

BOARD OF DIRECTORS

Mr. G. Parmeswara Rao	- Chairman
Mr. Sai Gundavelli	- Managing Director & CEO
Mr. G. R. Venugopala Chary	- Director
Mr. Khalik Ashwin	- Director
Mr. Mohammed Abdul Majeed	- Director (Expired on 25.10.2010)
Dr. Rafiq K. Dossani	- Additional Director (appointed on 12.11.2010)
Mr. T. Maheshwar Rao	- Whole Time Director & Compliance Officer

REGISTERED & CORPORATE OFFICE

1486 (12-13-522), Lane No. 13,
Street No. 14, Tarnaka,
Secunderabad - 500 017.
Phone No.: 040-2717 0822 (3 Lines)
Fax No.: 040-2717 3240
Email ID: info@solix.in

AUDITORS

M/s. Ramu & Ravi,
Chartered Accountants
814, 8th Floor, Raghava Ratna Towers,
Chirag Ali Lane, Abids,
Hyderabad - 500 001.
Phone Nos.: 040-23204498; 23204877
Fax No.: 040-23205653

BANKERS

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

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
Email ID : info@vccilindia.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 Thirtieth Annual General Meeting of **SOLIX TECHNOLOGIES LIMITED** will be held on Monday, the 27th December 2010, at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad 500 003 at 3.00 P. M. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 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. G. Parmeswara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Khalik Ashwin, 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 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

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

5. **To appoint director in place of additional director Dr. Rafiq K. Dossani.**

“RESOLVED THAT Dr. Rafiq K. Dossani, who was appointed as an Additional Director on 12th November 2010 under the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received Notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of the Director be and is hereby appointed as Director of the Company, liable to retire by rotation under the Articles of Association of the Company.”

Place: Secunderabad
Date: 12th Nov 2010

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

**T.M.Rao
Whole Time Director**

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint Proxy to attend and vote instead of himself/herself and the Proxy need not be the Member of the Company. The Proxies in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. Members/proxies are requested to fill the attendance slips in for attending the Meeting and bring their copies of the Annual Report to the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. Members are requested to notify immediately, any change in their address to the Registrar & Share Transfer Agent.
6. The Company has already notified closure of Register of Members and Transfer Books thereof from 25th December, 2010 to 27th December 2010 (both days inclusive).
7. The Company had applied vide our letter dated 01.09.2010 extension of time for holding its Annual General Meeting with the Registrar of Companies, Andhra Pradesh, Hyderabad, Ministry of Corporate Affairs, Govt. of India. The Registrar of Companies, Andhra Pradesh, Hyderabad vide its order dated 07.09.2010 has granted extension of time for a period of 3 months for holding the Annual General Meeting.
8. Non-Resident Indian Shareholders are requested to inform the Registrar & Share Transfer Agent, M/s. Venture Capital and Corporate Investments Limited, Hyderabad regarding:
 - 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. The information pertaining to the Directors proposed to be re-appointed are furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges:

- 1. Mr. G. Parmeswara Rao**, an advocate by profession, did his B.A. from Osmania University, Hyderabad and LL.B. from osmania University, Hyderabad. He is having a vast experience of about 35 years in the legal & corporate sector. To his credit, he has held several positions in the Government Organizations, to name a few viz.: Standing Counsel for:- 1. Accountant General (Audit-I) 2. Director of Commercial Department 3. Director of Audit 4. Accountant General (Audit-II) 5. Accountant General (A&E) 6. Director, Postal Audit. Further, he is a Director of M/s. Solix Technologies Ltd., and its group Company M/s. Tiebeam Technologies India Pvt. Ltd. The Company is in the business of software Industry. The products of the Company are widely accepted in the domestic & international markets. He has made major contributions for the growth & development of the Company.
- 2. Khalik Ashwin** has an extensive background in the Application Development and CRM, Telecom and Hospital Domain. He has over 11 years of experience in technology industry. He has done his Bachelor of Commerce from Andhra University. Worked with multinational companies like HCL, INFOSYSTEMS and Harniks Information Systems. He was associated with Singapore Technologies Pte Ltd based at Singapore for 2 years. He led a team of 20 members in developing Telecom billing system on group calls, SMS and Analogue Trunk Radio systems. The application helps to reduce the cost of customer by allowing to run billing on different rate plans. At Harniks Information Systems, he successfully implemented Hospital Information System at several multi specialties hospitals across Andhra Pradesh. He is a member of Audit Committee and Shareholder Investor Grievance Committee of the Company.

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

Item No. 5

The Board of Directors of the Company at its Meeting held on 12.11.2010, appointed Dr. Rafiq K. Dossani as an Additional Director, in terms of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Dr. Rafiq K Dossani holds office up to date of this Annual General Meeting. The Company has received a valid notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.

Dr. Dossani is a Senior Research Scholar at the Shorenstein Asia-Pacific Research Center, Stanford University. His research areas include development, education, finance, international relations, outsourcing and telecommunications. Prior to joining Stanford University, he was the CEO of Jardine Fleming India, an investment bank. He has also served as Deputy Editor, Business India Magazine.

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

In view of the background and valuable experience of Dr. Rafiq K. Dossani, it will be in the interest of the Company that he continues as a Director of the Company. Your Directors recommend the resolution for your approval.

None of the Directors are in any way concerned or interested in the proposed resolutions.

Place: Secunderabad
Date: 12th Nov 2010

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

**T.M.Rao
Whole Time Director**

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Thirtieth Annual Report and audited financials for the financial year 2009-10. The financial highlights of the Company are as follows:

FINANCIAL RESULTS

(Rs. In Lakhs)

PARTICULARS	2009-10	2008-09
Total Income	472.88	612.89
Operating Profit (PBIDT)	52.99	75.79
Finance Charges	1.78	20.77
Depreciation and Amortisation	12.66	13.10
Profit Before Tax	38.55	41.92
Provision for Tax	2.52	6.70
Prior Period Adj	7.32	1.82
Profit After Tax	28.71	33.40
Profit brought forward from previous year	605.00	571.60
Surplus carried forward	633.71	605.00

COMPANY'S PERFORMANCE

For the financial year 2009-10, your Company reported a total income of Rs.472.88 lakhs. The Company achieved an operating profit of Rs. 52.99 lakhs and a net profit of Rs.28.71 lakhs.

BUSINESS PLANS

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

Our professional services include a wide range of consulting services such as systems planning and design, installation and systems integration based on our suite of products. We offer our professional services with the initial deployment of our products as well as on an ongoing basis to address the continuing needs of our customers. We also have relationships with resellers, professional service organizations and system integrators which include their participation in the deployment of our products to 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

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.

Gartner recently highlighted the top 10 technologies and trends that would be strategic for most organizations in 2011 - <http://www.gartner.com/it/page.jsp?id=145422>. According to them, what defines a strategic technology, as one with the potential for significant impact on the enterprise in the next three years. Factors that denote significant impact include a high potential for disruption to IT or the business, the need for a major dollar investment, or the risk of being late to adopt. Further, strategic technology may be an existing technology that has matured and/or become suitable for a wider range of uses. It may also be an emerging technology that offers an opportunity for strategic business advantage for early adopters or with potential for significant market disruption in the next five years.

Cloud Computing: Cloud computing services exist along a spectrum from open (public) to closed (private). The next three years will see the delivery of a range of cloud computing service approaches that fall between these two extremes. Vendors will offer packaged private cloud implementations that deliver the vendor's public cloud service technologies (software and/or hardware) and methodologies (i.e., best practices to build and run the service) in a form that can be implemented inside the consumer's enterprise.

There are increased trends from prospects to buy Data Management as a service. Solix ExAPPS, Industry's first application retirement appliance, is rightly placed for this market opportunity.

Next Generation Analytics: The leading edge here is real-time simulations and models that predict future outcomes to support individual business decisions, rather than just analysis of results of past actions after the fact. While this may require significant changes to existing operational and business intelligence infrastructure, it promises significant improvements in business results.

Information Lifecycle Management has an important role to play in identifying and moving inactive data to lower storage tiers. This allows these demanding new predictive analytical tools to focus on the most important active data rather than being bogged down in a morass of irrelevant historical information that does not apply to the present and future business environment.

Storage Class Memory: Gartner sees huge use of flash memory in consumer devices, entertainment equipment, and other embedded IT systems. In business, flash memory offers the best of RAM and very high speed storage with a list of advantages of its own — space, heat, performance, and ruggedness among them. As a replacement for RAM, flash offers equivalent performance but with the huge advantage that flash memory is persistent in a power outage, so that when power is restored the device starts up immediately where it left off. This makes it a new, premium choice that allows to basically to store the most valuable, most active data in permanent memory rather than out on a disk drive, where it is instantly available but protected from crashes. Flash is already being used as a "Tier 0" in applications, primarily in the financial industry, that demand extremely fast reads and writes of large amounts of sensitive data.

The disadvantage is cost. It will continue to have enough of a premium for the next several years to make flash an impractical choice for storing anything but the most high-leveraged data, with the rest getting archived or retired. A strong ILM environment with effective data tiering will be important for realizing maximum advantage from their flash memory investments.

