your Company, as they retire by rotation.

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 (including step down subsidiaries) 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 Pvt. Ltd., India (Subsidiary of Emagia Corp., USA)
4. Solix Softech Pvt. Ltd., India (Subsidiary of Solix Technologies Inc., 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, 2012 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 March 31, 2012, 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. GSR 289 (E) dated 31.03.2011 and a General Circular No. 23 dated 3rd 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 ₹ 24 lakhs per year i.e. ₹ 2 lakhs per month to that of ₹ 60 lakhs per year i.e. ₹ 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 all the employees.

Place: Secunderabad
Date: 25th May 2012

for and on behalf of the Board of Directors

sd/-
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:

(₹ in Lakhs)

PARTICULARS	31ST MARCH, 2012	31ST MARCH, 2011
Foreign Exchange Earnings	592.42	418.06
Expenditure in Foreign Currency	1.34	2.09

Place: Secunderabad
Date: 25th May 2012

for and on behalf of the Board of Directors

sd/-
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.

Over the years, the business world has witnessed constant changes. In spite of these changes, we have been constantly endeavoring to excel in our solution offerings to our customers and in adding value to all our stakeholders. Our objective has been to synergize both tangible as well as intangible assets to ensure long-term profitability for the Company. To ensure that we achieve this goal, we have built an agile and reliable framework with inputs from all stakeholders including customers, employees and investors.

Solix Enterprise Data Management Suite™

IT organizations (ITOs) today face a number of difficult challenges that at the highest level can be summarized in the phrase “doing more with less”. ITOs are facing three major pressures on their budgeting and plans:

1. Global competition, which puts a premium on highly efficient operations,
2. The advent of Cloud services that offer lower cost and greater flexibility, particularly in the business’s ability to respond to unexpected events in a volatile business and financial environment, and,
3. The present weak economic recovery and in particular the continued lack of capital in the financial markets and slow business growth overall.

This environment has put a premium on operational efficiency, and one major target in the data center is the huge growth in data volumes, which puts pressure in particular on capital expenditure budgets. The old “brute force” approach of buying more and more expensive tier 1 storage systems to accommodate the huge growth in data of all kinds, most of which is scarcely accessed, would not work in a world of increasing budgetary constraints. This data explosion issue has several symptoms:

- CIOs report that as much as 80% of the data in production databases is no longer in active use. This data:
 - Drives capital expense for extra Tier 1 disks and larger servers,
 - Slows performance of enterprise applications such as ERP and CRM by as much as 50%,
 - Forces expansion of backup windows to the point that backups of major databases cannot be completed in a single session,
 - Complicates recovery and delays restoration of central business IT services in the event of a disaster.
- Obsolete applications linger on in the data center long after their active life has ended because their data is still needed for compliance and internal business uses:
 - Gartner estimates that as much as 10% of the applications running in unoptimized data centers are candidates for retirement.
 - These applications require expensive hardware, including in some cases mainframe systems.
 - They also require expensive staff attention and in some cases increasingly rare and obsolete skill sets such as COBOL programming.
 - This hardware consumes valuable resources in data centers, including floor space, power, and cooling, which shortens the life of the data center.

- The result is a huge drain on IT budgets that businesses cannot afford.
- Test, QA, and training environments require extra capital investment in hardware to accommodate these ever growing databases:
 - Manual cloning takes too long and too much staff time, making it a very inefficient process.
 - In most cases, even after production databases are optimized full database clones are not required for these environments.
 - Therefore, these clones waste resources that IT cannot afford in the present economic and business environment.
- These non-production database clones contain very sensitive data, often including personal information on company clients and employees, and therefore they create an often unrecognized security exposure.
 - These environments are seldom secure.
 - A loss of sensitive data, particularly information on clients, could have a major negative impact on the enterprise.

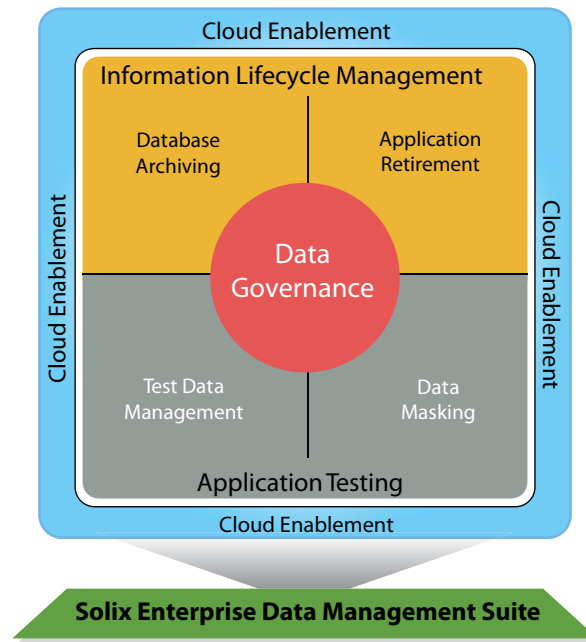
The ILM Opportunity

As is often the case, however, these problems are also opportunities to cut costs and improve efficiency by applying information lifecycle management (ILM) best practices using a more sophisticated strategy to data management backed by best-of-breed ILM tools:

- The solution to data growth for structured databases is data archiving driven by business rules.
 - Effective data archiving moves older, inactive data out of the production database to appropriate storage tiers based on business rules.
 - For instance, data more than 180 days old might be archived to Tier 2 storage.
 - Data more than six years old could move to tape or other removable media.
 - Archived data should preserve all context, vital for preserving meaning in complex data sets from enterprise systems such as ERP and CRM.
 - It should be preserved in read-only, immutable format to meet compliance requirements.
 - It should be de-duplicated and compressed to occupy the smallest possible space consistent with lossless data preservation.
 - It should be available for inclusion in reports and research including decision support, trend analysis, and compliance audits.
- Data archiving, in this case of entire databases, is also the key to retiring obsolete applications, a key part of application portfolio management, which Gartner and other experts have long advocated as the most effective approach for effective data center management.
- Cloning for testing and other needs should focus on efficient, automated subsetting that creates databases that are large enough to support the needs of the particular process without wasting IT resources.

- The tool should also support automated, single-pass cloning to provide an efficient process and not waste expensive staff time.
- Data security needs demand effective data masking to protect sensitive data in database clones.
- The masking tool should offer a choice of methods including encryption, replacement with random sets of letters, numbers and symbols, and overwriting with repetitive numbers and letters (e.g. XXXX, 99999).
- It should preserve data formats to support testing and similar processes.
- It should be applicable by column or row.

Solix Enterprise Data Management Suite™



Solix Technologies has developed best-of-breed information lifecycle management solutions to meet all of these needs of the modern data center. Solix Technologies' leading-edge products fit into four categories:

- **Information Lifecycle Management (ILM)**
 - Solix EDMS Database Archiving: Part of the Solix Enterprise Data Management Suite (EDMS), it supports all ILM best practices.
- **Application Portfolio Management**
 - Solix EDMS Application Retirement: Also part of EDMS, it automates the end-to-end database archiving and retirement process, allowing IT to retire obsolescent applications while preserving the important business data with its full context in a managed, secure manner.
 - The Solix ExAPPS Appliance: The industry's first application retirement appliance, this is an integrated, plug-and-play hardware/software solution for application retirement including a built-in database with

deduplication and massive compression capabilities (90% data compression) to store archived data securely, and fast query and reporting tools to support access to the archived data.

- **Application Testing**

- Solix EDMS Test Data Management: Automates single-pass database cloning and database subsetting, creating the right sized subset of each database for testing, development, QA, and outsourcing.
- Solix EDMS Data Masking: Protects sensitive data fields in database clones and subsets by either encrypting, scrambling, or redacting data byte-by-byte with repeated characters and numerals while preserving the original data format so that the database will function properly in tests.

Solix EDMS and Solix ExApps define best-of-breed ILM practices as verified by:

- The vendors who rebrand and sell it as part of their product suites under OEM agreements, including:
 - Oracle
 - Voltage Security
- Its list of certifications from leading vendors for core products including:
 - 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 now 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.

Solix EDMS Advantages:

- 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.

About Emagia Corporation

Optimizing Working Capital Management with Effective Cash Flow Management

The impact of ineffective working capital management can be complex and just as debilitating for a business. Companies with effective cash flow management practices not only generate more cash from their businesses, they have more flexibility to take advantage of opportunities as they arise and are less dependent on external financing.

The performance gap between the top 25% and the bottom 75% is significant: under performing companies could free \$776 billion - or an average of \$0.78 billion per company - by matching the top performers in their respective industries. While it is relatively easy to obtain short-term reductions in working capital by slowing down payments, speeding up collections, or starving inventory, long-term results require a sustained effort and continuous process improvement approach.

To be successful with a working capital management program, you need cross-functional alignment of many managers, who will often see the cash flow management objective as secondary or in conflict with other measures or targets they must achieve. It cannot be implemented as a separate exercise from top line and bottom line performance optimization. For over a decade, Emagia Corporation (www.emagia.com) has been delivering highly innovative and sophisticated technology solutions to transform, automate and optimize cash flow processes to maximize cash conversion efficiencies and optimize working capital. Emagia Enterprise Cash Flow Management Solutions have helped several companies across the world achieve significant and sustainable improvement in their cash flows.

Emagia Cash Inflow Manager, our flagship solution, is focused on unlocking cash from receivables, which is the cheapest and the best way to improve cash flow. This solution has served as the primary technology platform for several accounts receivables departments and F&A shared service centers to optimize the order-to-cash processes and to gain control on cash conversion efficiency. Our customers have gained significant cash flow improvements by leveraging Emagia Cash Inflow Manager. Some of the improvements include:

- 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 Solutions are deployed in several countries worldwide and support 35 languages across various industry segments. Our customers range from large Global 2000 to mid-size companies including Flextronics, Oracle Corporation, RRDonnelly, Textron, Exide, Zebra Technologies, Xilinx, Parker Hannifin, Dresser-rand, Volt, Ampad, Smart Modular, Force Technologies, CompuCom, among others.

Deployed in two models—one as enterprise software license and second as Cloud model with Software-as-a-service (SaaS)—our solutions have the track record of delivering rapid return on investment and long-term financial returns for our customers.

Emagia CFM Solution Suite

Emagia’s Cash Flow Management (CFM) solution allows customers to manage and operate a highly efficient and effective customer financials management, dispute resolution and receivables collections department. Using Emagia solutions, customers achieve significant operational efficiency, reduce dispute resolution time and increase customer self-service on payments.

Emagia’s Cash Inflow Manager CFM 7.0 Enterprise Edition is an integrated set of productivity tools for customer care, collectors and managers that drives higher performance in organizations. Emagia integrates this set of performance enhancing tools with its exclusive, easy-to-use intelligent forecasting system for predicting results.

Customer care Management: The Emagia Customer Care Solution leverages the proven benefits of web-based collaboration to deliver an outstanding customer experience with the receivables department. With a secure web-based interface, this module extends to include customer financial self-service capabilities. Through its collaborative capabilities, this module brings the customer closer to receivables, credit and collections operations, thereby helping achieve better and more profitable customer relationships.

Disputes Management: This module provides powerful, collaborative workflow based dispute resolution. Deductions analysts can connect and collaborate with customers and internal departments such as sales, customer service etc., to quickly resolve issues. Further, it automatically builds and archives an audit trail on all bad debt issues, resulting in better internal controls, reporting and compliance.

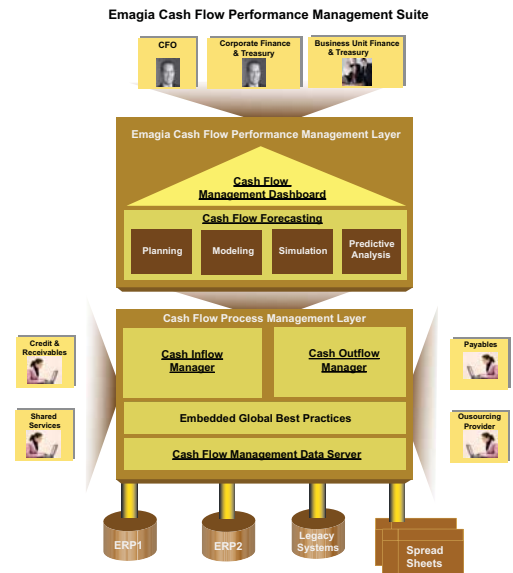
Collections Management: This solution is designed to reduce DSO and improve customer payment trends. It includes flexible collections strategies that automatically create collector level task and priority assignments, comprehensive collaborative notes functionality, electronic document access, consolidated and detailed account information available at a single click. Each of these powerful features is designed to enhance AR collector productivity while reducing collections costs.

