

**16<sup>th</sup> Annual General Meeting**

30th September, 2011

at 10.00 A.M.

at Hotel 1 Place, P.R.R. Estate, 2-22-298,

Behind K.P.H.B. Buss Stop,

Hyderabad – 500 072., A. P., INDIA

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**CORPORATE INFORMATION****Board of Directors**

M.J.V.V.D. Prakash	- Chairman & Managing Director
M. Jyothsna Lakshmi	- Director
J.V.V. Raghava Kumar	- Independent Director
M. Satish Kumar	- Independent Director
K. Vijaya Rama Raju	- Independent Director

**Auditors**

**M/s P S Nagaraju & Co.,**  
Chartered Accountants  
# 6-3-596/65, Secound Floor, "Adarsh Villa",  
Naveen Nagar, Khairatabad, Hyderabad -16

**Registered Office**

Module 1, Q3-A3, Cyber Towers,  
1st Floor, Hi tech City,  
Madhapur, Hyderabad - 500 081

**Bankers**

Central Bank of India, Khairatabad, Hyderabad

**Share Registrars**

M/s Venture Capital & Corporate Investments Pvt. Ltd  
12-10-134, Bharat Nagar, Hyderabad -18.

**Listing at**

The Bombay Stock Exchange Ltd  
The Madras Stock Exchange Limited

**NOTICE**

Notice is hereby given that the 16th Annual General Meeting of the members of **RANKLIN SOLUTIONS LIMITED** will be held on Friday 30th September, 2011 at 10.00 A.M. at Hotel 1 Place, P.R.R.Estate, 2-22-298, Behind K.P.H.B Bus Stop, Hyderabad- 500072 to transact the following business:

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet of the company as at 31.03.2011 and the Profit and Loss account for the year ended on that date and the Report of Auditors and the Report of Directors' thereon.
- 2) To Declare a Dividend on Equity shares.
- 3) To appoint a Director in the place of Mr. J.V.V.Raghava Kumar who retires by rotation and being eligible, offer himself for reappointment.
- 4) To Appoint P.S.Nagaraju & Co Chartered Accountant, as Statutory Auditors of the company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the remuneration.

**SPECIAL BUSINESS:**

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

“RESOLVED THAT Shri A.Vijaya Rama Raju, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation.”

BY ORDER OF THE BOARD

Sd/-

**M.J.V.V.D.PRAKASH**

CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad

Date : 03-09-2011

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE  
COMPANIES ACT, 1956****Item No. 5:**

The Board of Directors co-opted Sri. A.Vijaya Rama Raju as Additional Director w.e.f 10.02.2011. As per the provisions of Section 260 of the Companies Act, 1956, he holds office of director upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a Member of the Company along with a deposit of Rs.500/- under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri. A.Vijaya Rama Raju for the Office of Director whose period of office shall be determinable by retirement of Directors by rotation. As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the resolution is recommended for your approval.

The profile of the said director is annexed hereto under the head "Additional Information "

None of the Directors except Sri A.Vijaya Rama Raju is interested in the above said resolution

BY ORDER OF THE BOARD

Sd/-

**M.J.V.V.D.PRAKASH**

CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad

Date : 03-09-2011

**ADDITIONAL INFORMATION****Details of Directors retiring by rotation and seeking re-appointment and Directors seeking for regularization (In pursuance of Clause 49 of the Listing Agreement)****1) Name of the Director: Mr. J.V.V.Raghava Kumar**

Mr. J.V.V.Raghava Kumar, aged about 42 years, has extensive experience in Accounting, Finance and Tax areas for more than eighteen years. He has also served in executive and management positions in Public Accounting, tax consulting, industry and investment management. Raghava is licensed CPA with a Masters degree in accounting and a second masters in Corporate Finance. In addition to his accomplishments he has received advanced specialized training in cost and Management Accounting.

Mr. J.V.V.Raghava Kumar holds no shares of the Company.

Number of Directorships held in other companies: Nil

**2) Name of the Director: Mr. A.Vijaya Rama Raju.**

Mr. A.Vijaya Rama Raju, aged about 49 years, he was a Commerce graduate in reputed University having a decade experience in finance, Accounting, tax and law in the related activities and also have extensive exposure, experience and skills in various fields it would be helpful for the Company to have a smooth sail in the Market including in reviewing of financial Statements regarding compliance of provisions of various regulatory authorities including Generally Accepted Accounting Principles (GAAP) in India.

Mr. A.Vijaya Rama Raju holds no shares of the Company.

Number of Directorships held in other companies: Nil

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. Members / proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
4. The Register of the members and share transfer books of the Company will remain closed from 26-09-2011 to 30-09-2011 (both days inclusive).