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

DIVIDEND

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

DIRECTORS

a) The Board of Directors has placed on record the demise on 25.10.2010 of Mr. Mohd. Abdul Majeed, an Independent Director and its deep sense of appreciation for the services rendered by him. The board expresses its condolences to the family members of Mr. Mohd. Abdul Majeed.

b) Re-appointment

Mr. G. Parmeswara Rao and Mr. Khalik Ashwin, Directors, retire by rotation and the Board of Directors of your Company, at its Meeting held on November 12th, 2010 recommended for the approval of the members their re-appointment as Non-Executive Directors of your Company, liable to retire by rotation.

c) Appointment

Dr. Rafiq K. Dossani was appointed as Additional Director of the Company, in accordance with Section 260 of the Companies Act, 1956, by the Board of directors at its Meeting held on November 12th 2010. Dr. Rafiq K. Dossani would hold office till the date of the Annual General Meeting of the Company scheduled to be held on 27th December, 2010. The requisite Notice has been received from the member pursuant to Section 257 of the Companies Act, 1956 proposing the election of Dr. Rafiq K. Dossani as Director of the Company at the ensuing Annual General Meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE

The Corporate Governance and Management Discussion and Analysis Report form an integral part of this 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 Bombay Stock Exchange 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

Solix Technologies Limited is having the following subsidiary and step-down subsidiary companies:

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

Step Down Subsidiaries of AccelForce Pte Ltd., Singapore

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

Note: One of our subsidiary companies, viz., AccelForce Sdn.Bhd., Malaysia was dissolved during the year and as also the subsidiary company of Solix Technologies Inc., USA viz. AccelForce Inc., USA was dissolved during the year.

The Ministry of Corporate Affairs, Government of India, vide its letter dated 07.09.2010 has granted exemption from enclosing the annual accounts of the above subsidiaries/step down subsidiaries in view of publication of consolidated

financial statements. The consolidated financial statements include financial information relating to the subsidiary/step down subsidiary Companies.

The Company will, however, make available the Audited Annual Accounts and related information relating to each of the subsidiary company, upon request by any member of the Company. These documents will also be available for inspection during business hours at the Registered Office of the Company.

The Consolidated Financial Statements prepared in terms of Accounting Standards and Listing Agreements include financial information relating to the subsidiary/step down subsidiary companies also.

DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

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

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) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements 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.

RELATED PARTY TRANSACTIONS

As a matter of policy, your Company carries out transactions with related parties at arm's length pricing. A statement of these transactions is given in the Notes to Accounts in compliance with the Accounting Standard AS-18.

ACKNOWLEDGEMENTS

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

Place: Secunderabad

Date: 12th Nov 2010

For and on behalf of the Board of Directors

G. Parmeswara Rao
Chairman

ANNEXURE – I FORMING PART OF THE DIRECTORS' REPORT

Disclosure of Particulars under Section 217 (1) (e) of the Companies Act, 1956

a. Conservation of Energy

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

b. Research & Development

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

c. Technology absorption, adaptation and innovation

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

d. Foreign Exchange earnings and Outgo:

(Rs. In Lakhs)

PARTICULARS	31 ST MARCH, 2010	31 ST MARCH, 2009
EARNINGS		
Software Development & Services	394.69	366.58
EXPENDITURE		
Travel	17.38	3.43
Investment in WOS	-	-
Other expenditure-Capital	-	=
TOTAL	17.38	3.43

Place: Secunderabad
Date: 12th Nov 2010

For and on behalf of the Board of Directors

G. Parmeswara Rao
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act 1956, and Generally Accepted Accounting Principles (GAAP) in India. The Management of your Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements, as well as various estimates and judgments used therein. The estimates relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profits for the year.

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

INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

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

Outsourcing the development, management and ongoing maintenance of technology platforms and solutions has become increasingly important. India is widely recognized as the premier destination for offshore technology services. According to the NASSCOM strategic Review 2010, IT services exports (excluding Business Process Outsourcing (BPO), hardware, engineering design and product development) from India are estimated to grow by 5.8% in fiscal 2010, to record revenues of US \$ 27.3 billion. There are several factors contributing to the growth of IT and IT-enabled services (ITES) in India and by Indian Companies. Some of these factors are high-quality delivery, significant cost benefits and abundant skilled resources.

In an environment of rapid technological change, globalization and regulatory changes, companies are looking at outsourcing approaches that require their technology services providers to develop specialized systems, processes and solutions along with cost-effective delivery capabilities.

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

OPPORTUNITY

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

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

We believe our competitive strengths include:

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

We believe that our global delivery model allows us to provide services on a best shore basis. Customers benefit from round the clock execution schedule, quality control measures and risk management practices to ensure uninterrupted services.

We seek to further strengthen our position by successfully differentiating our service offerings and increasing the scale of our operations. To achieve these goals, we seek to:

- Increase business from existing and new clients.
- Expand geographically
- Continue to enhance our engagement models and offerings
- Continue to invest in infrastructure and employees

OUTLOOK, RISKS AND CONCERNS

- Our revenues are mainly derived in US dollars while significant portion of costs are in Indian Rupees. The exchange rate between the Indian Rupees and that of foreign currencies has fluctuated significantly and may continue to fluctuate in the future. Currency fluctuations can adversely affect our revenues and gross margins.
- Our revenues and expenses are difficult to predict and can vary significantly from period to period. We may not be able to sustain our previous margins or levels of profitability.
- Our revenues are highly dependent on clients who are primarily located in the US. The economic changes and other factors that affect the economic health of the US may affect our operations.
- In an economic slowdown, our clients may reduce or postpone their technology spending significantly. Reduction in spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.
- The market for IT services is highly competitive. Our Competitors include software companies, IT companies, etc. We may also face competition from IT and ITES companies.
- Our revenues are highly dependent upon a small number of clients and the loss of any of our major clients could significantly impact our business.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

ANALYSIS OF OUR FINANCIAL STATEMENTS

PERFORMANCE

(Rs. In Lakhs)

PARTICULARS	2009-10	2008-09
Total Income	472.88	612.89
Operating Profit (PBIDT)	52.99	75.79
Profit Before Tax	38.55	41.92
Profit After Tax	28.71	33.40
Earnings Per Share (Rs.)	0.46	0.53

SEGMENT RESULT

(Rs. In Lakhs)

PARTICULARS	YEAR ENDED	
	2009-10	2008-09
1. REVENUE		
Overseas	404.37	501.32
Domestic	67.54	110.63
TOTAL	471.91	611.95
2. SEGMENT RESULTS		
Profit / (Loss) before tax and interest from each Segment		
Overseas	86.48	107.92
Domestic	5.74	23.82
TOTAL	92.22	131.74
LESS		
(i) Interest	1.32	20.60
(ii) Other Un-allocable expenditure net off	60.63	70.16
ADD		
(i) Un-allocable income	0.97	0.94
Total Profit Before Tax	31.24	41.92

ACCOUNTING POLICY

The Company's financial statement abided by the generally accepted accounting principles and the Accounting Standards as per section 211(3C) of the Companies Act 1956. The financial statements were prepared under the historical cost convention basis and disclosures were made in accordance with the requirement of Schedule VI of the Companies Act, 1956 and the Indian Accounting Standards. The Company followed the mercantile system of accounting and recognized income and expenditure on an accrual basis. The Company made all relevant provisions as were applicable as on March 31, 2010.

1. Share Capital

At present, we have only one class of shares-equity shares of par value Rs. 10/- each. Our Authorized share capital is Rs. 7.00 crores, divided into 70 lakhs equity shares of Rs. 10/- each. The issued, subscribed and paid up capitals as at March 31, 2010 were Rs. 6.275 crores (rounded off), same as in previous year.

2. Reserves and Surplus

The Reserve & Surplus of the Company consists of Share Premium of Rs.180 lakhs and Profit & Loss Account of Rs.633.71 lakhs including Profit of Rs.28.71 lakhs during the year 2009-10. The Company has total Reserve & Surplus of Rs.813.71 lakhs as compared to Rs. 784.99 lakhs in the last year.

3. Profit and Loss Account

The Profit and Loss for the year ended March 31, 2010 is Rs.28.71 Lakhs as against Rs.33.39 Lakhs.

4. Fixed Assets

We have not incurred any capital expenditure during the financial year 2009-10.

5. Sundry Debtors

Sundry debtors amounted to Rs.1,072.86 lakhs as at March 31, 2010 compared to Rs.975.72 lakhs as at March 31, 2009. These debts are considered good and realizable although they are due for more than six months.

6. Cash and Cash Equivalent

The bank balances include both Indian Rupees accounts as well as foreign currency accounts.

7. Current liabilities and provisions

The position of current liabilities is Rs. 334.20 lakhs as on 31.03.2010 as against the last year amount of Rs.331.33 Lakhs.

REVENUE ANALYSIS

The Company's revenue (net sales) declined by 23% to Rs. 471.90 lakhs in 2009-10 from Rs. 611.95 lakhs in 2008-09.

MARGINS

There was a divergence between the EBIDTA and PAT margins for the year under review in view of the slow recovery of economic conditions in USA.

- EBITDA margin stood at 11.23% in 2009-10 compared with 12.37% in 2008-09.
- PAT margin stood at 6.07% in 2009-10 compared with 5.45% in 2008-09.

TAXATION

The Company's corporate tax burden is reduced from Rs.6.7 lakhs in 2008-09 to Rs. 2.52 lakhs in 2009-10 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 which are beyond the comprehension of the Board of Directors of the Company.

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is based on preserving core values and ethical business conduct and commitment to maximize shareholders value on a continuous basis while looking after the welfare of all other stakeholders.