Emagia solution also includes powerful user customizable and dynamic reporting capabilities. Creating custom reports in minutes using a wide variety of sorting parameters is accomplished via a simple click and create menu. This provides an unsurpassed level of actionable information for decision makers and individual contributors.

Emagia Cloud Services

Emagia Cloud offers an easy and secure way to deploy Emagia Cash Flow Management Solutions using private cloud model and Software offered as a Service (SaaS). Emagia solutions are hosted at secure, reliable private cloud and accessible over a standard web browser, including services on application implementation, management, maintenance and support offered by Emagia.

- Predictable all-inclusive monthly fee
- Shorter implementation timeline with streamlined project management



- Lower consulting and customization fees
- Flexibility to adapt to meet your business needs
- Faster deployment as you add more users or business units
- No upgrade costs with ease of access to continuous innovation
- Lowest Total Cost of Ownership

Emagia Cloud Advantage

With the advent and maturation of hosted delivery models, companies now have a choice in how they purchase and deploy enterprise-wide applications. With Emagia Cloud Services, companies no longer need to be responsible for hardware, software, network and associated support functions. The required infrastructure completely resides within Emagia secure and reliable cloud and is guaranteed through a comprehensive Service Level Agreement (SLA).

Benefits to the Finance Organization:

- a. A completely service based offering delivered entirely over the internet on a subscription basis
- b. A single low setup fee and a predictable monthly fee
- c. Eliminates the upfront costs associated with purchasing licenses and associated hardware infrastructure along with ongoing yearly maintenance fees
- d. No additional fees for the costs of managing upgrades or ongoing infrastructure costs

Benefits to the IT Organization:

- a. Eliminates burden on internal IT group of having to implement, manage and maintain additional applications on site
- b. Required hardware and software support infrastructure and maintenance is included, thereby reducing upfront investment as well as ongoing management costs
- c. A dedicated infrastructure team
- d. proactively monitors and maintains the system to ensure the maximum performance, availability and security

SITI - Empowering Talent Management™

At SITI we add power to our customers' recruiting department with talent management technology and/or services to augment sourcing to full-cycle recruiting. Our products and services are focused on improving the bandwidth and performance of recruiting departments. SITI solutions are offered in the new generation – On Demand Model. Both our products and services are delivered On Demand from our centers and on a highly affordable monthly subscription fee model, eliminating the high infrastructure and personnel costs.

SITI delivers wide range of services from sourcing, screening, back ground checking to full-cycle recruiting. The services are focused on taking portions of recruiting functions or taking full cycle recruiting to increase our customers' recruiting department's bandwidth. Our recruiters work as an extended team to our customers, working remotely from our high performance recruiting centers. Companies can gain the agility to increase or decrease their recruiting bandwidth by subscribing to SITI On Demand services as and when they need.

Recruitment Process Outsourcing (RPO) traditionally refers to outsourcing portions or full cycle recruitment to recruiting or staffing agencies. RPO transfers the responsibility completely to a third party agency and the fee typically is a percentage of the total hire annual budget.

SITI has redefined the RPO model to bring the ultimate advantage to our client. In SITI RPO model, our recruiters become our customers' extended team members working from our recruiting centers and with the infrastructure, software and processes needed for high performance recruiting. The model involves subscription to resources on a monthly basis thus making it easy for our customers to increase or decrease bandwidth based on their need. Further, the RPO services can be delivered onshore or offshore depending on our customers budgets. They can choose our SITI recruiter, the subscription period and the onshore or offshore model – when ever they want. This is next generation On Demand Recruitment delivered.

SITI RPO ADVANTAGE

Most companies hire SITI services for the following reasons:

- Need to increase recruiting bandwidth for short-term and long-term business scalability.
- Experiencing an increase in requisitions and do not have the bandwidth or time to hire and train new recruiters.
- Need to improve quality of recruitment with use of technology solutions
- Experiencing budget pressures and need to increase recruiting bandwidth while lowering costs.
- Looking to improve profits.

RECRUITSHARP™

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.

Recruitsharp Advantage:

- 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

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 Nos: 040-27170822, 27175157, 27177591

With best regards,

Sd/-
Veena Gundavelli
Managing Director

**MANAGEMENT
DISCUSSION & ANALYSIS**

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Management discussion and analysis of financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the management has considered future risks as part of the discussions, future uncertainties are not limited to the management perceptions.

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 Solix 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 have been made on a prudent and reasonable basis, in order 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.

1. INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

The year 2011-2012 began on a sluggish note with the Information Technology Industry still reeling under the ripple effect of the past couple of years slowdown. If the global financial crisis and tech meltdown made the Indian IT industry cringe, the revival imbued new confidence in the industry to explore new markets, reach out to the massive pool of available talent and invest heavily in research and development to bring value to all the stakeholders. The Industry has enormous potential to grow in the years to come. According to a World Economic Forum study, Information technology is the key to boost the country's global competitiveness. While directly contributing to the GDP numbers and exports, this growth has had a multiplying effect too. Both at a global and at India level, the technology industry is at a stage which will redefine the types of products and services customers demand. The changing macroeconomic, demographic, social, business and technological trends offer an opportunity for a more inclusive growth with efficient persistent technology use. The next decade will witness new technology solutions which will overcome the traditional ones. We believe that if we can unleash the power of technology to do more, through improved technology infrastructure and technologically superior solutions, it could play a dynamic role in how India moves ahead to grow in the next decade. To achieve new ways of working, organizations will need more scalable and flexible IT systems and processes that allow knowledge to be captured and applied by virtual teams inside and outside the conventional organizational structure. This is where the Indian IT industry will discover unprecedented opportunities to scale up the value chain by building newer capabilities and broadening its horizon.

Market Size, Trends and Potential

The total spend on IT services is expected to escalate to US\$ 684 billion by 2014 at a CAGR of 3.9%. The IT outsourcing component is expected to grow to US\$ 239 billion in 2014 at a CAGR of 1.1%. Off shored IT services are expected to grow from US\$ 31.1 billion in 2009 to US\$ 42.8 billion in 2014 at a CAGR of 6.6%. The net spend on offshored IT services are expected to grow to US\$ 42.8 billion in 2014 at a CAGR of 6.6%.

2. OPPORTUNITY AND THREATS

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

THREATS

Financial Threats:

1. Financial Currency rate fluctuation:

Our exchange rate threat primarily arises from our foreign currency revenues and receivables. The Company derives its revenue from foreign countries around the world. While a large portion of our expenses are in Indian Rupees, at the same time operating profit is subject to rate fluctuations. The exchange rate between the Indian Rupee and the US Dollar has been changing substantially and the Company faces the risks associated with rate fluctuations translation effect.

2. Credit Risks:

The business of the Company involves extending credit to international customers. This has the inherent risk of delayed payments and defaults. The Company's credit policy addresses this risk.

3. Liquidity:

The major cost components of any export oriented software industry are personnel, travelling and marketing costs. Apart from this, capital expenditure to upgrade technology is another regular feature of the cash flow.

HUMAN RESOURCE MANAGEMENT

The Company is dependent on manpower for implementation of its various projects. To ensure a steady and committed stream of manpower, we have continued to invest in developing our human capital, building strong relationships with academia and establishing our brand in the market to attract and retain the best talent. We continually recruit people, train them in specific skill sets that are required for our projects and deploy them across the nation.

Focus of HR team during the year has been on increasing product and domain competency in the organization through various measures as outlined below:

- Review of roles along with span of control to drive greater efficiency
- Regular communication with employees through regular "Open House" sessions, and through the business HR representatives.

Now the focus from an HR perspective would be to improve utilization, along with a strong sense of purpose and alignment to the organization.

INTERNAL CONTROL SYSTEM

Internal controls and checks are indispensable to achieve higher productivity and hence increased profitability. Major focus is imparted to achieve operational efficiency in the Company through adherence to defined procedures and policies, to achieve targets. Any gap in execution of project not only leads to delays but also adversely affects our long-term relations with the customers, and we are conscious of the need for on schedule and high-quality delivery. The Company has defined roles, responsibilities and authorities for employees at all levels. The Company has appointed internal auditors to check on the validity and correctness of internal reporting, which would in turn validate financial reporting. Solix has always been on a look out for implementing best practices of Corporate Governance. The Internal Control systems at Solix consist of a set of rules, procedures and organizational structures which aim to:

- ensure implementation of corporate strategy,
- ensure reliability and integrity of accounting and management data,
- ensure process compliance.
- achieve effective and efficient corporate processes,
- safeguard value of corporate assets,

STATUTORY COMPLIANCE

The Company has a Compliance Officer to advise the Company on compliance issues with respect to the laws of various jurisdictions in which the Company has its business activities and to ensure that the Company is not in violation of the laws of any jurisdiction where the Company has operations. The Compliance Officer, who is also the Company Secretary, reports from time to time on the compliance or otherwise of the laws of various jurisdictions to the Board of Directors. Generally, the Company takes appropriate business decisions after ascertaining from the Compliance Officer and, if necessary, from independent legal counsels, that the business operation of the Company is not in contravention of any law in the jurisdiction in which it is undertaken. Legal compliance issues are an important factor in assessing all new business proposals.

RISKS AND CONCERNS

The risk management process is continuously improved and adapted to the changing global risk scenario. The agility of the risk management process is monitored and reviewed for Appropriateness with the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven as well as quarterly basis. The risk categories covered under the risk management programme includes strategic, operational and financial as well as compliance-related risks across various levels of the organisation. This includes risk assessment and mitigation at the Company level, business / functional unit level, relationship level and project level.

We are subject to Government and regulatory activity

That affects how we design and market our products. Regulatory actions may at times hinder our ability to provide the benefits of our software to consumers and businesses, thereby reducing the attractiveness of our products and the revenues that come from them. The outcome of such actions, or steps taken to avoid them, could adversely affect us in a variety of ways, including:

- We may have to choose between withdrawing products from certain geographies to avoid fines or designing and developing alternative versions of those products to comply with government rulings, which may entail a delay in a product release and removing functionality that customers want or on which developers rely.
- The rulings described above may be cited as a precedent in other competition law proceedings.

We face intense competition

The entry of large players will result in fierce competition and raising the bar for eligibility. This will impact the business of the Company.

In response to competition, we rely on the following to compete effectively:

- a successful service delivery model;
- a well-developed recruiting, training and retention model;
- a broad referral base;
- continuing investments in process improvement and knowledge capture;

Our business depends on our ability to attract and retain talented employees.

Our business is based on successfully attracting and retaining talented employees. The market for highly skilled workers and leaders in our industry is extremely competitive. Post recession, the attrition rate in the IT industry has risen again and is one of the major challenges being faced by the industry. As the industry is on the path of recovery from the economic downturn, lateral hiring has reached its peak which in turn has resulted in widespread attrition. If we are less successful in our recruiting efforts, or if we are unable to retain key employees, our ability to develop and deliver successful products and services may be adversely affected. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution.

The Company is constantly exposed to the risk of exchange rate fluctuations.

With operations spanning world-wide and revenues earned in major currencies of the world, a majority of Company's expense are incurred in Indian Rupees. This exposes the Company to a constant risk of foreign exchange fluctuation, adverse fluctuations of exchange rate poses a threat to the profitability of the business. Fluctuations in foreign currency exchange rates can have a number of adverse effects on us. Changes in the value of the Indian Rupee against other currencies will affect our revenues and thereby our profit margins as well.

Service Model Redundancy

Newer models which change the manner of consumption of IT services could result in demand compression /pricing pressure on the existing model.

The Company is continually scanning the market environment and communicating with clients to identify emerging market trends at a nascent stage.

Reputational Threat

Reputation is built continuously in a timely and quality delivery with integrity. Any damage to this reputation and image of Solix could lead to decrease in market share.

The Company is focusing on quality and processes, and has developed efficient service models to mitigate this risk. Strict adherence to Company's Quality Management System, Code of Conduct and Corporate Governance framework have helped Company evolve as one of the best Company in the market.