5. The Dividend for the year ended 31st March, 2011 as recommended by the Board, if approved at the meeting, will be paid to those members whose names appear in the Company's Register of Members after effecting valid transfers received upto the close of business hours on 25th September, 2011. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details provided as at the close of business hours on 30th September, 2011 by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
6. Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, Venture Capital & Corporate Investment Private Limited, 12-10-134, Bharat Nagar, Hyderabad 500018, India.
7. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
8. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green initiative. Accordingly, the members are requested to inform their e-mail addresses to their respective Depository Participants / RTA - M/s Venture Capital and Corporate Investments Private Ltd 12-10-167, Bharatnagar Hyderabad – 500 004, Andhra Pradesh.
9. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name/sequence of names.

BY ORDER OF THE BOARD

Sd/-

**M.J.V.V.D.PRAKASH**  
CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad  
Date : 03-09-2011

**DIRECTOR'S REPORT**

Dear Members,

I am delighted to present on behalf of the Board of Directors the 16th Directors' Report on our business and operations of the company together with the Audited Balance Sheet, Profit and Loss Account of the company for the financial year ended 31st March, 2011.

**FINANCIAL HIGHLIGHTS:**

Financial results for the year under review and as well as previous year are as follows.

Particulars	(Rs. In Lacs)	
	<b>Year ended 31.03.2011</b>	Yearended 31.03.2010
Income from Operations	4775.60	4129.60
Other Income	0.00	4.61
PBIDT	1029.94	934.38
Depreciation	199.10	101.46
Profit Before Tax (PBT)	830.81	832.92
Provision for Tax	220.82	143.61
Profit After Tax (PAT)	609.99	689.31

**FINANCIALS:**

The turnover of the company during the year is Rs.4775 Lakhs as compared to Rs.4129 Lakhs in the previous year. The company recorded the net profit of Rs. 571.05 Lakhs during the year in comparison with net profit of Rs 689.31 Lakhs of Previous year. The company is continuously endeavoring to achieve its objectives and implementing new plans to grab new opportunities in the IT sector.

**OPERATIONS:**

During the year under review the Company posted a better performance due to various on-going and existing contracts. Considering the recession and pressure on the margins of software industry the Company as part of its diversification plan to mitigate the impact of foregoing, has amended its objects facilitating to venture into trading of gold and jewellery and other ornaments by utilizing the experience of the promoters in this field as well as to set-up small hydro power generation units.

**DIVIDEND:**

Based on the Company's performance, the Directors are pleased to recommend for approval of the Members a Final Dividend of 5% i.e., Rs. 0.50 per equity share for the financial year ending 31st March, 2011. The final Dividend on the Equity shares, if declared as above, would involve an outflow of Rs. 25.2 Lakhs towards dividend and Rs.4.19 Lakhs towards dividend tax, resulting in total outflow of Rs.29.39 Lakhs.

**FIXED DEPOSITS:**

Your Company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year.

**DIRECTORS:**

During the year under review Mr. K.S.Chakravarthi and P.Venkateswara Rao were resigned on 03.12.2010 and 10.02.2011 respectively from the Board of Directors.

Further Mr. A. Vijaya Ramaraju was appointed as Additional Director W.e.f.10.02.2011.

**DIRECTORS RESPONSIBILITIES STATEMENT:**

In pursuance of Section 217(2AA) of the Companies Act, 1956 the Directors of your Company hereby confirm that:

- (i) That in the preparation of Annual Accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (ii) That 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 the financial year ended 31st March, 2011 and of the profit and loss of the company for that period;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the annual accounts on a going concern basis for the financial year 2010-11.

**EMPLOYEE STOCK OPTION SCHEME:**

Pursuant to the Special Resolution passed by the Members at the Extra- ordinary General Meeting held on December 1st, 2010, Ranklin Solutions Limited has introduced Employees Stock Option Scheme-2010 (Ranklin ESOS - 2010) to enable the employees of the Company to participate in the future growth and financial successes of the Company. Out of 20,00,000 stock options under 'Ranklin ESOS - 2010' with each option convertible into one equity share of Rs. 10/- each, the Board of Directors of your Company, based on the recommendations of the Remuneration Committee, granted 20,00,000 stock options to its eligible employees, on December 3rd 2010.



**MANAGEMENT'S DISCUSSION ANALYSIS:**

Management's Discussion and Analysis report is enclosed to this report as Annexure – A

**CORPORATE GOVERNANCE:**

Report on Corporate Governance along with Company Secretaries Certificate on Compliance with the code of Corporate Governance under Clause 49 of the Listing Agreement is enclosed as Annexure-B to this report

**AUDITORS:**

M/s P.S.Nagaraju & Co, Chartered Accountants, retire at the conclusion of the ensuing AGM and being eligible offer themselves for reappointment for the financial year 2011-2012. Your Company has received a certificate from the said Auditors to the effect that their re-appointment if made would be in accordance with the provisions of Sections 224(1B) of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES:**

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, and as amended from time to time as remuneration of none of the employees is in excess of Rs. 5,00,000/- per month, if employed for the part of year or Rs.60,00,000/- per annum during the financial year 2010-11 .