Keeping in view the Company's size and complexity in operations, Company's Corporate Governance framework is based on the following principles:

1. Appropriate size and composition of Board with each Director bringing in key expertise in different area,
2. Systematic information flow to the members of the Board to enable them to effectively discharge their fiduciary duties,
3. Ethical business conduct by the Management and employees,
4. Appropriate systems and processes for internal controls on all operations, risk management and financial reporting,
5. Timely and accurate disclosure of all material, operational and financial information to the stakeholders.

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

2. BOARD OF DIRECTORS

The composition of the Board is in accordance with the requirements of the Corporate Governance code of the Listing Agreement with the Stock Exchanges. The Board of Directors comprises of a majority of Non-Executive Directors, having rich and varied experience and thus imparts the desired level of independence to the Board. As on 31st March, 2010, the Board consists of two Executive Directors and four Non-Executive Directors.

The day-to-day management of the Company is conducted by the Executive Director subject to the supervision and control of the Board of Directors.

The constitution of the Board during the financial year 2009-10 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	-	-
Mr. Sai Gundavelli	Managing Director, Promoter	2	-	-
Mr. T.M.Rao	Whole Time Director, Promoter	3	-	-
Mr. Abdul Majeed*	Non-Executive, Independent	-	2	1
Mr. G.R.Venugopala Chary	Non-Executive, Independent	1	2	1
Mr. Khalik Ashwin	Non-Executive, Independent	-	2	1
Dr. Rafiq K. Dossani**	Non-Executive, Independent Additional	-	-	-

*Mr.Mohd Abdul Majeed has expired on 25.10.2010.

**Dr. Rafiq K. Dossani was appointed as an additional Director on 12.11.2010.

The Board of Directors of the Company met five times during the Financial Year 2009-10, i.e., on 13th April, 30th June, 31st July and 31st October in 2009 & 30th January in 2010. The table hereunder gives attendance of the Directors at the Board Meetings held during the financial year 2009-10 and previous AGM held on 30.09.2009.

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

*Mr.Mohd Abdul Majeed has expired on 25.10.2010.

**Dr. Rafiq K. Dossani was appointed as an additional Director on 12.11.2010.

3. BOARD LEVEL COMMITTEES

Board constituted Committees to focus on specific areas and to make appropriate decisions within the authority delegated to each of the Committees. All decisions and recommendations of the Committees are placed before the Board either for their information or approval. We have three Committees of the Board:

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

A) AUDIT COMMITTEE

TERMS OF REFERENCE

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

(a) Primary objectives of the Audit Committee

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

- Review of performance of the Company's internal control Systems, Internal Audit functions and accounting practices.
- Reviewing with the management, annual and quarterly financial statements before submission to the Board for approval
- Review of related party transactions etc.
- Review of Company's financial and risk management policies.
- Integrity of the Company's financial statements and disclosure of financial information.

- Auditing and accounting matters, including recommendation of the appointment of Statutory Auditors to the shareholders and fees to be paid to the auditors.

(b) Scope of the Audit Committee

1. Recommending the appointment and removal of Statutory Auditors, fixation of audit fees and also to approve the payment for other services.
2. 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 Exchange and legal requirements concerning financial statements.
 - Significant adjustment arising out of audit.
3. 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.
4. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend Meetings and provide pertinent information as necessary.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

(c) Composition of the Audit Committee as on 31st March 2010

The Audit Committee is constituted in accordance with the Corporate Governance code of the Listing Agreement as well as provisions of the Companies Act, 1956. The Audit Committee currently comprises of the following Directors:

The Audit Committee comprises of the following Directors:

SL. NO.	NAME	CATEGORY	DESIGNATION
1	Mr. G.R.Venugopala Chary	Independent Director	Chairman
2	Mr. Abdul Majeed*	Independent Director	Member
3	Mr. Khalik Ashwin	Independent Director	Member

*Mr.Mohd Abdul Majeed has expired on 25.10.2010.

MEETINGS

During the Financial Year 2009-10, five Meetings of the Committee were held on 13th April, 30th June, 31st July and 31st October in 2009 & 30th January in 2010. 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	5
2	Mr. Abdul Majeed*	Independent Director	Member	5
3	Mr. Khalik Ashwin	Independent Director	Member	2

*Mr.Mohd Abdul Majeed has expired on 25.10.2010.

B) REMUNERATION COMMITTEE

The terms of reference of the Remuneration Committee of the Board is to ensure that the remuneration practices of the Company in respect of the Senior Executives and Executive Directors are competitive keeping in view of the prevalent compensation packages in the industry so as to recruit and retain suitable individual(s) in such capacity.

The composition of the Remuneration Committee is as follows:

SL. NO.	NAME	CATEGORY	DESIGNATION
1	Mr. Abdul Majeed*	Independent Director	Chairman
2	Mr. G.R.Venugopala Chary	Independent Director	Member
3	Mr. Khalik Ashwin	Independent Director	Member

*Mr.Mohd Abdul Majeed has expired on 25.10.2010.

There was no Meeting of Remuneration Committee during the year under review.

REMUNERATION POLICY

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

The details of remuneration paid/payable to the Directors for the year 2009- 2010 are:

(Amount in Rs)

NAME OF DIRECTOR	SALARY	PERQUISITES	CONTRIBUTION TO P.F.	COMMISSION	TOTAL
Mr. T.M.Rao	703,200	Nil	Nil	Nil	703,200
Mr. Sai Gundavelli	Nil	Nil	Nil	Nil	Nil

C) SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE

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

SL. NO.	NAME	CATEGORY	DESIGNATION
1	Mr. Khalik Ashwin	Independent Director	Chairman
2	Mr. G.R.Venugopala Chary	Independent Director	Member
3	Mr. Abdul Majeed*	Independent Director	Member

*Mr.Mohd Abdul Majeed has expired on 25.10.2010.

4. 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.

5. GENERAL BODY MEETINGS

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

YEAR	LOCATION	DATE AND TIME
AGM-2007	1486 (12-13-522), Lane No. 13, Street No. 14, Tarnaka, Secunderabad-500 017	28-09-2007, 4:00 P.M
AGM-2008	1486 (12-13-522), Lane No. 13, Street No. 14, Tarnaka, Secunderabad-500 017	29-09-2008, 4:00 P.M
AGM-2009	'West Minister Hall, Hotel Central Court, Lakdi-Ka-Pool, Hyderabad	30-09-2009, 2:30 P.M

At the Annual General Meeting held on in 2009, 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) Related Party transaction:

The details of related party transactions as required under Accounting Standard 18 notified under the Companies Act, 1956 are given in Notes to Accounts forming part of accounts for the year ended on 31st March 2010.

(ii) 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.

(iii) 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.

(iv) 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.

(v) Code of Conduct:

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

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

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

Place: Secunderabad
Date: 12th Nov 2010

T.M.Rao
Whole Time Director

7. MEANS OF COMMUNICATION

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

8. CEO/CFO CERTIFICATE

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

9. GENERAL SHAREHOLDER INFORMATION**a. Annual General Meeting**

DATE : **Monday, the 27th December, 2010**
 TIME : **3.00 PM**
 VENUE : **'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad 500 003.**

b. Financial Calendar for the year 2010-11 (Tentative)

Results for Quarter ending June, 2010	-	Within 45 days of the quarter
Results for Quarter ending September, 2010	-	Within 45 days of the quarter
Results for Quarter ending December, 2010	-	Within 45 days of the quarter
Results for Quarter ending March, 2011	-	Last week of May 2011

c. Book Closure Date

25th December, 2010 to 27th December, 2010 (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 2009-10 has already been paid by the Company.

e. Stock Codes

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

f. Stock Market Data

The Stock Market data of shares of the Company for the period from April 2009 to March 2010 is given below:

MONTH	HIGH (in Rs.)	LOW (in Rs.)
April - 2009	14.00	11.01
May - 2009	18.55	11.53
June - 2009	18.90	12.15
July - 2009	17.40	13.01
August - 2009	22.97	13.46
September - 2009	24.10	17.80
October - 2009	29.40	22.00
November - 2009	26.50	21.00
December - 2009	25.45	20.50
January - 2010	24.00	18.50
February - 2010	22.70	18.05
March - 2010	19.55	16.00

g. Distribution of Shareholding as on 31st March, 2010

NO. OF SHARES	SHAREHOLDERS		SHARES	
	NUMBERS	%	NUMBERS	%
1 - 500	362	69.22	65,050	1.04
501 - 1,000	59	11.28	48,841	0.78
1,001 - 2,000	42	8.03	59,994	0.96
2,001 - 3,000	10	2.10	26,551	0.42
3,001 - 4,000	11	1.91	36,158	0.58
4,001 - 5,000	5	0.96	22,445	0.36
5,001 - 10,000	12	2.29	80,914	1.28
10,001 and Above	22	4.21	59,35,047	94.58
TOTAL	523	100.00	62,75,000	100.00

h. Shareholding Pattern as on 31st March, 2010

SL. NO.	CATEGORY	NO OF SHARE HOLDERS	NO OF SHARES	%
1	Promoters - Indian	12	46,63,273	74.32
2	Promoters - Foreign	Nil	Nil	Nil
3	Mutual Funds & UTI	Nil	Nil	Nil
4	Foreign Institutional Investors	Nil	Nil	Nil
5	Non-Resident Indians/OCBs	5	5,22,167	8.32
6	Bodies Corporate	34	40,534	0.65
7	Others- Individuals upto Rs.1 Lakh	479	2,99,507	4.77
8	Others- Individuals in excess of Rs.1Lakh	9	7,49,519	11.94
	TOTAL	539	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

j. Address for Correspondence

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

T.M. Rao

Whole Time Director & Compliance Officer

Solix Technologies Limited

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

E-mail: info@solix.in

Website: www.solix.in

For and on behalf of the Board of Directors

Place: Secunderabad
Date: 12th Nov 2010

T.M.Rao
Whole Time Director

CERTIFICATE ON CORPORATE GOVERNANCE

CERTIFICATE

To,
The Members,
Solix Technologies Limited.