Regulatory non-compliance

Solix is a group of Companies and many laws apply to Solix Group. Any failure to comply with any of the relevant regulations could result in financial penalties and reputational damage.

The company is assuming consultation of local managers as well as Auditors, Company Secretary, consultants, lawyers, specialists and experts for effective and efficient regulatory compliance. Solix is also implementing a security policy that

complies with information security and data privacy laws, backed by rigorous processes and a robust infrastructure, which assures physical and virtual security.

ANALYSIS OF OUR FINANCIAL STATEMENTS

ACCOUNTING POLICY

The Company's financial statements abided by the general 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 and recognized income and expenditure on an accrual basis.

The Company made all relevant provisions as were applicable as on March 31st 2012.

Over the years, Solix has built itself into an organization that not only partners with its customers, but also provides value addition, through a repertoire of innovative solutions and superior quality of services. Today, Solix has risen to eminence, as a leading Company in the IT / ITES space in the globe.

Financial Performance

Solix is a public Company listed on "The Bombay Stock Exchange Limited (BSE)". The financial statements of Solix are prepared in compliance with the Companies Act, 1956 and generally accepted accounting principles in India (Indian GAAP). Solix has two subsidiary companies along with their subsidiary companies (step down subsidiary companies). Solix publishes audited consolidated financial results on annual basis as well as quarterly basis.

The financial results of Solix as per Indian GAAP are discussed hereunder:

(₹ in Lakhs)

PARTICULARS	2011-12	2010-11
Total Income	555.31	480.46
Operating Profit (PBIDT)	8.96	61.54
Profit Before Tax	6.66	34.95
Profit After Tax	3.44	29.64
Earnings Per Share (₹)	0.05	0.47

SEGMENT RESULT

(₹ in Lakhs)

PARTICULARS	STAND ALONE YEAR ENDED	
	31 ST MARCH 2012 (AUDITED)	31 ST MARCH 2011 (AUDITED)
1. REVENUE		
Overseas	529.99	436.68
Domestic	25.32	43.78
TOTAL	555.31	480.46
2. SEGMENT RESULTS		
Profit / (Loss) before tax and interest from each Segment		
Overseas	124.07	176.41
Domestic	2.15	3.72
TOTAL	126.23	180.13
LESS		
(i) Interest	-	24.41
(ii) Other Un-allocable expenditure net off	119.42	120.79
(i) Un-allocable income	0.11	0.21
Total Profit Before Tax	6.92	35.14

REVENUE & EXPENDITURE

The total revenues earned by the Company increased by 15.58 % over last year, rising from ₹ 480 Lakhs in the year 2010-11 to ₹ 555 Lakhs in FY 2011-12. The total Operating Costs increased by 13.75 %, from last year's ₹ 480 Lakhs to ₹ 546 Lakhs this year due to increase in scale. Operating cost as a proportion of Total Income has decreased from 99.87 % to 98.39 % due to our increased efficiencies. The EBITDA has dropped to ₹ 8.96 Lakhs in FY 2011-12 as against ₹ 61.54 Lakhs in the FY 2010-11. Cash profit has decreased from ₹ 31.82 Lakhs in FY 2010-11 to ₹ 5.74 Lakhs in the FY 2011-12. The Company registered PBT of ₹ 6.92 Lakhs as compared to ₹ 35.14 Lakhs last year.

BALANCE SHEET ANALYSIS**Capital employed**

The Capital Employed decreased by ₹ 109 Lakhs from ₹ 1,947 Lakhs as on 31st March, 2012 to ₹ 1,838 Lakhs as on 31st March 2011. We have ensured judicious use of every rupee invested in the business.

Equity capital

During the year 2011-12, the Company has not issued any equity shares or convertible warrants.

Reserves and surplus

Free reserves of Solix stood at ₹ 847 Lakhs as on 31st March 2012 which was higher than the free reserves of ₹ 843 Lakhs as on 31st March 2011. The increase reflects internal accruals to the tune of ₹ 3.44 lakhs.

External debt

The company had negligible external debts during the year except for assistance granted by the Technology Development Board, New Delhi, a Govt. of India organisation.

Fixed assets

During the year, the company invested ₹ 1.34 Lakhs in Computer & Accessories among other IT hardware.

1. Sundry Debtors

Sundry debtors amounted to ₹ 966 Lakhs as at March 31, 2012 compared to ₹ 1,034 Lakhs as at March 31, 2011. These debts are considered good and realizable.

2. Cash and Cash Equivalent

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

3. Trade Payable, Current Liabilities and Provisions

The position of Trade Payables, Current liabilities & Provisions is ₹ 191 Lakhs as on 31st March, 2012 as against the last year amount of ₹ 182 Lakhs.

REVENUE ANALYSIS

The Company's revenue (net sales) stood at ₹ 555 Lakhs in 2011-12 as against ₹ 480 Lakhs in last year.

MARGINS

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

- EBITDA margin stood at 1.61% in 2011-12 compared with 12.89% in last year.
- PAT margin stood at 0.62% in 2011-12 compared with 6.17% in last year.

TAXATION

The Company's corporate tax burden is decreased from ₹ 6 Lakhs in last year to ₹ 3 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 among 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

Corporate Governance is the set of policies, processes and practices by which a Company conducts its affairs in pursuit of its business goals. In order to ensure sustainable returns to all stakeholders of the business, it is imperative, to adopt and follow these policies, procedures and processes, which together constitute a 'Code of Corporate Governance'. It is important that such code is institutionalized, to ensure transparency, consistency and uniformity of decision making processes and actions. We at Solix, good corporate governance is intrinsic to the management of Company affairs. These values and principles set the context to manage our Company affairs in a fair and transparent manner. These values set the framework to maintain accountability in all our affairs.

The Securities and Exchange Board of India (SEBI) regulates corporate governance practices of listed companies in India and prescribed the regulations under Clause 49 of the Listing Agreements of the Stock Exchanges. This clause specifies the standards that listed companies have to meet and the disclosures that they have to make as a part of their Annual Reports. 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:

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 peak performance with utmost 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.

2. Board of Directors

i. Board Composition

The Company's Board of Directors comprises of seven 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 the stipulated 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 2011-12 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	-
Mrs. Veena Gundavelli	Managing Director, Promoter	2	-	-
Mr. Sai Gundavelli	Director, Promoter	2	-	-
Mr. T.M.Rao	Executive Director, Promoter	3	-	-
Mr. G.R.Venugopala Chary	Non-Executive, Independent	1	3	3
Dr. Rafiq K. Dossani	Non-Executive, Independent	2	3	-
Mr. Jnana Ranjan Dash	Non-Executive, Independent	1	3	-

ii. Board Meetings and Attendance of Directors

The Board of Directors of the Company met four times during the Financial Year 2011-12 on 18th May, 12th August, 14th November in 2011 and 11th February in 2012. The Table hereunder gives attendance record of the Directors at the Board Meetings held during the financial year 2011-12 and previous AGM held on 30.09.2011.

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	4	4	Yes
Mrs. Veena Gundavelli	4	Nil	No
Mr. Sai Gundavelli	4	1	No
Mr. T.M.Rao	4	4	Yes
Mr. G.R.Venugopala Chary	4	4	Yes
Dr. Rafiq K. Dossani	4	Nil	No
Mr. Jnana Ranjan Dash	4	Nil	No

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 <http://www.solix.in>. All Directors and designated personnel in the senior management affirmed compliance with the Code for the year under review. The declaration to this effect, signed by Mr. G. Parmeswara Rao, Chairman, is annexed to this Report.

3. BOARD LEVEL COMMITTEES

The various 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 acts as a link between the Statutory Auditors and the Board of Directors. It 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 primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process and to ensure accurate, timely and proper disclosures and transparency and quality of financial reporting. 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.
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 2012

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 2011-12, four meetings of the Committee were held on 18th May, 12th August, 14th November in 2011 and 11th February in 2012. 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	Dr. Rafiq K. Dossani	Independent Director	Member	Nil
3	Mr. Jnana Ranjan Dash	Independent Director	Member	Nil
4	Mr. G. Parmeswara Rao	Director	Member	4

B) REMUNERATION COMMITTEE

(a) Terms of reference

The broad terms of reference of the Remuneration Committee are:

- a. Review the performance of the Managing Director and other Executive Directors, if any, after considering the Company's performance.
- b. Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Executive Directors.
- c. 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	Dr. Rafiq K. Dossani	Independent Director	Member
3	Mr. Jnana Ranjan Dash	Independent Director	Member
4	Mr. G. Parmeswara Rao	Director	Member

REMUNERATION POLICY

The appointment and remuneration of the Executive Directors is governed by 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 2011- 2012 are:

(Amount in ₹)

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

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	Dr. Rafiq K. Dossani	Independent Director	Member	1
3	Mr. Jnana Ranjan Dash	Independent Director	Member	1
4	Mr. G. Parmeswara Rao	Director	Member	4

Secretarial Audit

A qualified practicing Company Secretary has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total capital issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL & CDSL.

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-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.
AGM-2011	'CHOIR HALL", Hotel Minerva Grand, S.D.Road, Secunderabad – 500 003.	30-09-2011, 3.00 P. M.

At the Annual General Meeting held in 2011, 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 Executive 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 2012.

Place: Secunderabad
Date: 25th May 2012

for and on behalf of the Board

sd/-
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 at the Investor Desk.

8. CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the certification from Managing Director and Executive 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 20th July, 2012**
TIME : **3.00 PM**
VENUE : **'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad 500 003.**

b. Financial Calendar for the year 2012-13 (Tentative)

Results for Quarter ending June, 2012	-	Within 45 days of the quarter
Results for Quarter ending September, 2012	-	Within 45 days of the quarter
Results for Quarter ending December, 2012	-	Within 45 days of the quarter
Results for Quarter ending March, 2013	-	Last week of May 2013

c. Book Closure Date

15th July, 2012 to 20th July, 2012 (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 2012-13 has already been paid by the Company.

e. Stock Codes

BSE SCRIP CODE– 501421 Scrip ID: SOLIXTEC

f. Stock Market Data

The Stock Market data of shares of the Company and of the Bombay Exchange for the period from April 2011 to March 2012 is given below:

MONTH	SOLIX TECHNOLOGIES LIMITED	
	HIGH (in ₹)	LOW (in ₹)
April - 2011	19.20	15.00
May - 2011	22.00	19.05
June - 2011	21.00	17.15
July - 2011	21.25	18.10
August - 2011	25.45	19.50
September - 2011	24.65	19.10
October - 2011	20.00	13.85
November - 2011	20.45	18.50
December - 2011	22.30	21.20
January - 2012	20.15	16.45
February - 2012	19.90	13.65
March - 2012	26.60	19.20

g. Distribution of Shareholding as on 31st March, 2012

NO. OF SHARES	SHAREHOLDERS		SHARES	
	NUMBERS	%	NUMBERS	%
1 - 500	364	73.38	55295	0.88
501 - 1,000	51	10.28	38339	0.61
1,001 - 2,000	32	6.51	52980	0.84
2,001 - 3,000	9	1.8	22065	0.35
3,001 - 4,000	8	1.6	29737	0.47
4,001 - 5,000	5	1	22535	0.36
5,001 - 10,000	6	1.2	40062	0.64
10,001 and Above	21	4.23	6013987	95.84
TOTAL	496	100.00	6275000	100.00

h. Shareholding Pattern as on 31st March, 2012

SL. NO.	CATEGORY	NO OF SHARE HOLDERS	NO OF SHARES	%
1.	Promoters - Indian	7	46,63,273	74.32
2.	Foreign promoters	Nil	Nil	Nil
3.	Mutual Funds & UTI	Nil	Nil	Nil
4.	Foreign Institutional Investors	Nil	Nil	Nil
5.	Non-Resident Indians/OCBs	6	521,494	8.31
6.	Bodies Corporate	18	35,361	0.56
7.	Others- Individuals upto ₹1 Lakh	448	238,578	3.80
8.	Others- Individuals in excess of ₹1Lakh	9	220,205	3.51
9.	Clearing Members	6	3,739	0.06
10.	Trusts	2	592,350	9.44
	TOTAL	496	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

Place: Secunderabad
 Date: 25th May 2012

for **Solix Technologies Limited,**

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 March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 compliance with the conditions of 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: 25th May 2012

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

CEO/CFO

CERTIFICATE

CERTIFICATE OF MANAGING DIRECTOR & EXECUTIVE 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, 2012 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: 25th May 2012

Veena Gundavelli
Managing Director

T.M. Rao
Executive Director

AUDITORS'
REPORT - STANDALONE

To,
The Members,
Solix Technologies Limited.

1. We have audited the attached Balance Sheet of **Solix Technologies Limited**, as at 31st March 2012 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 herewith a statement as an Annexure, 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, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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, 2012; 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: 25th May 2012

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 program 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)	(a)	Due to the nature of Company's business of development of Computer Software and exports, the Company does not maintain inventories. 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 years 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 are not prima facie prejudicial to the interest of the company. The maximum amount involved is ₹ 191.39 Lakhs. The year end balance of such loans taken is ₹ 139.61 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 an 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, 2012 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 has not been deposited with the appropriate authorities are as under.			
		NATURE OF DUES	AMOUNT DEMAND	AMOUNT PAID	FORUM WHERE DISPUTES ARE PENDING
		Income Tax	₹ 125.50 Lakhs	₹ 100.28 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 prima facie, 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: 25th May 2012

**STANDALONE
FINANCIAL STATEMENTS**

SOLIX TECHNOLOGIES LIMITED
1486, Lane No. 13, Street No. 14, Tarnaka, Secunderabad - 500017
STANDALONE BALANCE SHEET FOR THE YEAR ENDING 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE REF	AS ON	
		31 ST MARCH, 2012	31 ST MARCH, 2011
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	3	62,750,000	62,750,000
(b) Reserves & Surpluses	4	84,679,458	84,334,650
		147,429,458	147,084,650
2. Non-current Liabilities			
(a) Long-term Borrowings	5	36,400,000	41,600,000
(b) Other Long term liabilities	6	14,515,304	19,758,635
		50,915,304	61,358,635
3. Current Liabilities			
(a) Trade Payable	7	2,005,274	2,331,676
(b) Other Current Liabilities	8	10,455,783	9,341,408
(c) Short-term Provisions	9	6,662,459	6,511,879
		19,123,516	18,184,963
		217,468,278	226,628,248
II. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
Tangible Assets	10	2,318,215	2,405,786
Intangible Assets	11	753	7,816
(b) Non-Current Investments	12	82,923,490	82,923,490
(c) Deferred Tax Assets (net)	13	80,531	155,103
		85,322,988	85,492,195
2. Current Assets			
(a) Inventories	14	19,013,763	23,766,727
(b) Trade Receivables	15	96,631,628	103,405,955
(c) Cash and Cash Equivalents	16	3,381,517	1,004,025
(d) Short-term Loans and Advances	17	13,118,381	12,959,347
		132,145,289	141,136,054
		217,468,278	226,628,248

Notes 1 & 2 relate to General Information and Summary of Significant Accounting Policies respectively.

The Notes are an integral part of these financial statements.

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of
Ramu & Ravi
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 25th May 2012

Veena Gundavelli
Managing Director

T.M.Rao
Executive Director

SOLIX TECHNOLOGIES LIMITED

1486, Lane No. 13, Street No.14, Tarnaka, Secunderabad - 500017

STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE REF	YEAR ENDED	
		31 ST MARCH, 2012	31 ST MARCH, 2011
I. REVENUE			
Sales & Services (TDS ₹ 6,58,365/- PY. ₹ 10,20,382/-)	18	55,530,954	48,045,755
Miscellaneous Income	19	10,997	20,732
TOTAL REVENUE		55,541,951	48,066,487
II. EXPENSES			
Cost of sales	20	50,752,550	36,944,207
Selling ,General & Administrative Expenses	21	3,807,826	5,037,835
Finance Charges	22	85,685	2,371,918
Depreciation & Amortization		229,510	217,892
TOTAL EXPENSES		54,875,571	44,571,852
III. PROFIT BEFORE TAX		666,380	3,494,635
IV. TAX EXPENSES			
Current Tax		247,000	550,000
Deferred tax		74,572	-
Prior Period Expenses		-	(19,107)
V. PROFIT FOR THE PERIOD		344,808	2,963,742

The Notes are an integral part of these financial statements.

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of

Ramu & Ravi

FRN No. 006610S

Chartered Accountants

K.V.R.Murthy**Partner**

Membership Number: 200021

Place: Hyderabad

Date : 25th May 2012**Veena Gundavelli**
Managing Director**T.M.Rao**
Executive Director

**STANDALONE
NOTES TO ACCOUNTS**

**SOLIX TECHNOLOGIES LIMITED.
NOTES TO THE FINANCIAL STATEMENTS**

1. GENERAL INFORMATION

Solix Technologies Limited (the “Company” or “Solix”) is engaged in the business of providing a broad range of Information Technology Products and Services that help Enterprises to create and manage information more effectively and economically.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation of Financial Statements

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended from time to time] and the other relevant provisions of the Companies Act, 1956.

All Assets and Liabilities have been classified as current or non-current as the case may be, as per the Company’s normal operative cycle and other criteria set out in the Schedule VI of the Companies Act, 1956. Since the Company is in the business of providing a broad range of Information Technology Products and Services, the Company has determined its operative cycle as 12 months for the purpose of current – noncurrent classification of Assets and Liabilities.

The preparation of the financial statements, in conformity with generally accepted principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and the assumptions used in these financial statements are purely based upon the management’s evaluation of relevant facts and circumstances as of the date of the financial statements.

2.1. Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation along with accumulated impairment losses. Cost comprises of the purchase price and other attributable indirect expenses including cost of borrowings till the date of capitalization. In the case of assets involving material investment and substantial lead time for their set up, those assets are valued at cost including inward freight, expenses, taxes and duties etc., as applicable.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond items previously assessed standard of performance.

Gains or Losses arising from the retirement or disposal of fixed assets which are carried at cost are recognized in the statement of Profit and Loss Account.

Depreciation for the year has been provided on Straight-Line Method as per the rates prescribed under Schedule XIV of the Companies Act, 1956 and the same is consistent with the method followed by the Company in the previous years.

2.2. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated period based on the decision of the management. The amortization period and the amortization method are reviewed by the management at each financial year end. If the expected period of usage is significantly different from the previous

estimates, the amortization period is changed accordingly based on the management decision.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized as income or expense as the case may be, in the Statement of Profit and Loss.

2.3. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use of operation or sale, are added to the cost of the respective assets. All other borrowing costs are recognized as financial costs in Statement of Profit and Loss for the period in which they are incurred.

2.4. Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. Assets, which are impaired by disuse or obsolescence, are segregated from the concerned asset category and shown as deletions in the Fixed Assets (schedule) and appropriate provision, is made for the difference between the net carrying cost, and the net realizable value in respect of the dismissed or deleted assets.

2.5. Investments

Investments that are readily realizable and are intended to be held for not more than one year, from the date of such investments, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, suitable provision for diminution in value is made to recognize the decline, other than temporary, in the value of the relevant investments, individually.

2.6. Inventories

The inventories except stores and spares are valued at lower of Cost or Net Realizable Value. The method of determination of cost of various categories of inventories is as follows:

2.6.1 Raw Material: Weighted Average Cost which includes purchase cost and attributable expenses for the said acquisition.

2.6.2 Finished Goods and Work-in –Process: Weighted average cost of production, which comprises of direct material costs, direct wages and appropriate overheads.

2.6.3 Stores and Spares: Stores and spares are valued at weighted average cost.

2.7. Sundry Debtors and Advances

Sundry Debtors and Advances are considered at the realizable value. Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively and the same are suitably considered in the Profit and Loss Account for the year.

2.8. Cash and Cash Equivalents

In the Financial Statements, cash and cash equivalents include cash in hand, cash at banks and fixed deposits with banks.

2.9. Foreign Currency Translation

Transactions effected during the year in foreign currency are recorded at the exchange rate prevailing at the time of respective transactions. Assets and Liabilities related to foreign currency transactions remaining unsettled at

the year-end are translated at contract rates, which are covered by foreign exchange contracts and at applicable year-end rate in other cases. Realized gains/losses, particularly in respect of Commercial Debts realized by way of foreign exchange transactions other than those relating to fixed assets, are considered appropriately in the Profit and Loss Account. Gain/Loss on transaction of long-term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of the respective fixed assets.

2.10. Revenue Recognition

Revenue from software development on fixed-price and fixed –time frame contract, where there is no uncertainty as to measurement or collectability , revenue consideration is recognized as per the percentage of completion method.

2.11. Employee Benefits

Gratuity: The Company provides for gratuity, for covering eligible employees in accordance with the applicable provisions of Payment of Gratuity Act, 1972. The eligible employees are paid a lump sum amount at the time of retirement, death, incapacitation or termination of employment and the amount is computed on the basis of respective employee's last drawn salary and the tenure of employment with the Company. The provision for the said liability is determined and recognized as an expense in the Statement of Profit and Loss for the year accordingly. The Company does not participate in any other beneficial plans.

2.12. Current and Deferred Tax

2.12.1. Current Tax: Tax expense for the period, comprising of current tax and deferred tax, are included in the determination of the net profit or loss for the year. Provision for Current tax is made for the amount expected to be paid in respect of the taxable income for the year in accordance with the taxation laws.

2.12.2. Deferred Tax: Deferred Tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and is capable of reversal in subsequent periods, subject to consideration of prudence.

2.12.3. Minimum Alternative Tax: MAT credit is recognized as an asset only to the extent that there is possible evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer possible evidence to the effect that the Company will pay normal income tax during the specified year.

2.13. Provisions and Contingent Liabilities

2.13.1. Provisions: Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

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

2.14. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operative leases. The company's significant leasing arrangements are in respect of operating leases of office premises. The leasing arrangements are for a period ranging between one year to three years generally and are either renewable or cancelable by mutual consent and on agreed terms. Payments made under operating leases are charged in the Statement of Profit and Loss Account.

2.15. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

2.16. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share are the net profit for the period after applicable taxes for the period. The weighted average value of equity shares considered for EPS is ₹ 10/- per equity share.

NOTES RELATING TO BALANCE SHEET

(Amount in ₹)

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
3. SHARE CAPITAL		
Authorised :		
70,00,000 (March 31,2011: 70,00,000) Equity Shares of ₹ 10/- each	70,000,000	70,000,000
Issued:		
62,75,000 (March 31, 2011 : 62,75,000) Equity Shares of ₹ 10/- each fully paid up	62,750,000	62,750,000
Subscribed and Paidup:		
62,75,000 (March 31, 2011 : 62,75,000) Equity Shares of ₹ 10/- each fully paid up	62,750,000	62,750,000
TOTAL	62,750,000	62,750,000

Reconciliation of Number of Shares				
Equity Shares:	AS AT MARCH 31, 2012		AS AT MARCH 31, 2011	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
Balance at the beginning of the year	6,275,000	62,750,000	6,275,000	62,750,000
Add: Shares issued during the year	-			
BALANCE AT THE END OF THE YEAR	6,275,000	62,750,000	6,275,000	62,750,000

Details of Shareholdings held by Holding Companies and Subsidiary of Holding Companies				
NAME OF THE COMPANY	AS AT 31 ST MARCH, 2012		AS AT 31 ST MARCH, 2011	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
1. Tiebeam Technologies India Pvt.Ltd.	4,290,000	42,900,000	4,290,000	42,900,000

Details of Share holdings of more than 5%				
NAME OF THE COMPANY	AS AT 31 ST MARCH, 2012		AS AT 31 ST MARCH, 2011	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
1. Tiebeam Technologies India Pvt.Ltd.	4,290,000	42,900,000	4,290,000	42,900,000

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
4. RESERVES & SURPLUS		
a) Share Premium Account		
Balance as at the beginning of the year	18,000,000	18,000,000
Add: Transfers	-	-
Less: Utilisations	-	-
Balance as at the end of the year - (a)	18,000,000	18,000,000
b) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	66,334,650	63,370,908
Add: Profit for the Year	344,808	2,963,742
Less: Transfers	-	-
Balance as at the end of the year - (b)	66,679,458	66,334,650
TOTAL (A+B)	84,679,458	84,334,650

5. LONG-TERM BORROWINGS		
Secured		
From Technology Development Board, India Refer Note below	36,400,000	41,600,000
TOTAL	36,400,000	41,600,000

NOTE: Nature of Security and terms of repayment for Secured Borrowings

Nature of Security	Terms of Repayment
Term Loan from Technology Development Board, India amounting to ₹ 364.00 Lakhs (March 31, 2011: ₹ 416.00 Lakhs) is secured by 17.50 Lakhs of shares of Tiebeam Technologies India Pvt. Ltd.	Repayable in Nine equal half yearly instalments of ₹ 55 lakhs from the date of the loan along with interest of 5% p.a.