We have examined the compliance of the conditions of Corporate Governance by **Solix Technologies Limited** for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

K.V.R.MURTHY
Partner
Membership No.200021
For and on behalf of **Ramu & Ravi**
Chartered Accountants
FRN No. 006610S

Place: Hyderabad
Date: 12th Nov 2010

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

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

We certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and Notes on Accounts as well as the Cash Flow Statements of **Solix Technologies Limited** for the year ended March 31, 2010 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: 29th May 2010

T.M.Rao
Whole-Time Director

Sai Gundavelli
Managing Director

AUDITORS' REPORT

To,
The Members,
Solix Technologies Limited.

1. We have audited the attached Balance Sheet of **Solix Technologies Limited**, as at 31st March 2010 and Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the enclosed Annexure a statement on matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments referred to in Para 3 above, we report that:
 - i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - iii. the Balance Sheet and Profit and Loss Account dealt with by this Report is in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
 - v. on the basis of review of written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010; 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.

K.V.R.MURTHY
Partner
Membership No.200021
For and on behalf of **Ramu & Ravi**
Chartered Accountants
FRN No. 006610S

Place: Hyderabad
Date: 29th May 2010

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

ANNEXURE TO THE AUDITORS' REPORT

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

(i)	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	As per the programme designed by the company all tangible fixed assets have been physically verified by the management at reasonable intervals, and no material discrepancies have been noticed in respect of those assets, which have been physically verified.
	(c)	The Company has not disposed off substantial part of its fixed asset during the year.
(ii)		Due to the nature of Company's business of development of Computer Software and exports, the Company does not maintain inventories relating to finished products. Consequently, provisions of Clause 4(ii) of Companies (Auditor's Report) Order, 2003 are not applicable in relation to its activities.
(iii)		The Company has taken loans during the earlier year from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 where the rate of interest and other terms and conditions of loans which are not prima facie prejudicial to the interest of the company. The maximum amount involved is Rs.109.37 Lakhs. The year end balances of such loans taken is Rs.108.51 Lakhs.
(iv)		In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and in respect of sale of Computer Software and related services. During the course of our audit, no major weakness has been noticed in the internal controls.
(v)		Based on the examination of the books of account and related records and according to the information and explanations provided to us, we are of the opinion that the company has maintained the contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
(vi)		The Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
(vii)		In our opinion the Company has adequate internal audit system commensurate with the size of the Company and nature of its business.
(viii)		According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the Company.
(ix)	(a)	According to the information and explanations given to us and the records of the Company examined by us the Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, cess and other material statutory dues applicable to it except for Service Tax.
	(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, Sales-Tax, Customs Duty, Cess and other Undisputed Statutory dues were outstanding, as at 31 st March 2010 for a period of more than six months from the date they became payable except for Income Tax (TDS)-Rs. 11.79 lakhs and Service Tax- Rs. 2.86 lakhs.

	(c)	As explained to us, and according to the information and explanations given to us, the disputed Income Tax which have not been deposited with the appropriate authorities are as under.			
		NATURE OF DUES	AMOUNT DEMAND	AMOUNT PAID	FORUM WHERE DISPUTES ARE PENDING
		Income Tax	Rs 146.72 Lakhs	Rs 96.17 Lakhs	(i)Income Tax Appellate Tribunal Mumbai (ii)(Commissioner of Income Tax (Appeals), Mumbai
(x)		The company does not have any accumulated losses nor has incurred any cash losses during the current year and the immediately preceding financial year.			
(xi)		Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of its dues to the banks. During the year company has not taken any loans from financial institutions nor has it issued any debentures.			
(xii)		According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debenture and other securities.			
(xiii)		In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society to which the provisions of special statute relating to Chit Funds are applicable			
(xiv)		In our opinion and according to the information and explanations given to us the Company is not dealing in shares, securities and debentures and other investments.			
(xv)		According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.			
(xvi)		According to the information and explanations given to us and the records of the Company examined by us, the Company has not obtained any term loans during the year.			
(xvii)		According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have 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.			

K.V.R.MURTHY

Partner

Membership No.200021

For and on behalf of **Ramu & Ravi**

Chartered Accountants

FRN No. 006610S

Place: Hyderabad

Date: 29th May 2010

FINANCIAL STATEMENTS

SOLIX TECHNOLOGIES LIMITED			
BALANCE SHEET AS AT 31 ST MARCH, 2010			
		AS ON 31 ST MARCH, 2010	AS ON 31 ST MARCH, 2009
PARTICULARS	SCHEDULE	RUPEES	RUPEES
SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS			
Share Capital	1	62,750,000	62,750,000
Reserves & Surplus	2	81,370,908	78,499,666
2. LOAN FUNDS			
Secured Loans	3	50,159,176	50,357,730
Unsecured Loans	4	259,300	144,300
3. DEFERRED TAX LIABILITY (NET)			
		-	168,085
TOTAL		194,539,384	191,919,781
APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	5	9,834,228	9,834,228
Less : Depreciation		7,610,734	6,344,639
Net Block		2,223,494	3,489,589
2. INVESTMENTS			
	6	82,923,490	82,923,586
3. CURRENT ASSETS, LOANS & ADVANCES			
Software Work-In-Process		22,117,777	23,547,221
Sundry Debtors	7	107,286,371	97,572,121
Cash & Bank Balances	8	738,847	1,287,045
Loans & Advances	9	12,514,905	16,220,577
<i>Total of Current Assets, Loans & Advances (a)</i>		142,657,901	138,626,964
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	10	16,424,613	28,546,072
Provisions	11	16,995,990	4,586,879
<i>Total of Current Liabilities & Provisions (b)</i>		33,420,603	33,132,951
Net Current Assets (a-b)		109,237,298	105,494,013
4. DEFERRED TAX ASSET (Net)			
		155,103	-
5. MISCELLANEOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED			
* Balance amount of Rs. 12,593/- is written-off during the year		- *	12,593
TOTAL		194,539,384	191,919,781
Significant Accounting Policies and Notes to Accounts	17		

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021

For and on behalf of Ramu & Ravi

Chartered Accountants

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Secunderabad

Date: 29th May 2010

SOLIX TECHNOLOGIES LIMITED			
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2010			
		YEAR ENDED	
		AS ON 31 ST MARCH, 2010	AS ON 31 ST MARCH, 2009
PARTICULARS	SCHEDULE	RUPEES	RUPEES
INCOME			
Sales & Services (TDS Rs.10,87,660/- P.Y. Rs. 10,77,471/-)	12	47,190,806	61,195,090
Other Income	13	97,009	94,402
TOTAL		47,287,815	61,289,492
EXPENDITURE			
Cost of sales	14	39,194,925	49,340,856
Selling, General & Administrative Expenses	15	2,781,254	4,369,520
Finance Charges	16	177,740	2,077,387
Preliminary Expenses Written Off		12,593	12,540
Depreciation & Amortization		1,266,095	1,297,229
TOTAL		43,432,607	57,097,532
PROFIT BEFORE TAXES		3,855,208	4,191,960
Provision for Taxation :			
Current Tax		575,000	700,000
Fringe Benefit Tax		-	32,401
Deferred tax		(323,188)	(62,735)
Prior Period Expenses		732,154	182,428
PROFIT FOR THE YEAR		2,871,242	3,339,866
SURPLUS BROUGHT FORWARD FROM LAST YEAR		60,499,666	57,159,800
SURPLUS CARRIED TO BALANCE SHEET		63,370,908	60,499,666
EARNING PER SHARE			
Equity shares of par value Rs.10/- each			
Basic		0.46	0.53
Diluted		0.46	0.53
Number of shares used in computing earnings per share		6,275,000	6,275,000
Significant Accounting Policies and Notes to Accounts	17		