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
6. OTHER LONG TERM LIABILITIES		
From Directors & their Relatives	554,300	619,300
Related Party Loans - Long term - Refer Note No.23 (C)	13,961,004	19,139,335
TOTAL	14,515,304	19,758,635

7. TRADE PAYABLES		
Sundry Creditors - Refer Note Below	2,005,274	2,331,676
TOTAL	2,005,274	2,331,676

Note: Based on information available with the Company, there are no suppliers who are registered as micro or small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".

8. OTHER CURRENT LIABILITIES		
Other Liabilities	4,471,607	3,357,232
Interest Payable on TDB Loan - Refer Note Below	5,984,176	5,984,176
TOTAL	10,455,783	9,341,408

Note : Interest is payable on TDB Loan for the period from 1st July 2011 to 31st March, 2012 (Also refer Note No.5 for details of Loan from TDB)

9. SHORT TERM PROVISION		
Provisions for Taxation	5,716,459	5,711,879
Provision for Gratuity - Refer Note No.20	946,000	800,000
TOTAL	6,662,459	6,511,879

10. TANGIBLE ASSETS									
SL.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2011	NET ADDITIONS	AS ON 31.03.2012	AS ON 01.04.2011	PROVISION FOR THE YEAR	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
1	Computers & Accessories	7,052,607	134,875	7,187,482	6,757,302	17,670	6,756,601	430,881	313,676
2	Office equipment	1,066,910	-	1,066,910	206,614	50,678	307,970	758,940	809,618
3	Furniture & fixtures	1,193,778	-	1,193,778	325,641	75,566	472,501	721,277	796,844
4	Electrical	117,422	-	117,422	22,312	5,578	33,467	83,955	89,532
5	Vehicles	767,935	-	767,935	298,866	72,954	444,773	323,162	396,116
	TOTAL	10,198,652	134,875	10,333,527	7,610,735	222,446	8,015,313	2,318,215	2,405,786
	PREVIOUS YEAR	9,834,228	408,000	10,242,228	6,344,639	217,892	7,828,626	2,413,602	2,223,494

11. INTANGIBLE ASSETS									
SL.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2011	NET ADDITIONS	AS ON 31.03.2012	AS ON 01.04.2011	PROVISION FOR THE YEAR	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
1	Software	43,576	-	43,576	35,760	7,064	42,824	753	7,816
	TOTAL	43,576	-	43,576	35,760	7,064	42,824	753	7,816

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
12. NON-CURRENT INVESTMENTS		
(i). Long Term Investments		
In shares : Quoted (Non Trade)		
1 (P.Y 1) fully paid Equity shares of ₹ 10/- each in Associated Cement Company Ltd. {Refer Note Below}	120	120
In shares : Unquoted (Non Trade)	82,923,370	82,923,370
Aggregate amount of Quoted Investments	82,923,490	82,923,490
Note: Market Value of Investments- ₹ 1,356.35/-as on March 31 st 2012 for ACC Ltd (PY ₹ 1,075.20/-)		

13. DEFERRED TAX ASSET DEFERRED TAX ASSET (NET) REFER NOTE BELOW	80,531	155,103
TOTAL	80,531	155,103
Note: In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset amounting to ₹ 1,00,893/- Lakhs for the Financial Year 2011-2012 on account of timing difference in relation to temporary differences.		

14. INVENTORIES		
Software Work In Progress - See Note Below	19,013,763	23,766,727
TOTAL	19,013,763	23,766,727
Note: Expenditure for research activities undertaken with the prospect of gaining technical knowledge and understanding is recognized in profit or loss when the expense is incurred.		
Expenditure for development activities, whereby resources are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Company has intention and sufficient resources to complete development and it is probable that the asset would generate future economic benefit. The capitalized expenditure comprises the costs of materials, direct labor and an appropriate portion of overhead. Other development expenditure is recognized in profit or loss when the expense is incurred. The carrying value of capitalized development expenditure is reviewed at each Balance Sheet date and adjusted for any changes to the estimated economic life of the product. Capitalized development expenditure is stated at cost less accumulated amortization.		

15. TRADE RECEIVABLES		
Secured, Considered Good		
Outstanding for a period Exceeding Six Months	66,909,065	101,905,735
Others (Below Six Months)	29,722,563	1,500,220
TOTAL	96,631,628	103,405,955
Note: The management is of the view and confident that Sundry Debtors of ₹ 669 Lakhs which are due for more than six months, would be recovered fully.		

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
16. CASH & CASH EQUIVALENTS		
Cash on Hand	304,853	585,323
Balance with Scheduled Banks in Current Accounts	2,782,520	124,556
Other Bank Balances		
Long Term Deposits with maturity more than 3 months but less than 12 months	294,145	294,146
TOTAL	3,381,517	1,004,025
17. SHORT TERM LOANS & ADVANCES		
Advance recoverable in cash or kind or for Value to be Received		
Other Loans And Advances	12,581	102,883
Prepaid Taxes	13,105,800	12,856,464
TOTAL	13,118,381	12,959,347

NOTES RELATING TO STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED	
	31 ST MARCH, 2012	31 ST MARCH, 2011
18. SALES & SERVICES		
Domestic - IT Services	2,531,513	4,378,412
Exports - IT Services (Refer Note Below)	43,869,730	43,667,343
Gain on Foreign Exchange Fluctuation	9,129,711	-
TOTAL	55,530,954	48,045,755
Note : Out of total exports of ₹ 43,869,730/-, amount of ₹ 42,681,790/- is invoiced on Solix Technologies Inc.,USA and balance of ₹ 1,187,940/- is invoiced on Siti Corporation Inc., USA		
19. OTHER INCOME		
Interest Received on Fixed Deposits	10,997	20,732
TOTAL	10,997	20,732
20. COST OF SALES		
Salaries, Allowances and Other Benefits	37,602,086	26,158,375
Software WIP - Refer Note No.14	4,752,964	4,752,963
External Consultants	4,433,272	3,235,470
Insurance	183,270	224,988
Travel & Conveyance Expenses - Foreign	1,712,561	1,689,011
Travel & Conveyance Expenses - Domestic	862,650	522,653
Communication Expenses	1,205,747	360,747
TOTAL	50,752,550	36,944,207
Note: Gratuity - In accordance with the applicable provisions of the Gratuity Act, 1972, an amount of ₹ 146,000/- has been provided towards Gratuity liability for the current year.		

(Amount in ₹)

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
21. SELLING, GENERAL & ADMINISTRATIVE EXPENSES		
Power and Fuel	757,282	772,062
Rent - Refer Note No. 28(e)	285,000	176,000
Rates and Taxes	453,099	144,316
Repairs and Maintenance		
Plant & Machinery	170,049	71,543
Others	110,914	32,776
Auditors' Remuneration		
Statutory Audit	168,540	165,450
Certification Charges	-	1,388
Others	9,910	-
Conference and Meeting Expenses	11,890	1,800
Loss on Foreign Exchange Fluctuation	-	1,393,486
Staff Welfare	-	188,080
General Expenses	373,544	257,798
Office Maintenance	160,899	188,326
Legal & Professional Charges	994,810	1,534,493
Interest on TDS	311,889	110,317
TOTAL	3,807,826	5,037,835
22. FINANCE CHARGES		
Bank Service Charges	85,685	41,257
Interest on		
Loans	-	2,330,661
TOTAL	85,685	2,371,918

23 (A). Related Party Disclosures

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

LIST OF RELATED PARTIES

Holding Company	Tiebeam Technologies India Pvt. Ltd. (formerly Solix Systems Pvt. Ltd.)
Subsidiary Companies (including step down)	<ol style="list-style-type: none"> 1. Siti Corporation Inc., USA 2. AccelForce Pte.Ltd., Singapore 3. Solix Technologies Inc., USA (subsidiary company of AF , Singapore) 4. Emagia Corporation ,USA (subsidiary company of AF , Singapore) 5. Emagia India Pvt. Ltd. (WOS of Emagia Corp ., USA) 6. Solix Softech Pvt. Ltd. , India (subsidiary company of Solix Technologies Inc., USA)
Associate Companies	<ol style="list-style-type: none"> 1. Tiebeam Ventures Inc., USA (formerly Solix Systems Inc.) 2. Digiprise India Pvt. Ltd., India 3. Digiprise Inc.,USA 4. Tiebeam Pte Ltd., Singapore (formerly Solix Technologies Asia Pacific Pte Ltd)
Key Management Personnel & Relatives	<ol style="list-style-type: none"> 1. Mr. G. Parmeswara Rao 2. Mrs. G.P.Premalata 3. Mr. Sai Gundavelli 4. Mrs. Veena Gundavelli 5. Mr. Srinath Gundavelli 6. Mr. T.M.Rao 7. Mrs. T.Geetanjali

23 (B). Transactions With Related Parties

(Amount in ₹)

RELATED PARTY	NATURE OF TRANSACTION	AS ON 31 ST MARCH, 2012	AS ON 31 ST MARCH, 2011
Revenue Transactions:			
Solix Technologies Inc., USA	Sale of services	42,681,790	36,189,733
SITI Corporation Inc., USA	Sale of services	1,187,940	7,477,610
Mrs. G.P.Premalata	Rent of office	240,000	240,000
Mr. Srinath Gundavelli	Rent of Guest House	45,000	60,000

23 (C). Details of amounts due to or due from and maximum amounts due from Subsidiaries for the year ended 31st March 2012 and 2011

(Amount in ₹)

PARTICULARS	AS ON 31 ST MARCH, 2012	AS ON 31 ST MARCH, 2011
SUNDRY DEBTORS		
Solix Technologies Inc., USA	52,403,686	59,922,397
SITI Corporation Inc., USA	42,518,565	43,180,569
LOANS AND ADVANCES		
Tiebeam Technologies India Pvt. Ltd.	13,961,004	25,862,165
Digiprise India Pvt. Ltd.	Nil	1,954,847
Emagia India Pvt. Ltd.	Nil	148,340
MAXIMUM BALANCES OF LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	13,961,004	17,091,863
Digiprise India Pvt. Ltd. – Loan Taken	Nil	1,954,847
Emagia India Pvt. Ltd. – Loan Given	Nil	148,340

24. Transaction with key Management Personnel

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

(Amount in ₹)

PARTICULARS	31 ST MARCH 2012	31 ST MARCH 2011
Executive Director	8,43,780	8,43,780
TOTAL REMUNERATION	8,43,780	8,43,780

25. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

(Amount In Lakhs)

PARTICULARS	AS ON 31 ST MARCH, 2012	AS ON 31 ST MARCH, 2011
26. Expenditure in Foreign Currency	1.34	2.09
27. Earnings in Foreign Currency	592.42	418.06

28. OTHER DISCLOSURES**a. Earnings per Share**

(Amount in ₹)

PARTICULARS	YEAR ENDED	
	31 ST MARCH, 2012	31 ST MARCH, 2011
Net Profit after Taxation	344,808	2,963,742
Weighted average number of shares outstanding	6,275,000	6,275,000
Basic and Diluted EPS	0.0549	0.47

b. Segment Reporting

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 Accounting Standards AS - 17. Therefore they have been grouped as single segment as per Accounting Standards 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.

Information about secondary segment information:

(Amount In Lakhs)

REVENUE	31 ST MARCH, 2012	31 ST MARCH, 2011
Domestic Sales	25.32	43.78
Overseas Sales	529.99	436.68
TOTAL	555.31	480.46
PROFIT/LOSS BEFORE TAX AND UNALLOCATED EXPENDITURE FROM EACH SEGMENT		
Domestic	2.15	3.72
Overseas	124.07	176.41
TOTAL	126.23	180.13
UNALLOCATED EXPENDITURE NET OF INCOME		
Profit Before Taxes	6.92	34.94
CAPITAL EMPLOYED ASSETS- EXTERNAL LIABILITIES		
Overseas	1,703.25	1,773.14
Domestic	23.16	24.12
Unallocated corporate assets – liabilities	111.85	116.45
TOTAL	1,838.27	1,913.71

c. Taxation

Current tax is reckoned based on the current year's income and tax payable in accordance with the prevailing tax laws.