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021

For and on behalf of Ramu & Ravi

Chartered Accountants

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Secunderabad

Date: 29th May 2010

SOLIX TECHNOLOGIES LIMITED										
SCHEDULES FORMING PART OF THE BALANCE SHEET										
PARTICULARS		AS ON 31 ST MARCH, 2010			AS ON 31 ST MARCH, 2009					
1. SHARE CAPITAL										
Authorised :										
70,00,000 Equity Shares of Rs.10/- each		70,000,000			70,000,000					
Issued, Subscribed and Paid up:										
62,75,000 (P.Y 62,75,000)Equity Shares of Rs.10/- each fully Paid up Including Bonus Shares of 55,00,000 Equity Shares of Rs 10/- each fully paid up, allotted on 3 rd May, 2005 by capitalising out of Reserves of Rs. 550 lakhs		62,750,000			62,750,000					
TOTAL		62,750,000			62,750,000					
2. RESERVES & SURPLUS										
Share Premium Account		18,000,000			18,000,000					
Profit & Loss Account		63,370,908			60,499,666					
TOTAL		81,370,908			78,499,666					
3. SECURED LOANS										
From Technology Development Board, New Delhi, India		50,159,176			50,159,176					
From Banks (Against assignment of debts and hypothecation of equipment)		-			198,554					
TOTAL		50,159,176			50,357,730					
4. UNSECURED LOANS										
From Directors & their relatives		259,300			144,300					
TOTAL		259,300			144,300					
5. FIXED ASSETS										
		GROSS BLOCK			DEPRECIATION			NET BLOCK		
SL.NO.	PARTICULARS	AS ON 01.4.2009	NET ADDITIONS	AS ON 31.03.2010	AS ON 01.04.2009	PROVISION FOR THE YEAR	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009	
1	Computers & Accessories	6,772,183	-	6,772,183	5,690,665	1,066,637	6,757,302	14,881	1,081,518	
2	Office equipment	1,066,910	-	1,066,910	155,936	50,678	206,614	860,296	910,974	
3	Furniture & fixtures	1,109,778	-	1,109,778	255,392	70,249	325,641	784,137	854,386	
4	Electrical	117,422	-	117,422	16,734	5,578	22,312	95,110	100,688	
5	Vehicles	767,935	-	767,935	225,912	72,954	298,866	469,069	542,023	
	TOTAL	9,834,228	-	9,834,228	6,344,639	1,266,095	7,610,734	2,223,494	3,489,589	
	PREVIOUS YEAR	9,834,228	-	9,834,228	5,047,411	1,297,229	6,344,639	3,489,589		

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF THE BALANCE SHEET		
	AS ON 31 ST MARCH, 2010	AS ON 31 ST MARCH, 2009
PARTICULARS	RUPEES	RUPEES
6. INVESTMENTS		
(i) Long Term Investments :		
In shares : Quoted (Non Trade)		
1 (PY 1) fully paid equity share of Rs. 10 each in Associated Cement Company Ltd.*	120	120
* Market Value of Investments-Rs. 950.45 as on March 31 st 2010 (PY Rs.577)		
(ii) In subsidiary companies		
(a) 2,850,000 shares (PY 2,850,000) of US\$ 0.01 (PY US\$ 0.01) fully Paid Common Stock in Solix Technologies Inc., USA.	66,653,328	66,653,328
(b) 28,350,000 shares of US\$ 0.014 each in SITI Corporation Inc., USA.	16,270,014	16,270,014
(c) 1 share (PY 1) of 1 GBP each in Solix Technologies Europe Ltd., UK	-	72
(d) 2 shares (PY 1) of 1 MYR each in AccelForce SDN.HBD., Malaysia	-	24
(c) 1 share (PY 1) of 1 SGD each in AccelForce Pte.Ltd., Singapore	28	28
TOTAL	82,923,490	82,923,586
7. SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months	68,854,472	56,585,986
Other debts	38,431,899	40,986,135
TOTAL	107,286,371	97,572,121
8. CASH & BANK BALANCES		
Cash in hand	502,299	320,749
Balance with Scheduled Banks		
In current account	(43,597)	672,144
In deposit accounts	280,145	294,152
TOTAL	738,847	1,287,045
9. LOANS & ADVANCES		
Loand & Advance recoverable in cash or kind or for value to be received	12,514,905	16,220,577
TOTAL	12,514,905	16,220,577
10. LIABILITIES		
Sundry Creditors & Other Liabilities	16,424,613	28,546,072
TOTAL	16,424,613	28,546,072
11. PROVISIONS		
Provision for Taxation	16,995,990	4,586,879
TOTAL	16,995,990	4,586,879

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021

For and on behalf of Ramu & Ravi

Chartered Accountants

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Secunderabad

Date: 29th May 2010

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT		
PARTICULARS	YEAR ENDED	
	31 ST MARCH, 2010	31 ST MARCH, 2009
12. SALES & SERVICES		
Domestic - Information Technology Services	6,753,797	11,063,058
Exports - Information Technology Services	39,469,750	36,658,098
Gain on Foreign Exchange Fluctuation	967,259	13,473,934
TOTAL	47,190,806	61,195,090
13. OTHER INCOME		
Interest Received on Fixed Deposits	14,146	88,040
Miscellaneous Income	82,863	6,362
TOTAL	97,009	94,402
14. COST OF SALES		
Salaries, Allowances and Other Benefits	30,441,803	35,511,195
Software WIP	5,529,444	11,212,500
External Consultants	795,715	1,315,220
Travel & Conveyance Expenses	2,020,107	696,606
Insurance	35,891	216,709
Other Expenses	183,720	200,000
Communication Expenses	188,245	188,626
TOTAL	39,194,925	49,340,856
15. SELLING , ADMINISTRATIVE & OTHER EXPENSES		
Power and Fuel	536,657	804,376
Rent, Rates and Taxes	451,070	1,817,807
Listing & Filing Fees	35,835	40,365
Repairs and Maintenance	114,959	109,101
Auditors' Remuneration	191,200	255,068
Subscription & Membership Fees	182,667	178,569
Staff Welfare	78,691	90,062
Business Promotion	-	10,000
General Expenses	25,134	40,274
Office Maintenance	152,935	393,784
Telephone Expenses	80,710	154,634
Legal & Professional Charges	890,517	475,480
Bad Debts Written Off	40,879	-
TOTAL	2,781,254	4,369,520
16. FINANCE CHARGES		
Bank Service Charges	45,486	17,037
Interest on		
Loans	52,408	1,680,000
Others	79,846	380,350
TOTAL	177,740	2,077,387

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021

For and on behalf of Ramu & Ravi

Chartered Accountants

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Secunderabad

Date: 29th May 2010

NOTES TO ACCOUNTS

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

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

1.1 REVENUE RECOGNITION

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

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

1.2 FIXED ASSETS

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

1.3 DEPRECIATION

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

1.4 VALUATION OF INVENTORIES

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

1.5 BORROWING COST

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

1.6 INVESTMENTS

Investments are stated at cost inclusive of related incidental expenses.

1.7 FOREIGN CURRENCY TRANSACTIONS

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

1.8 RETIREMENT BENEFITS

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

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

1.9 CAPITAL COMMITMENTS

There are no capital commitments.

1.10 CONTINGENT LIABILITIES

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

1.11 RELATED PARTY DISCLOSURES

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

A) LIST OF RELATED PARTIES

Holding Company

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

Subsidiary Companies

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

Step Down Subsidiaries of AccelForce Pte Ltd., Singapore

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

Note: One of our subsidiary company, viz., AccelForce Sdn.Bhd., Malaysia was dissolved during the year and another subsidiary company of Solix Technologies Inc., USA viz. AccelForce Inc., USA was dissolved during the year.

Associate Companies

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 and the relatives

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

B) TRANSACTIONS WITH RELATED PARTIES

Amount In Rupees

RELATED PARTY	NATURE OF TRANSACTION	AS ON 31 ST MARCH, 2010	AS ON 31 ST MARCH, 2009
Revenue transactions:			
Solix Technologies Inc., USA	Information Technology services	24,345,200	18,676,776
SITI Corporation Inc., USA	Information Technology services	15,124,550	17,870,220
Mrs. G.P.Premalata	Rent Payment	240,000	240,000
Mr. Srinath Gundavelli	Rent Payment	60,000	120,000

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

Amount In Rupees

PARTICULARS	AS ON 31 ST MARCH 2010	AS ON 31 ST MARCH 2009
SUNDRY DEBTORS (Dues From)		
Solix Technologies Inc., USA	64871,170	36,611,528
SITI Corporation Inc., USA	39,817,541	17,563,876
AccelForce Inc., USA	Nil	5,618
AccelForce Sdn. Bhd., Malaysia	Nil	5,618
AccelForce Pte. Ltd., Singapore	Nil	5,618
Solix Technologies Europe Ltd., UK	Nil	5,618
SUNDRY CREDITORS (Dues To)		
Solix Technologies Inc., USA	2,056,732	2,056,732
Tiebeam Ventures Inc., USA	1,624,227	1,624,227
Tiebeam Technologies India Pvt. Ltd.	8,770,302	9,077,011
LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	7,011,562	7,020,562
Digiprise India Pvt. Ltd. – Loan Taken	3,850,082	3,917,072
Emagia India Private Limited – Loan Due from	10,000	Nil
MAXIMUM BALANCES OF LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	7,020,562	7,440,723
Digiprise India Pvt. Ltd. – Loan Taken	3,917,072	4,791,097
Emagia India Private Limited – Loan Due from	10,000	Nil

1.12 DUES TO SMALL SCALE INDUSTRIES

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

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

1.13 PAYMENT TO AUDITORS

Amount In Rupees

PARTICULARS	31 ST MARCH, 2010	31 ST MARCH, 2009
As Auditors	165,450	150,000
Other Certification Charges	0	14,720
Reimbursement of Expenses	1,199	11,676
TOTAL	166,649	176,396

1.14 TRANSACTION WITH KEY MANAGEMENT PERSONNEL

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

Amount In Rupees

PARTICULARS	31 ST MARCH, 2010	31 ST MARCH, 2009
Whole Time Director Remuneration	703,200	703,200
TOTAL REMUNERATION	703,200	703,200

1.15 TAXES ON INCOME

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

1.16 DEFERRED TAX

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

The break up of net deferred tax assets as on 31st March, 2010 is as under:

Amount In Rupees

PARTICULARS	AS ON 31 ST MARCH, 2010	CURRENT YEAR	AS ON 1 ST APRIL, 2009
Difference between book and tax depreciation and unabsorbed Depreciation	(155,103)	323,188	(167,886)
Expenditure Disallowed U/s 40A(3) of Income Tax Act, 1961	Nil	Nil	335,971
TOTAL	(155,103)	323,188	168,085

1.17 INCOME TAX

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

Tribunal, Mumbai, the company has paid the entire amount of Rs. 37 lakhs under protest. The decision of the tribunal is awaited.