In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset amounting to ₹ 80,531/- on account of timing difference in relation to depreciation as per books vis-à-vis Tax Laws.

The Income Tax Department has raised a tax demand of ₹ 3,768,906/- (including Interest) for the Assessment Year 2002-03. The Company filed an Appeal before the Hon'ble Income Tax Appellate Tribunal, Mumbai. Pending disposal of the said Appeal, the Company has paid the entire amount of ₹ 3,768,906/- under protest.

The Company, aggrieved by the Assessment Order for AY 2004-05 has filed an Appeal with the Hon'ble CIT(Appeals), Mumbai. The Hon'ble CIT(Appeals), Mumbai has pronounced his Orders. The Order giving effect to the Hon'ble CIT(Appeals), Mumbai by the Assessing Officer is yet to be received by the Company.

The Company, aggrieved by the Assessment Order for AY 2006-07 has filed an Appeal with the Hon'ble CIT(Appeals), Mumbai. The Hon'ble CIT(Appeals), Mumbai has pronounced his Orders. Based on the Order giving effect to the Hon'ble CIT(Appeals), Mumbai by the Assessing Officer an amount of ₹ 347,072/- is payable by the Company.

The Company, aggrieved by the Assessment Order for AY 2008-09 has filed an Appeal with the Hon'ble CIT(Appeals), Mumbai. The Hon'ble CIT(Appeals), Mumbai has pronounced his Orders. The Order giving effect to the Hon'ble CIT(Appeals), Mumbai by the Assessing Officer is yet to be received by the Company. In addition, the Income Tax Department has raised U/s 271, a tax demand of ₹ 200,000/- for the year under consideration.

The Income Tax Department has also raised a tax demand of ₹ 1,319,744/- for the Assessment Year 2009-10. An appeal has been filed with the Hon'ble CIT (Appeals), Mumbai.

d. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

e. Leases

Operating Lease: The Company has operating lease for office premises. These lease arrangements operate for a period from one year to three years. The said leases are renewable for further period on mutually agreeable terms and also includes escalation clause.

(Amount In Lakhs)

PARTICULARS	31 ST MARCH, 2012	31 ST MARCH, 2011
With respect to Operating Leases Lease payments recognized in the statement of Profit & Loss for the year	₹ 2.85	₹ 1.76

Finance Lease: The company has no finance leases.

f. Previous Year Figures

The financial statements for the year ended March 31, 2012 have been prepared as per the applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification for Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/re-grouped to conform the current year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements except for accounting disclosure.

for and on behalf of the Board

for and on behalf of
Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021

Veena Gundavelli
Managing Director

T.M.Rao
Executive Director

Place: Hyderabad
Date : 25th May 2012

**CASH FLOW
STATEMENT**

SOLIX TECHNOLOGIES LIMITED
1486, Lane No. 13, Street No.14, Tarnaka, Secunderabad - 500017
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

(₹ in Thousands)

PARTICULARS	YEAR ENDED	
	31 ST MARCH, 2012	31 ST MARCH, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Income from Operating activities	345	2,983
Adjustment for :		
Add : Depreciation	230	218
Preliminary expenses	-	-
Loss on Liquidation of Subsidiaries	-	-
Deferred Tax	75	(19)
Operating Profit before working capital changes	649	3,182
Adjustment for :		
(Increase)/ Decrease in trade and other receivable	6,774	199
(Increase) /Decrease in the Loans & Advances	(159)	(444)
Increase in Software Work in Progress	4,753	(1,649)
Increase / (Decrease) in Trade payables	939	1,600
Net cash from operating activities (A)	12,956	2,888
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Investment in fixed assets	(135)	(408)
Net cash used in Investing activities (B)	(135)	(408)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term & other borrowings	(10,443)	(2,215)
Net cash used in Financing activities (C)	(10,443)	(2,215)
Net increase in cash and cash equivalent (A+B+C)	2,378	265
Cash & Cash equivalent at the beginning of the year	1,004	739
Cash & Cash equivalent at the end of the year	3,382	1,004

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of
Ramu & Ravi
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 25th May 2012

Veena Gundavelli
Managing Director

T.M.Rao
Executive Director

CERTIFICATE

We have examined the attached Cash Flow Statement of **Solix Technologies Limited** for the period ended 31st March, 2012. 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 25th May 2012 to the members of the Company.

for and on behalf of

Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.MURTHY
Partner
Membership No.200021

Place: Hyderabad
Date: 25th May 2012

SOLIX TECHNOLOGIES LIMITED

1486, Lane No. 13, Street No.14, Tarnaka, Secunderabad - 500017

ABSTRACT OF BALANCE SHEET AND PROFILE OF THE COMPANY'S GENERAL BUSINESS

(₹ in Thousands)

I. REGISTRATION DETAILS		
Registration No.		01-054066
State Code		01
Balance Sheet Date		31/03/2012
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		217,468
Total Assets		217,468
Sources of Funds:		
Paid-up Capital		62,750
Reserve & Surplus		84,679
Secured Loans		36,400
Unsecured Loans		14,515
Application of Funds:		
Net Fixed Assets		2319
Investments		82,923
Current Assets		132,145
Misc. Expenditure		Nil
Deferred Tax Assets		81
IV. PERFORMANCE OF COMPANY (RUPEES IN RUPEES):		
Turnover		55,531
Total Expenditure		54,865
Profit/(Loss) Before Tax		666
Profit/(Loss) After Tax		345
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 and on behalf of
Ramu & Ravi
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 25th May 2012

Veena Gundavelli
Managing Director

T.M.Rao
Executive 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 CORP., USA	EMAGIA INDIA PVT. LTD., INDIA	SOLIX SOFTECH PVT. LTD.
FINANCIAL PERIOD ENDED	31 ST MARCH, 2012	31 ST MARCH, 2012	31 ST MARCH, 2012	31 ST MARCH, 2012	31 ST MARCH, 2012	31 ST MARCH, 2012
Holding company's interest	94.5%	100%	82.61%	66.24%	66.24%	82.61%
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	10,000 Shares
Par Value of each share	US\$ 0.014	US\$ 1	US\$ 0.01	US\$ 0.003	₹ 10	₹ 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	17,747,609	-	(3,661,335)	(2,903,689)	-	259,931
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 ₹)						
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	NA

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of
Ramu & Ravi,
 FRN No. 006610S
 Chartered Accountants

K.V.R. Murthy
 Partner
 Membership Number: 200021

Veena Gundavelli
 Managing Director

T.M.Rao
 Executive Director

Place: Hyderabad
 Date : 25th May 2012

AUDITORS'
REPORT - CONSOLIDATED

AUDITORS' REPORT

To,
The Members,
Solix Technologies Limited.

We have audited the attached Consolidated Balance Sheet of Solix Technologies Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2012, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements 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.

1. We have relied on the unaudited Consolidated Financial Statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 4,653.95 Lakhs as at 31st March, 2012, total revenue of ₹ 2,354.65 Lakhs for the year ended. These Unaudited financial statements/ consolidated financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiaries is based solely on such approved unaudited financial statements/consolidated financial statements.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard AS - 21, Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rules, 2006.
3. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2012;
 - ii. in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
 - iii. in the case of Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on the date.

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

KVR Murthy
Partner
Membership No. 200021
FRN No. 006610S

Place: Hyderabad.
Date: 25th May 2012

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

1486, Lane No. 13, Street No.14, Tarnaka, Secunderabad - 500017

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDING 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE REF	AS ON	
		31 ST MARCH, 2012	31 ST MARCH, 2011
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	3	113,910,000	107,400,000
(b) Reserves & Surpluses	4	210,804,881	105,858,769
		324,714,881	213,258,769
2. Non-current Liabilities			
(a) Long-term Borrowings	5	57,197,715	67,565,301
(b) Other Long term liabilities	6	91,327,606	77,489,035
		148,525,321	145,054,336
3. Current Liabilities			
(a) Trade Payable	7	27,330,665	39,767,252
(b) Other Current Liabilities	8	175,630,780	178,649,875
(c) Short-term Provisions	9	6,662,459	6,511,879
		209,623,904	224,929,006
	TOTAL	682,864,106	583,242,111
II. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
Tangible Assets	10	22,150,021	19,312,344
Intangible Assets	11	339,397,862	294,559,669
(b) Non-Current Investments	12	120	120
(c) Deferred Tax Assets (net)	13	47,721,441	155,103
(d) Other Non current assets		23,500	-
		409,292,944	314,027,236
2. Current Assets			
(a) Inventories	14	23,257,380	27,469,979
(b) Trade Receivables	15	209,303,558	196,245,516
(c) Cash and Cash Equivalents	16	14,010,180	16,410,919
(d) Short-term Loans and Advances	17	27,000,043	29,088,460
		273,571,162	269,214,874
	TOTAL	682,864,106	583,242,111

Notes 1 & 2 relate to General Information and Summary of Significant Accounting Policies respectively.

The Notes are an integral part of these financial statements.

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of

Ramu & Ravi

FRN No. 006610S

Chartered Accountants

K.V.R.Murthy**Partner**

Membership Number: 200021

Place: Hyderabad

Date : 25th May 2012**Veena Gundavelli**
Managing Director**T.M.Rao**
Executive Director

SOLIX TECHNOLOGIES LIMITED

1486, Lane No. 13, Street No.14, Tarnaka, Secunderabad - 500017

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE REF	YEAR ENDED	
		31 ST MARCH, 2012	31 ST MARCH, 2011
I. REVENUE			
Sales & Services (TDS ₹ 658,365/- P.Y. ₹ 1,020,382/-)	18	290,996,174	273,697,964
Miscellaneous Income	19	38,410	20,732
TOTAL REVENUE		291,034,584	273,718,696
II. EXPENSES			
Cost of sales	20	209,504,778	194,065,588
Selling ,General & Administrative Expenses	21	67,412,317	53,233,829
Finance Charges	22	2,972,141	3,726,536
Depreciation & Amortization		230,984	16,176,812
TOTAL EXPENSES		280,120,220	267,202,765
III. PROFIT BEFORE TAX		10,914,365	6,515,931
IV. TAX EXPENSES			
Current Tax		215,460	717,366
Deferred tax		74,572	-
Prior Period Expenses		-	(765,070)
V. PROFIT FOR THE PERIOD - BEFORE MINORITY INTEREST		10,624,333	6,563,635
Minority Interest		(1,162,990)	836,577
VI. PROFIT AFTER MINORITY INTEREST		11,787,323	5,727,058

The Notes are an integral part of these financial statements.

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of

Ramu & Ravi

FRN No. 006610S

Chartered Accountants

K.V.R.Murthy**Partner**

Membership Number: 200021

Place: Hyderabad

Date : 25th May 2012**Veena Gundavelli**
Managing Director**T.M.Rao**
Executive Director

**CONSOLIDATED
NOTES TO ACCOUNTS**

SOLIX TECHNOLOGIES LIMITED.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements relate to Solix Technologies Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies are combine on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard AS - 21 "Consolidated Financial Statements"
- (ii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- (iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- (v) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard AS - 13 on "Accounting for Investments"

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis for preparation of Financial Statements

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended from time to time] and the other relevant provisions of the Companies Act, 1956.

All Assets and Liabilities have been classified as current or non-current as the case may be, as per the Company's normal operative cycle and other criteria set out in the Schedule VI of the Companies Act, 1956. Since the Company is in the business of providing a broad range of Information Technology Products and Services, the Company has determined its operative cycle as 12 months for the purpose of current – noncurrent classification of Assets and Liabilities.

The preparation of the financial statements, in conformity with generally accepted principles, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and the assumptions used in these financial statements are purely based upon the management's evaluation of relevant facts and circumstances as of the date of the financial statements.

2.2. Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation along with accumulated impairment losses. Cost comprises of the purchase price and other attributable indirect expenses including cost of borrowings till the date of capitalization. In the case of assets involving material investment and substantial lead time for their set up, those assets are valued at cost including inward freight, expenses, taxes and duties etc., as applicable.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond items previously assessed standard of performance.

Gains or Losses arising from the retirement or disposal of fixed assets which are carried at cost are recognized in the statement of Profit and Loss Account.

Depreciation for the year has been provided on Straight-Line Method as per the rates prescribed under Schedule XIV of the Companies Act, 1956 and the same is consistent with the method followed by the Company in the previous years.

2.3. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated period based on the decision of the management. The amortization period and the amortization method are reviewed by the management at each financial year end. If the expected period of usage is significantly different from the previous estimates, the amortization period is changed accordingly based on the management decision.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized as income or expense as the case may be, in the Statement of Profit and Loss.

2.4. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use of operation or sale, are added to the cost of the respective assets. All other borrowing costs are recognized as financial costs in Statement of Profit and Loss for the period in which they are incurred.

2.5. Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. Assets, which are impaired by disuse or obsolescence, are segregated from the concerned asset category and shown as deletions in the Fixed Assets (schedule) and appropriate provision, is made for the difference between the net carrying cost, and the net realizable value in respect of the dismissed or deleted assets.

2.6. Investments

Investments that are readily realizable and are intended to be held for not more than one year, from the date of such investments, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, suitable provision for diminution in value is made to recognize the decline, other than temporary, in the value of the relevant investments, individually.

2.7. Inventories

The inventories except stores and spares are valued at lower of Cost or Net Realizable Value. The method of determination of cost of various categories of inventories is as follows:

2.8. Sundry Debtors and Advances

Sundry Debtors and Advances are considered at the realizable value. Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively and the same are suitably considered in the Profit and Loss Account for the year.

2.9. Cash and Cash Equivalents

In the Financial Statements, cash and cash equivalents include cash in hand, cash at banks and fixed deposits with banks.

2.10. Foreign Currency Translation

Transactions effected during the year in foreign currency are recorded at the exchange rate prevailing at the time of respective transactions. Assets and Liabilities related to foreign currency transactions remaining unsettled at the year-end are translated at contract rates, which are covered by foreign exchange contracts and at applicable year-end rate in other cases. Realized gains/losses, particularly in respect of Commercial Debts realized by way of foreign exchange transactions other than those relating to fixed assets, are considered appropriately in the Profit and Loss Account. Gain/Loss on transaction of long-term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of the respective fixed assets.

2.11. Revenue Recognition

Revenue from software development is on time and material basis and on cost plus method, where there is no uncertainty as to measurement or collectability.

2.12. Employee Benefits

Gratuity: The Company provides for gratuity, for covering eligible employees in accordance with the applicable provisions of Payment of Gratuity Act, 1972. The eligible employees are paid a lump sum amount at the time of retirement, death, incapacitation or termination of employment and the amount is computed on the basis of respective employee's last drawn salary and the tenure of employment with the Company. The provision for the said liability is determined and recognized as an expense in the Statement of Profit and Loss for the year accordingly. The Company does not participate in any other beneficial plans.

2.13. Current and Deferred Tax

2.13.1. Current Tax: Tax expense for the period, comprising of current tax and deferred tax, are included in the determination of the net profit or loss for the year. Provision for Current tax is made for the amount expected to be paid in respect of the taxable income for the year in accordance with the taxation laws.

2.13.2. Deferred Tax: Deferred Tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and is capable of reversal in subsequent periods, subject to consideration of prudence.

2.13.3. Minimum Alternative Tax: MAT credit is recognized as an asset only to the extent that there is possible evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer possible evidence to the effect that the Company will pay normal income tax during the specified year.

2.14. Provisions and Contingent Liabilities

2.14.1. Provisions: Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

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

2.15. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operative leases. The company's significant leasing arrangements are in respect of operating leases of office premises. The leasing arrangements are for a period ranging between one year to three years generally and are either renewable or cancelable by mutual consent and on agreed terms. Payments made under operating leases are charged in the Statement of Profit and Loss Account.

2.16. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

2.17. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share are the net profit for the period after applicable taxes for the period. The weighted average value of equity shares considered for EPS is ₹ 10/- per equity share.

NOTES RELATING TO CONSOLIDATED BALANCE SHEET

(Amount in ₹)

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
3. SHARE CAPITAL		
Authorised :		
70,00,000 (March 31,2011: 70,00,000) Equity Shares of ₹ 10/- each	70,000,000	70,000,000
Issued:		
62,75,000 (March 31, 2011 : 62,75,000) Equity Shares of ₹ 10/- each fully paid up	62,750,000	62,750,000
Subscribed and Paidup:		
62,75,000 (March 31, 2011 : 62,75,000) Equity Shares of ₹ 10/- each fully paid up	62,750,000	62,750,000
Preferred Stock in Solix Technologies Inc (Refer Table Below)	51,160,000	44,650,000
TOTAL	113,910,000	107,400,000

Preferred Stock as on 01/04/2011	44,650,000	
Add :Exchange Fluctuation	6,510,000	
Preferred Stock as on 31/03/2012	51,160,000	
No fresh Preferred Stocks were issued during the year. The increase is on account of exchange rate fluctuation only.		

Reconciliation of Number of Shares				
Equity Shares:	AS AT 31 ST MARCH, 2012		AS AT 31 ST MARCH, 2011	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
Balance at the beginning of the year	6,275,000	62,750,000	6,275,000	62,750,000
Add: Shares issued during the year	-			
Balance at the end of the year	6,275,000	62,750,000	6,275,000	62,750,000

	As At	
	31 ST MARCH, 2012	31 ST MARCH, 2011
4. RESERVES & SURPLUS		
a) Share Premium Account		
Balance as at the beginning of the year	18,000,000	18,000,000
Add: Transfers	-	-
Less: Utilisations	-	-
Balance as at the end of the year - (a)	18,000,000	18,000,000
b) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	87,073,006	80,509,371
Add: Profit for the Year	10,624,333	6,563,635
Less: Transferred to Minority Interest		
Add:Deffered Tax Adjustment	47,640,910	-
Balance as at the end of the year - (b)	145,338,249	87,073,006
c) Exchange Fluctuation Adjustment (c)	47,466,632	785,763
TOTAL (a) + (b) + (c)	210,804,881	105,858,769

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
5. LONG-TERM BORROWINGS		
Secured		
From Technology Development Board, India	36,400,000	47,584,176
From Banks	20,797,715	19,981,125
TOTAL	57,197,715	67,565,301

NOTE: Nature of Security and terms of repayment for Secured Borrowings	
Nature of Security	Terms of Repayment
(i) Term Loan from Technology Development Board, India amounting to ₹ 364.00 Lakhs (March 31, 2011: ₹ 475.84 Lakhs) is secured by 17.50 Lakhs of shares of Tiebeam Technologies India Pvt. Ltd.	Repayable in Nine equal instalments of ₹ 55 lakhs from the date of the loan along with interest of 5% p.a.
(ii) AR line of Credit received from Bank of America which is a running Credit based on invoice discounting. The amount outstanding is USD 406,522/- as of 31.03.2012 secured by Accounts Receivables	The amount would be repayable as and when the discounted invoices are realised and payable immediately to the bank. The rate of interest would be changing from time to time based on the market rates

6. OTHER LONG TERM LIABILITIES		
From Directors & their Relatives	75,855,991	51,626,870
Related Party Loans - Long term	15,471,616	25,862,165
TOTAL	91,327,606	77,489,035
Payable to Holding Company "Tiebeam Technologies India Pvt. Ltd." as of 31.03.2012 is ₹ 15,471,615/- (PY - ₹ 25,862,165/-)		

7. TRADE PAYABLES		
Micro, Small and Medium Enterprises	-	-
Others	27,330,665	39,767,252
TOTAL	27,330,665	39,767,252
Note: Based on information available with the Company, there are no suppliers who are registered as micro or small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".		

8. OTHER CURRENT LIABILITIES		
Other Liabilities	169,646,604	172,665,699
Interest Payable on TDB Loan - Refer Note Below	5,984,176	5,984,176
TOTAL	175,630,780	178,649,875
Note : Interest is payable on TDB Loan for the period from 1st July 2011 to 31 st March, 2012 (Also refer Note No.5 for details of Loan from TDB)		

9. SHORT TERM PROVISION		
Provisions for Taxation	5,716,459	5,711,879
Provision for Gratuity	946,000	800,000
TOTAL	6,662,459	6,511,879

10. TANGIBLE ASSETS									
SL.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2011	NET ADDITIONS / EXCHANGE FLUCTUATION	AS ON 31.03.2012	AS ON 01.04.2011	PROVISION FOR THE YEAR	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
1	Computers & Accessories	19,700,489	2,010,421	21,710,910	7,497,260	19,144	7,516,404	14,194,505	12,203,229
2	Office equipment	3,473,685	461,042	3,934,727	394,790	50,678	445,468	3,489,258	3,078,895
3	Furniture & fixtures	3,793,009	482,935	4,275,944	545,427	75,566	620,993	3,654,951	3,247,582
4	Electrical	432,409	57,999	490,408	45,885	5,578	51,463	438,945	386,524
5	Vehicles	767,935	49,201	817,136	371,820	72,954	444,774	372,362	396,115
	TOTAL	28,167,527	3,061,598	31,229,124	8,855,182	223,920	9,079,102	22,150,021	19,312,344
	PREVIOUS YEAR	23,121,787	5,088,043	28,209,830	7,758,158	1,097,024	8,855,182	19,354,648	15,363,629

11. INTANGIBLE ASSETS									
SL.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2011	NET ADDITIONS	AS ON 31.03.2012	AS ON 01.04.2011	PROVISION FOR THE YEAR	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
1	Software	416,283,774	44,845,256	461,129,030	121,724,106	7,064	121,731,170	339,397,862	294,559,669
	TOTAL	416,283,774	44,845,256	461,129,030	121,724,106	7,064	121,731,170	339,397,862	294,559,669
	PREVIOUS YEAR	341,713,522	74,527,949	416,241,471	106,644,317	15,079,788	121,724,106	294,517,366	235,069,204

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
12. NON-CURRENT INVESTMENTS		
(i). Long Term Investments In shares : Quoted (Non Trade) 1 (P.Y 1) fully paid Equity shares of ₹ 10/- each in Associated Cement Company Ltd. {Refer Note Below}	120	120
Aggregate amount of Quoted Investments	120	120
Note: Market Value of Investments- ₹ 1,356.35/-as on March 31 ST 2012 for ACC Ltd (PY ₹ 1,075.20/-)		

13. DEFERRED TAX ASSET		
Deferred Tax Asset (Net) - Refer Note Below	47,721,441	155,103
TOTAL	47,721,441	155,103
Note: In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has computed Deferred Tax Assets amounting to ₹ 475.66/- Lakhs for the year 2011-2012 on account of timing difference in relation to depreciation as per books vis-a-vis Tax Laws. Deferred Tax Asset of earlier years is reduced to the extent of current year Deferred Tax Liability.		

PARTICULARS	AS AT	
	31 ST MARCH, 2012	31 ST MARCH, 2011
14. INVENTORIES		
Software Work In Progress - See Note Below	23,257,380	27,469,979
TOTAL	23,257,380	27,469,979

Note: Expenditure for research activities undertaken with the prospect of gaining technical knowledge and understanding is recognized in profit or loss when the expense is incurred.

Expenditure for development activities, whereby resources are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Company has intention and sufficient resources to complete development and it is probable that the asset would generate future economic benefit. The capitalized expenditure comprises the costs of materials, direct labor and an appropriate portion of overhead. Other development expenditure is recognized in profit or loss when the expense is incurred. The carrying value of capitalized development expenditure is reviewed at each Balance Sheet date and adjusted for any changes to the estimated economic life of the product. Capitalized development expenditure is stated at cost less accumulated amortization.

15. TRADE RECEIVABLES		
Secured, Considered Good		
Outstanding for a period Exceeding Six Months	116,658,289	170,760,743
Others	92,645,269	25,484,773
TOTAL	209,303,558	196,245,516

Note: The management is of the view and confident that Sundry Debtors which are due for more than six months referred above, would be recovered fully.