The Income tax department has also raised a tax demand of Rs.99,80,358/- dated 21/12/2006 (inclusive of interest) for the Assessment year 2004-2005. Pending disposal of our appeal by CIT (Appeals), Mumbai, the company paid an amount of Rs. 26.29 lakhs till 29th June 2008. However, the income tax department after considering the further set-off of previous year losses, the tax demand was revised to Rs.41,32,246 by an Order U/s 154 of the Income Tax 1961. Further, the Company made an application for rectification of the assessment order to allow credit on account of TDS & self assessment tax paid, as a result of which the tax demand could be reduced to Rs.35,57,129/-.

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

Most of Solix operations are conducted through Software Technology Park ("STPs") Income from STP's is tax exempt for the earlier of 10 years commencing from the fiscal year in which the unit commences commercial operations, or March 31st, 2011.

1.18 SEGMENT REPORTING

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

Rupees in Lakhs

REVENUE	31 ST MARCH, 2010	31 ST MARCH, 2009
Domestic Sales	67.54	110.63
Overseas Sales	404.37	501.32
TOTAL	471.91	611.95
Profit/Loss before Tax and Unallocated expenditure from each segment		
Domestic	5.74	23.82
Overseas	86.48	107.92
TOTAL	92.22	131.74
Unallocated expenditure net of income		
Profit before taxes	31.24	41.92
Capital employed Assets-External liabilities		
Domestic	450.33	323.70
Overseas	1,308.98	1,151.61
Unallocated corporate assets-liabilities	186.09	442.22
TOTAL	1,945.40	1,917.52

1.19 FOREIGN EXCHANGE INFLOW / OUTFLOW:

a) Earning in foreign currency	:	Rs.394.69/- Lakhs (Pr year Rs 366.58/- Lakhs)
b) Expenditure in foreign currency	:	Rs.17.38/- Lakhs (Pr. Year Rs. 3.43/- Lakhs)

1.20 SUNDRY DEBTORS:

Though the amount of Rs.688.54 Lakhs is due from the debtors which are more than six months, the management of the Company is of view that the amounts are recoverable in full. Accordingly, the Company made an application to the Exchange Control authorities of Reserve Bank of India for extension of time and the approval is awaited.

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

As per our Report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021

For and on behalf of **Ramu & Ravi**

Chartered Accountants

FRN No. 006610S

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Hyderabad

Date : 29th May 2010

CASH FLOW STATEMENT

SOLIX TECHNOLOGIES LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010		
Rupees in Thousands		
	AS ON 31ST MARCH, 2010	AS ON 31ST MARCH, 2009
A. Cash Flow from operating activities :		
Income from Operating activities	2,871	3,340
Adjustment for :		
Add : Depereciation & Amortization	1,266	1,297
Preliminary expenses	13	13
Loss on Liquidation of Subsidiaries	0.1	-
Deferred Tax	(323)	(63)
Operating Profit before working capital charges	3,827	4,587
Adjustment for :		
(Increase)/ Decrease in trade and other receivable	(9,714)	(34,297)
(Increase) /Decrease in the Loans & Advances	3,706	(3,287)
Increase in Software Work in Progress	1,429	11,213
Increase / (Decrease) in Trade payables	288	5,154
	(4,291)	(21,218)
Net cash from operating activities (A)	(465)	(16,631)
B. Cash Flow from investment activities :		
Investment in fixed assets	-	-
Sale of shares	-	-
Net cash used in Investing activities (B)	-	-
C. Cash Flow from Financing activities :		
Proceeds from long term & other borrowings	(84)	16,217
Net cash used in Financing activities (C)	(84)	16,217
Net increase in cash and cash equivalent (A+B+C)	(548)	(414)
Cash & Cash equivalent at the beginning of the year	1,287	1,701
Cash & Cash equivalent at the end of the year	739	1,287

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021

For and on behalf of Ramu & Ravi

Chartered Accountants

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Secunderabad

Date: 29th May 2010

CERTIFICATE

We have examined the attached Cash Flow Statement of Solix Technologies Limited for the period ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of Clause 32 listing agreement of Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 29th May, 2010 to the members of the Company.

K.V.R.MURTHY

Partner

Membership No.200021

For and on behalf of **Ramu & Ravi**

Chartered Accountants

FRN No. 006610S

Place: Hyderabad

Date: 29th May 2010

SOLIX TECHNOLOGIES LIMITED		
ABSTRACT OF BALANCE SHEET AND PROFILE OF THE COMPANY'S GENERAL BUSINESS		
		Rupees in Thousands
I	Registration Details	
	Registration No.	01-054066
	State Code	01
	Balance Sheet Date	31/03/2010
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	194,539
	Total Assets	194,539
	Sources of Funds:	
	Paid-up Capital	62,750
	Reserve & Surplus	81,371
	Secured Loans	50,159
	Unsecured Loans	259
	Application of Funds:	
	Net Fixed Assets	2,223
	Investments	82,923
	Net Current Assets	109,237
	Misc. Expenditure	Nil
	Deferred Tax Assets	155
IV	Performance of company (Rupees in Rupees):	
	Turnover	47,288
	Total Expenditure	43,432
	Profit/(Loss) Before Tax	3,855
	Profit/(Loss) After Tax	2,871
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

K.V.R.Murthy

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Partner

Membership Number: 200021
For and on behalf of **Ramu & Ravi**
Chartered Accountants
FRN No. 006610S

Place: Hyderabad
Date: 29th May 2010

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY ACCOUNTS

NAME OF THE SUBSIDIARY	ACCELFORCE PTE LTD, SINGAPORE	SITI CORPORATION INC, US	SOLIX TECHNOLOGIES INC., USA	EMAGIA CORPORATION, USA	EMAGIA INDIA PVT LTD (WHOLLY OWNED SUBSIDIARY OF EMAGIA CORPORATION., USA "	ACCELFORCE SDN BHD, MALAYSIA	"ACCELFORCE INC, USA (WHOLLY OWNED SUBSIDIARY OF SOLIX TECHNOLOGIES INC, USA)"
FINANCIAL PERIOD ENDED	31 ST MARCH, 2010	31 ST MARCH, 2010	31 ST MARCH, 2010	31 ST MARCH, 2010	31 ST MARCH, 2010	31 ST MARCH, 2010	31 ST MARCH, 2010
Holding company's interest	100%	94.5%	82.61%	60.89%	100%	100%	82.61%
Shares held by the holding company in the subsidiary	1 share	28,350,000 shares	22,800,000 shares	26,312,538 shares	49,999 shares	2 shares	10,000 shares
Par Value of each share	\$5 1	US\$ 0.014	US\$ 0.01	US\$ 0.003	Rs. 10	MYR 2	US\$ 1,000
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	-	(2,830,351)	1,075,754	5,066,211	83,540		(2,360,477)
THE NET AGGREGATE OF PROFITS OR LOSSES OF THE SUBSIDIARY FOR PREVIOUS FINANCIAL YEAR OF THE SUBSIDIARY SO FAR AS IT CONCERN THE MEMBERS OF THE HOLDING COMPANY (IN RUPEES)							
a. dealt with or provide for in the accounts of the holding company	-	-	-	-	-	-	-
b. not dealt with or provided for in the accounts of the holding company	-	(11,979,685)	11,645,221	NA	NA		(11,979,685)

As per our Report of even date attached
K.V.R.Murthy
Partner
 Membership Number: 200021
 For and on behalf of **Ramu & Ravi**
 Chartered Accountants

For and on behalf of the Board

Sai Gundavelli
 Managing Director
T.M.Rao
 Whole Time Director

Place: Secunderabad
 Date: 29th May 2010

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT

To,
The Members,
Solix Technologies Limited.

1. We have audited the attached Consolidated Balance Sheet of **Solix Technologies Limited**, and its subsidiaries as at 31st March, 2010 and also consolidated Profit and Loss Account and consolidated Cash Flow Statements for the period ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Indian auditing standards issued by the Institute of Chartered Accountants of India. Our audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates and judgments made by the management in the preparation of financial statements and evaluating the overall financial statement presentation. We planned and performed our audit, so as to obtain all the information and explanations which we considered necessary in order to provide us the sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements and to provide a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Solix Technologies Limited and its subsidiaries in the consolidated financial statements.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports of individual financial statements of Solix Technologies Limited and its subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st March, 2010;
 - ii) in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the period ended on that date; and
 - iii) in the case of the consolidated Cash Flow Statements of the Company and its subsidiary for the period ended on that date.