16. CASH & CASH EQUIVALENTS		
Cash on Hand	357,064	622,801
Balance with Scheduled Banks in Current Accounts	13,358,971	15,493,972
Other Bank Balances		
Long Term Deposits with maturity more than 3 months but less than 12 months	294,145	294,146
TOTAL	14,010,180	16,410,919

17. SHORT TERM LOANS & ADVANCES		
Advance recoverable in cash or kind or for Value to be Received	-	13,301,096
Other Loans And Advances	13,894,243	15,787,364
Prepaid Taxes	13,105,800	-
TOTAL	27,000,043	29,088,460

NOTES RELATING TO STATEMENT OF CONSOLIDATED PROFIT AND LOSS

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED	
	31 ST MARCH, 2012	31 ST MARCH, 2011
18. SALES & SERVICES		
Consulting Services	2,531,513	4,378,412
Information Technology Services - Refer Note Below	43,869,730	269,319,552
Gain on Foreign Exchange Fluctuation	9,129,711	-
TOTAL	290,996,174	273,697,964
Note : Out of total exports of ₹ 43,869,730/-, amount of ₹ 42,681,790/- is invoiced on Solix Technogeis Inc.,USA and balance of ₹ 1,187,940/- is invoiced on Siti Corporation Inc., USA		

19. OTHER INCOME		
Interest Received on Fixed Deposits	10,997	20,732
Miscellaneous Income	27,413	-
TOTAL	10,997	20,732

20. COST OF SALES		
Salaries, Allowances and Other Benefits	93,252,484	83,868,347
Software WIP - Refer Note No.14	4,752,964	4,752,963
Contribution to Employee welfare and Other Funds	8,881,309	8,424,475
Staff Welfare	2,210,272	3,264,054
External Consultants	90,754,931	82,499,133
Insurance	5,170,949	6,759,411
Communication Expenses	4,481,869	4,497,205
TOTAL	209,504,778	194,065,588
Note: Gratuity - In accordance with the applicable provisions of the Gratuity Act, 1972, an amount of ₹ 146,000/- has been provided towards Gratuity liability for the current year.		

21. SELLING, GENERAL & ADMINISTRATIVE EXPENSES		
Power and Fuel	1,436,112	1,144,726
Rent - Refer Note 26(e)	9,288,764	6,092,635
Rates and Taxes	1,411,213	668,437
Repairs and Maintenance		
Plant & Machinery	170,049	71,543
Others	244,806	249,408
Advertisement	524,105	1,287,176
Auditors' Remuneration	580,892	-
Statutory Audit	168,540	165,450
Others	9,910	16,388
Conference and Meeting Expenses	1,190,712	1,144,046
Loss on Foreign Exchange Fluctuation	-	1,393,486
Travel & Conveyance Expenses		
- Domestic	16,173,141	12,982,285
- Overseas	1,712,561	1,689,011
Business Promotion	3,533,638	1,191,838
General Expenses	20,915,369	9,290,278
Office Maintenance	1,133,464	999,578
Legal & Professional Charges	8,607,151	11,502,393
Bad Debts Written Off	-	3,234,834
Interest on TDS	311,889	110,317
TOTAL	67,412,317	53,233,829

22. FINANCE CHARGES		
Bank Service Charges	497,640	680,063
Interest on		
Loans	2,474,501	3,046,473
Others	-	-
TOTAL	2,972,141	3,726,536

23 (A). 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:

LIST OF RELATED PARTIES

Holding Company	Tiebeam Technologies India Pvt. Ltd. (formerly Solix Systems Pvt. Ltd.)
Subsidiary Companies	1. Siti Corporation Inc., USA 2. AccelForce Pte. Ltd., Singapore
Subsidiary Companies of AccelForece Pte. Ltd., Singapore	1. Solix Technologies Inc., USA 2. Solix Softech Pvt. Ltd., India (Subsidiary of Solix Technologies Inc, USA) 3. Emagia Corporation, USA 4. Emagia India Pvt. Ltd. (Subsidiary of Emagia Corporation, USA)
Key Management Personnel & Relatives	1. Mr. G. Parmeswara Rao 2. Mrs. G.P.Premalata 3. Mr. Sai Gundavelli 4. Mrs. Veena Gundavelli 5. Mr. Srinath Gundavelli 6. Mr. T.M.Rao 7. Mrs. T.Geetanjali

23 (B). Transactions With Related Parties

(Amount in ₹)

RELATED PARTY	NATURE OF TRANSACTION	AS ON 31 ST MARCH, 2012	AS ON 31 ST MARCH, 2011
Revenue Transactions:			
Solix Technologies Inc., USA	Sale of services	42,681,790	36,189,733
SITI Corporation Inc., USA	Sale of services	1,187,940	7,477,610
Mrs. G.P.Premalata	Rent of office	240,000	240,000
Mr. Srinath Gundavelli	Rent of Guest House	45,000	60,000

23 (C). Details of amounts due to or due from and maximum amounts due from Subsidiaries for the year ended 31st March 2012 and 2011

(Amount in ₹)

PARTICULARS	AS ON 31 ST MARCH, 2012	AS ON 31 ST MARCH, 2011
SUNDRY DEBTORS		
Solix Technologies Inc., USA	52,403,686	59,922,397
SITI Corporation Inc., USA	42,518,565	43,180,569
AccelForce Pte. Ltd., Singapore.	Nil	Nil

LOANS AND ADVANCES		
Tiebeam Ventures Inc., USA	Nil	1,624,227
Tiebeam Technologies India Pvt. Ltd.	13,961,004	25,862,165
Digiprise India Pvt. Ltd.	Nil	1,954,847
Emagia India Pvt. Ltd.	Nil	148,340

MAXIMUM BALANCES OF LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	13,961,004	17,091,863
Digiprise India Pvt. Ltd. – Loan Taken	Nil	1,954,847
Emagia India Pvt. Ltd. – Loan Given	Nil	148,340

24. Transaction with key Management Personnel

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

(Amount in ₹)

PARTICULARS	31 ST MARCH 2012	31 ST MARCH 2011
Executive Director	843,780	843,780
TOTAL REMUNERATION	843,780	843,780

25. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

26. OTHER DISCLOSURES**a. Earnings per Share**

(Amount In ₹)

PARTICULARS	YEAR ENDED	
	31 ST MARCH, 2012	31 ST MARCH, 2011
Net Profit after Taxation	10,624,333	6,563,635
Weighted average number of shares outstanding	6,275,000	6,275,000
Basic and Diluted EPS	1.69	1.05
Basic and Diluted EPS (after Minority Interest)	1.88	0.91

b. Segment Reporting

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 Accounting Standards AS - 17. Therefore they have been grouped as single segment as per Accounting Standards 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.

Information about secondary segment information:

(Amount In Lakhs)

REVENUE	AS ON 31 ST MARCH, 2012	AS ON 31 ST MARCH, 2011
Domestic Sales	25.32	43.78
Overseas Sales	2,884.64	2,693.20
TOTAL	2,909.96	2,736.98
PROFIT/LOSS BEFORE TAX AND UNALLOCATED EXPENDITURE FROM EACH SEGMENT		
Domestic	0.52	0.78
Overseas	1,472.28	1,365.84
TOTAL	1,472.80	1,366.62
UNALLOCATED EXPENDITURE NET OF INCOME		
Profit Before Taxes	109.39	72.81
CAPITAL EMPLOYED ASSETS- EXTERNAL LIABILITIES		
Overseas	3,645.84	2,680.82
Domestic	29.73	21.86
Unallocated corporate assets – liabilities	143.56	105.56
TOTAL	3,819.13	2,808.24

c. Taxation

Current tax is reckoned based on the current year's income and tax payable in accordance with the prevailing tax laws.

In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset amounting to ₹ 74,572/- on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws.

The Income Tax Department has raised a tax demand of ₹ 3,768,906/- (including Interest) for the Assessment Year 2002-03. The Company filed an Appeal before the Hon'ble Income Tax Appellate Tribunal, Mumbai. Pending disposal of the said Appeal, the Company has paid the entire amount of ₹ 37,68,906/- under protest.

The Company, aggrieved by the Assessment Order for AY 2004-05 has filed an Appeal with the Hon'ble CIT(Appeals), Mumbai. The Hon'ble CIT(Appeals), Mumbai has pronounced his Orders. The Order giving effect to the Hon'ble CIT(Appeals), Mumbai by the Assessing Officer is yet to be received by the Company.

The Company, aggrieved by the Assessment Order for AY 2006-07 has filed an Appeal with the Hon'ble CIT(Appeals), Mumbai. The Hon'ble CIT(Appeals), Mumbai has pronounced his Orders. Based on the Order giving effect to the Hon'ble CIT(Appeals), Mumbai by the Assessing Officer an amount of ₹ 347,072/- is payable by the Company.

The Company, aggrieved by the Assessment Order for AY 2008-09 has filed an Appeal with the Hon'ble CIT(Appeals), Mumbai. The Hon'ble CIT(Appeals), Mumbai has pronounced his Orders. The Order giving effect to the Hon'ble CIT(Appeals), Mumbai by the Assessing Officer is yet to be received by the Company. In addition, the Income Tax Department has raised U/s 271, a tax demand of ₹ 200,000/- for the year under consideration.

The Income Tax Department has also raised a tax demand of ₹ 1,319,744/- for the Assessment Year 2009-10. An appeal has been filed with the Hon'ble CIT (Appeals), Mumbai.

d. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

e. Leases

Operating Lease: The Company has operating lease for office premises. These lease arrangements operate for a period from one year to three years. The said leases are renewable for further period on mutually agreeable terms and also includes escalation clause.

(Amount In Lakhs)

PARTICULARS	31 ST MARCH, 2012	31 ST MARCH, 2011
With respect to Operating Leases, Lease payments recognized in the statement of Profit & Loss for the year	₹ 92.89	₹ 60.93

Finance Lease: The company has no finance leases.

f. Previous Year Figures

The financial statements for the year ended March 31, 2011 have been prepared as per the then applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification for Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/re-grouped to confirm the current year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements except for accounting disclosure.

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of
Ramu & Ravi
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021

Veena Gundavelli
Managing Director

T.M.Rao
Executive Director

Place: Hyderabad
Date : 25th May 2012

**CONSOLIDATED
CASH FLOW STATEMENT**

SOLIX TECHNOLOGIES LIMITED

1486, Lane No. 13, Street No.14, Tarnaka, Secunderabad - 500017

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

(₹ in Thousands)

PARTICULARS	YEAR ENDED	
	31 ST MARCH, 2012	31 ST MARCH, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Income from Operating activities	10,624	6,564
Adjustment for :		
Add : Depreciation	231	16,177
Deferred Tax	75	-
TOTAL	306	16,177
Operating Profit before working capital changes	10,930	22,740
Adjustment for :		
Exchange fluctuation on Consolidation	53,168	4,709
(Increase)/ Decrease in trade and other receivable	(13,058)	(104,019)
Increase / (Decrease) in the Loans & Advances	2,088	61,797
Increase in Software Work in Progress	4,213	(5,352)
Increase / (Decrease) in Trade payables	(15,305)	50,686
TOTAL	31,106	7,820
Net cash from operating activities (A)	42,036	30,560
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Investment in fixed assets	(47,907)	(79,616)
Net cash in Investing activities (B)	(47,907)	(79,616)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term & other borrowings	3,471	55,557
Net cash used in Financing activities (C)	3,471	55,557
Net increase in cash and cash equivalent (A+B+C)	(2,400)	6,502
Cash & Cash equivalent at the beginning of the year	16,411	9,909
Cash & Cash equivalent at the end of the year	14,011	16,411

As per our Report of even date attached

for and on behalf of the Board

for and on behalf of
Ramu & Ravi
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership Number: 200021
Place: Hyderabad
Date : 25th May 2012

Veena Gundavelli
Managing Director

T.M.Rao
Executive Director

Ramu & Ravi
Chartered Accountants

CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of **Solix Technologies Limited** for the period ended 31st March, 2012. 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 25th May 2012 to the members of the Company.

for and on behalf of

Ramu & Ravi,
FRN No. 006610S
Chartered Accountants

K.V.R.Murthy
Partner
Membership No.200021

Place: Hyderabad
Date: 25th May 2012

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

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, 20th July 2012 at 3.00 PM at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad-500 003.

Signed this-----day of-----2012

Signature-----

₹1/-
Stamp

- 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, 20th July 2012 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, 20th July 2012 at 3.00 PM at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad 500 003.

Signature of Member/Proxy