KVR Murthy
Partner
Membership No. 200021
For and on behalf of **Ramu & Ravi**,
Chartered Accountants
FRN No. 006610S

Place: Hyderabad.
Date: 29th May 2010

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			
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010			
		AS ON 31ST MARCH, 2010	AS ON 31ST MARCH, 2009
PARTICULARS	SCHEDULE	RUPEES	RUPEES
SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS			
Share Capital	1	62,750,000	62,750,000
Reserves & Surpluses	2	94,096,618	111,797,352
Preferred Stock	3	45,140,000	50,950,000
2. LOAN FUNDS			
Secured Loans	4	70,368,342	66,838,689
Unsecured Loans	5	19,128,554	101,624,541
3. DEFERRED TAX LIABILITY (NET)		-	168,085
TOTAL		291,483,515	394,128,667
APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	6	364,835,309	357,609,723
Less : Depreciation		114,402,475	99,104,015
Net Block		250,432,833	258,505,708
2. INVESTMENTS		120	120
3. CURRENT ASSETS, LOANS & ADVANCES			
Software Work-In-Progress		22,117,777	23,547,221
Sundry Debtors	8	92,226,516	134,029,102
Cash & Bank Balances	9	9,909,167	7,940,967
Loans & Advances	10	90,885,490	102,901,544
<i>Total of Current Assets, Loans & Advances (a)</i>		215,138,950	268,418,834
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	91,657,957	128,221,709
Provisions	12	82,585,534	4,586,879
<i>Total of Current Liabilities & Provisions (b)</i>		174,243,491	132,808,588
Net Current Assets (a-b)		40,895,459	135,610,246
4. DEFERRED TAX ASSET		155,103	-
5. MISCELLANEOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED		-	12,593
TOTAL		291,483,515	394,128,667

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021
For and on behalf of **Ramu & Ravi**
Chartered Accountants
FRN No. 006610S

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Hyderabad
Date: 29th May 2010

SOLIX TECHNOLOGIES LIMITED			
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH , 2010			
		YEAR ENDED	
		31 ST MARCH, 2010	31 ST MARCH, 2009
PARTICULARS	SCHEDULE	RUPEES	RUPEES
INCOME			
Sales & Services (TDS Rs.10,87,660/- P.Y. Rs. 10,77,471/-)	13	234,860,820	263,207,139
Other Income	14	4,213,908	3,063,593
TOTAL		239,074,728	266,270,732
EXPENDITURE			
Cost of sales	15	182,076,624	200,941,362
Selling ,General & Administrative Expenses	16	27,068,005	32,510,429
Finance Charges	17	6,563,821	6,192,893
Preliminary Expenses Written Off		12,593	12,540
Depreciation & Amortization		15,298,460	22,587,663
TOTAL		231,019,503	262,244,887
PROFIT BEFORE TAXES		8,055,224	4,025,845
Provision for Taxation :			
Current / Fringe Benefit Tax		867,796	732,401
Deferred tax		(323,188)	(62,735)
Prior Period Expenses		732,154	182,428
PROFIT FOR THE YEAR		6,778,463	3,173,751
SURPLUS BROUGHT FORWARD FROM LAST YEAR		73,730,908	70,557,157
SURPLUS CARRIED TO BALANCE SHEET		80,509,371	73,730,908
EARNING PER SHARE			
Equity shares of par value Rs.10/- each			
Basic		1.08	0.51
Diluted		1.08	0.51
Number of shares used in computing earnings per share		6,275,000	6,275,000
Significant Accounting Policies and Notes to Accounts	18		

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021
For and on behalf of **Ramu & Ravi**
Chartered Accountants
FRN No. 006610S

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Hyderabad
Date: 29th May 2010

SOLIX TECHNOLOGIES LIMITED									
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET									
PARTICULARS		AS ON 31 ST MARCH, 2010			AS ON 31 ST MARCH, 2009				
1. SHARE CAPITAL									
Authorised :									
70,00,000 Equity Shares of Rs.10/- each		70,000,000			70,000,000				
Issued, Subscribed and Paid up:									
62,75,000 (P.Y 62,75,000)Equity Shares of Rs.10/- each fully Paid up Includes Bonus Shares of 55,00,000 Equity Shares of Rs 10/- each fully paid up, allotted on 3 rd May, 2005 by capitalising out of Reserves of Rs. 550 lakhs		62,750,000			62,750,000				
TOTAL		62,750,000			62,750,000				
2. RESERVES & SURPLUS									
Share Premium Account		18,000,000			18,000,000				
Profit & Loss Account		80,509,371			73,730,908				
Add: Exchange Fluctuation Adjustment		(4,412,752)			20,066,444				
TOTAL		94,096,618			111,797,352				
3. PREFERRED STOCK									
Prefererd Stock in Solix Technologies Inc.,USA - 1,650,000 Shares		45,140,000			50,950,000				
TOTAL		45,140,000			50,950,000				
4. SECURED LOANS									
From Technology Development Board, New Delhi, India		50,159,176			50,159,176				
From Banks (Against assignment of debts and hypothecation of equipment)		20,209,166			16,679,513				
TOTAL		70,368,342			66,838,689				
5. UNSECURED LOANS									
From Directors & their relatives		14,424,945			19,959,886				
Others		4,703,610			81,664,655				
TOTAL		19,128,554			101,624,541				
6. FIXED ASSETS									
		GROSS BLOCK			DEPRECIATION			NET BLOCK	
SL.NO.	PARTICULARS	AS ON 01.4.2009	NET ADDITIONS EXCHANGE FLUCTUATION	AS ON 31.03.2010	AS ON 01.4.2009	PROVISION FOR THE YEAR	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	Computers & Accessories	6,772,183	-	6,772,183	5,690,665	1,066,637	6,757,302	14,881	1,081,518
2	Office equipment	1,066,910	-	1,066,910	155,936	50,678	206,614	860,296	910,974
3	Furniture & fixtures	1,109,778	-	1,109,778	255,392	70,249	325,641	784,137	854,386
4	Electrical	117,422	-	117,422	16,734	5,578	22,312	95,110	100,688
5	Vehicles	767,935	-	767,935	225,912	72,954	298,866	469,069	542,023
6	Fixed Asset of Subsidiaries	347,775,495	7,225,585	355,001,080	92,759,376	14,032,365	106,791,741	248,209,339	255,016,119
	TOTAL	357,609,723	7,225,585	364,835,309	99,104,015	15,298,460	114,402,475	250,432,833	258,505,708
	PREVIOUS YEAR	9,834,228	-	9,834,228	5,047,411	1,297,229	99,104,015	3,500,743	

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET		
PARTICULARS	YEAR ENDED	
	AS ON 31 ST MARCH, 2010	AS ON 31 ST MARCH, 2009
7. INVESTMENTS		
Long Term Investments :		
In shares : Quoted (Non Trade)		
1 (PY 1) fully paid Equity shares of Rs. 10/- each in Associated Cement Company Ltd.*	120	120
* Market Value of Investments-Rs. 950.45 as on March 31 st 2010 (PY Rs.577)		
8. SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months	16,088,802	22,998,177
Other debts	76,137,714	111,030,925
TOTAL	92,226,516	134,029,102
9. CASH & BANK BALANCES		
Cash in Hand	618,902	320,750
Balance with Scheduled Banks		
In Current accounts	9,010,119	7,326,065
In Deposit accounts	280,145	294,152
TOTAL	9,909,167	7,940,967
10. LOANS & ADVANCES		
Advance recoverable in cash or kind or for value to be received	556,427	29,773,497
Other Loans and Advances	90,329,063	73,128,047
TOTAL	90,885,490	102,901,544
11. CURRENT LIABILITIES		
Sundry Creditors & other Liabilities	91,657,957	128,221,709
TOTAL	91,657,957	128,221,709
12. PROVISIONS		
Provisions for taxation	82,585,534	4,586,879
TOTAL	82,585,534	4,586,879

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021

For and on behalf of **Ramu & Ravi**

Chartered Accountants

FRN No. 006610S

Sai Gundavelli
Managing DirectorT.M.Rao
Whole Time Director

Place: Hyderabad

Date: 29th May 2010

SOLIX TECHNOLOGIES LIMITED		
SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT		
PARTICULARS	YEAR ENDED	
	31ST MARCH, 2010	31ST MARCH, 2009
13. SALES & SERVICES		
Information Technology Services	67,527,391	132,053,502
Business Process Outsourcing	42,565,093	21,307,854
Software Products	123,801,077	96,371,849
Gain on Foreign Exchange Fluctuation	967,259	13,473,934
TOTAL	234,860,820	263,207,139
14. OTHER INCOME		
Interest Received	14,146	88,040
Miscellaneous Income	4,199,762	2,975,553
TOTAL	4,213,908	3,063,593
15. COST OF SALES		
Salaries, Allowances and Other Benefits	89,891,353	85,192,293
External Consultants	40,563,317	80,879,281
Software WIP	5,529,444	11,212,500
Communication Expenses	672,774	700,426
Travel & Conveyance Expenses	14,824,930	9,532,032
Insurance	8,901,669	7,067,804
Electricity Charges	536,657	804,376
Equipment Rental	127,176	97,686
Other Expenses	21,029,304	5,454,964
TOTAL	182,076,624	200,941,362
16. SELLING , ADMINISTRATIVE & OTHER EXPENSES		
Rent, Rates and Taxes	6,911,994	6,115,856
Listing and Filing Fees	71,085	150,629
Repairs and Maintenance	456,813	749,364
Advertisement	557,965	847,095
Auditors' Remuneration	1,152,200	255,068
Subscription & Membership Fees	794,112	786,595
Staff Welfare	186,356	192,370
Business Promotion	7,696	254,834
Telephone Expenses	5,400,233	4,655,880
General Expenses	(865,397)	11,629,133
Office Maintenance	780,900	1,624,433
Legal & Professional Charges	11,573,170	5,249,172
Bad Debts Written Off	40,879	-
TOTAL	27,068,005	32,510,429
17. FINANCE CHARGES		
Bank Service Charges	67,017	17,192
Interest on Loans and Others	6,496,804	6,175,701
TOTAL	6,563,821	6,192,893

As per our report of even date attached

For and on behalf of the Board

K.V.R.Murthy

Partner

Membership Number: 200021
For and on behalf of **Ramu & Ravi**
Chartered Accountants
FRN No. 006610S

Sai Gundavelli
Managing Director

T.M.Rao
Whole Time Director

Place: Hyderabad
Date: 29th May 2010

CONSOLIDATED NOTES TO ACCOUNTS

CONSOLIDATED

18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS:

1 . STATEMENT ON ACCOUNTING POLICIES

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

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

1.1 REVENUE RECOGNITION

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

1.2 FIXED ASSETS

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

1.3 INTANGIBLE ASSETS

Capitalization Policy

All costs incurred (direct & indirect) for development of a product / tool which is meant to be reused , sold or marketed

are identified and capitalized till the point of deployment or sale to an external customer.

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

Amortization Policy

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

1.4 DEPRECIATION

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

1.5 VALUATION OF INVENTORIES

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

1.6 BORROWING COST

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

1.7 INVESTMENTS

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

1.8 FOREIGN CURRENCY TRANSACTIONS

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

1.9 RETIREMENT BENEFITS

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

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

1.10 CONTINGENT LIABILITIES

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

1.11 RELATED PARTY DISCLOSURES

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

A) LIST OF RELATED PARTIES

Holding Company

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

Subsidiary Companies

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

Step Down Subsidiaries of AccelForce Pte Ltd., Singapore

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

Note: One of our subsidiary company, viz., AccelForce Sdn.Bhd., Malaysia was dissolved during the year. Also subsidiary company of Solix Technologies Inc., USA viz. AccelForce Inc., USA was dissolved during the year.

Associate Companies

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 and relatives

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

B) TRANSACTIONS WITH RELATED PARTIES

Amount In Rupees

RELATED PARTY	NATURE OF TRANSACTION	AS ON 31 ST MARCH, 2010	AS ON 31 ST MARCH, 2009
Revenue transactions:			
Solix Technologies Inc., USA	Information Technology Services	2,43,45,200	1,86,76,776
SITI Corporation Inc., USA	Information Technology Services	1,51,24,550	1,78,70,220
Mrs. G.P.Premalata	Rent Payment	2,40,000	2,40,000
Mr. Srinath Gundavelli	Rent Payment	60,000	1,20,000

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

Amount In Rupees

PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
SUNDRY DEBTORS		
Solix Technologies Inc., USA	6,48,71,170	3,66,11,528
SITI Corporation Inc., USA	3,98,17,541	1,75,63,876
AccelForce Inc., USA	Nil	5,618
AccelForce Sdn. Bhd., Malaysia	Nil	5,618
AccelForce Pte. Ltd., Singapore	Nil	5,618
Solix Technologies Europe Ltd., UK	Nil	5,618
SUNDRY CREDITORS		
Solix Technologies Inc., USA	20,56,732	20,56,732
Tiebeam Ventures Inc., USA	16,24,227	16,24,227
Tiebeam Technologies India Pvt. Ltd.	87,70,302	90,77,011
LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	70,11,562	70,20,562
Digiprise India Pvt. Ltd. – Loan Taken	38,50,082	39,17,072
Emagia India Pvt. Ltd. – Loan Given	10,000	Nil
MAXIMUM BALANCES OF LOANS & ADVANCES		
Tiebeam Technologies India Pvt. Ltd. - Loan Taken	70,20,562	74,40,723
Digiprise India Pvt. Ltd. – Loan Taken	39,17,072	47,91,097
Emagia India Pvt. Ltd. – Loan Given	10,000	Nil

1.12 DUES TO SMALL SCALE INDUSTRIES

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

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

1.13 PAYMENT TO AUDITORS

Amount In Rupees

PARTICULARS	31ST MARCH, 2010	31ST MARCH, 2009
As Auditors	1,65,450	1,50,000
Other Certification Charges	0	14,720
Reimbursement of Expenses	1,199	11,676
TOTAL	1,66,649	176,396

1.14 TRANSACTION WITH KEY MANAGEMENT PERSONNEL

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

Amount In Rupees

PARTICULARS	31 ST MARCH, 2010	31 ST MARCH, 2009
Whole Time Director Remuneration	7,03,200	7,03,200
TOTAL REMUNERATION	7,03,200	7,03,200

1.15 TAXES ON INCOME

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

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

1.16 DEFERRED TAX

The break up of net deferred tax assets as on 31st March, 2010 is as under:

Amount In Rupees

PARTICULARS	AS ON 1 ST APRIL, 2009	CURRENT YEAR	AS ON 31 ST MARCH, 2010
Difference between book and tax depreciation and unabsorbed Depreciation	(167,886)	323,188	(155,103)
Expenditure Disallowed U/s 40A(3) of Income Tax Act, 1961	335,971	Nil	Nil
TOTAL	168,085	323,188	(155,103)

1.17 INCOME TAX

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

The Income tax department has also raised a tax demand of Rs.99,80,358/- dated 21/12/2006 (inclusive of interest) for the Assessment year 2004-2005. Pending disposal of our appeal by CIT (Appeals), Mumbai, the company paid an amount of Rs. 26.29 lakhs till 29th June 2008. However, the income tax department after considering the further set-off of previous year losses, the tax demand was revised to Rs.41,32,246 by an Order U/s 154 of the Income Tax 1961. Further, the Company made an application for rectification of the assessment order to allow credit on account of TDS & self assessment tax paid, as a result of which the tax demand could be reduced to Rs.35,57,129/-.

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

Most of Solix operations are conducted through Software Technology Park ("STPs") Income from STP's is tax exempt for the earlier of 10 years commencing from the fiscal year in which the unit commences commercial operations, or March 31st, 2011.

1.18 SEGMENT REPORTING

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

Rupees in Lakhs

REVENUE	31ST MARCH, 2010	31ST MARCH, 2009
Domestic Sales	67.54	110.63
Overseas Sales	2,281.07	2,521.44
TOTAL	2,348.61	2,632.07
Profit/Loss before Tax and Unallocated expenditure from each segment		
Domestic	5.74	23.82
Overseas	1,228.37	1,418.32
TOTAL	1,234.11	1,442.14
Unallocated expenditure net of income		
Profit before taxes	73.24	40.25
Capital employed Assets-External liabilities		
Domestic	450.33	323.70
Overseas	1,957.33	3,173.68
Unallocated corporate assets-liabilities	186.09	442.22
TOTAL	2,593.75	3,939.60

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

As per our Report of even date attached

For and on behalf of the Board

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

Membership Number: 200021

For and on behalf of **Ramu & Ravi**

Chartered Accountants

FRN No. 006610S

Sai Gundavelli
Managing Director**T.M.Rao**
Whole Time Director

Place: Hyderabad

Date : 29th May 2010

CONSOLIDATED CASH FLOW STATEMENT

SOLIX TECHNOLOGIES LIMITED		
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH ,2010		
	YEAR ENDED	
	31 ST MARCH, 2010	31 ST MARCH, 2009
(in Rs. Thousands)		
A. Cash Flow from operating activities :		
Income from Operating activities	6,778	3,174
Adjustment for :		
Add : Depereciation & Amortization	15,298	22,619
Preliminary expenses	13	13
Deferred Tax	(323)	(63)
Operating Profit before working capital charges	21,766	25,743
Adjustment for :		
Exchange fluctuation on Consolidation	(30,289)	30,175
Increase/ (Decrease) in trade and other receivable	41,803	(17,479)
Increase / (Decrease) in the Loans & Advances	12,016	(38,366)
Increase in Software Work in Progress	1,429	11,213
Increase / (Decrease) in Trade payables	41,435	4,885
Net cash from operating activities (A)	88,160	16,169
B. Cash Flow from investment activities :		
Investment in fixed assets	(7,226)	(72,843)
Net cash in Investing activities (B)	(7,226)	(72,843)
C. Cash Flow from Financing activities :		
Proceeds from Pref issue	-	11,050
Proceeds from long term & other borrowings	(78,966)	43,340
Net cash used in Financing activities (C)	(78,966)	54,390
Net increase/(decrease) in cash and cash equivalent (A+B+C)	1,968	(2,284)
Cash & Cash equivalent at the beginning of the year	7,941	10,225
Cash & Cash equivalent at the end of the year	9,909	7,941

As per our Report of even date attached

For and on behalf of the Board

K.V.R.Murthy
PartnerMembership Number: 200021
For and on behalf of Ramu & Ravi
Chartered AccountantsPlace: Secunderabad
Date : 29th May 2010Sai Gundavelli
Managing DirectorT.M.Rao
Whole Time Director

CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of Solix Technologies Limited for the period ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement of Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of 29th May, 2010 to the members of the Company.

K.V.R.Murthy

Partner

Membership No.200021

For and on behalf of **Ramu & Ravi**

Chartered Accountants

FRN No. 006610S

Place: Hyderabad

Date: 29th May 2010

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 Monday, 27th December 2010 at 3.00 PM at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad-500 003.

Signed this-----day of-----2010

Signature-----

Rs.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 Monday, 27th December 2010 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 Monday, 27th December 2010 at 3.00 PM at 'CHOIR HALL', 7th Floor, Hotel Minerva Grand, S.D. Road, Secunderabad 500 003.

Signature of Member/Proxy