**AUDIT COMMITTEE:**

Pursuant to Section 292A of the Companies Act, 1956, the Board has constituted the Audit Committee consisting three directors of the Company. The functions as envisaged in the said section have already been delegated to the Committee.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

a) Conservation of Energy: The operations of the Company are not energy extensive. However, company has taken necessary steps to minimize the Energy consumption as far as possible.

b) Technology absorption: Not Applicable

c) Foreign exchange earnings and outgo:		(Rs. In lacs)
	2010-11	2009-10
Foreign Exchange earnings	39.38	142.00
Foreign Exchange outgo	Nil	Nil

**HUMAN RESOURCES**

Your Company is powered by a group of talented IT & consulting professionals. An effective retention strategy and pride of being associated with the resurrection has helped to bring a marked improvement in the retention of key Associates. Acquiring top talent continues to be one of our primary objectives.

The Performance and Potential Management System was revamped to offset the limitations of a traditional career management program. Associates now have the distinct opportunity to choose either a specialist or managerial career path at key inflection points in the organization. This enables the right cross matching of opportunities with individual aspirations and helps to provide a well rounded industry exposure to Associates.

Leadership development and capability enhancement continues to be the focus areas for the organization. Our investments in enhancing the skill levels and successfully deploying talent have helped enhance utilization levels across the company. To continually strengthen our Associates skills - from entry level programmers to lateral hires, a variety of classroom and action learning interventions have been rolled out.

Great emphasis is being placed on building young leaders and programs such as Global Leadership Cadre (GLC) and Shadow Board help unearth young, aspiring talent and provide them with high-octane, growth accelerating roles.

**ACKNOWLEDGEMENTS:**

Your Directors also place on record their heart felt gratitude for the support extended and confidence reposed by the customers, shareholders, employees, Central and State Government agencies and suppliers and look forward for the same in future.

**For and on behalf of the Board**

Place : Hyderabad  
Date : 03-09-2011

Sd/-  
**(M.J.V.V.D.PRAKASH)**  
Chairman & Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Overview**

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

**Industry Structure and Developments**

Changing economic and business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. Companies are focusing on their core competencies and using outsourced technology service providers to adequately address these needs. The role of technology has evolved from supporting corporations to transforming their business. There is an increasing need for highly skilled technology professionals in the markets in which we operate. At the same time, corporations are reluctant to expand their internal IT departments and increase costs. These factors have increased the reliance of corporations on their outsourced technology service providers and are expected to continue to drive future growth for outsourced technology services

**Growth in Domestic Market:-**

India is widely recognized as the premier destination for offshore technology services. According to the NASSCOM Strategic Review 2011, IT services exports (excluding exports relating to business process outsourcing (BPO), hardware, engineering design and product development) from India are estimated to grow by 22.7% in fiscal 2011, to record revenues of US\$ 33.5 billion. The same review also forecasts that BPO exports from India are estimated to grow by 14% in fiscal 2011 to record revenues of US\$ 14.1 billion. There are several key factors contributing to the growth of IT and IT-enabled services (ITES) in India and by Indian companies. Some of these factors are high-quality delivery, significant cost benefits and abundant skilled resources.

## Opportunities and Threats

### Opportunities

- **Higher economic growth in developing markets**

Developing markets are growing faster than the developed nations. Sustaining such high growth would require increase in competitiveness of local players. IT would play an important role in increasing competitiveness. Markets such as India, Asia Pacific, Latin America are increasingly becoming important from the point of view of consumption of IT services.

- **Increased adoption of off-shoring**

The global economy which was on a recovery mode post the recession continued to face challenges like those stemming from the European debt crisis, Japan calamity and other such events. Simultaneously, the continued thrust of global organizations towards costs and improving efficiencies, reflected in the uptick in discretionary spending, offers sufficient opportunity for growth. The Company views this as a good opportunity to improve and strengthen its customer base.

- **Environment sustainability issues and emergence of new technologies**

Increased environmental consciousness coupled with the search for more cost effective IT solutions have brought in a greater emphasis on "Green Technologies". Additionally, there is an increasing acceptance of cloud-based solutions that offer both flexibility and scalability. There is likely to be increasing interest in technology areas such as Cloud and Software as a Service ('SaaS') which will offer new opportunities for growth. The Company views these as a focus area and is taking active interest in developing and providing services in partnership with established product vendors.

### Threats

During the last financial year, the global economy was subject to great turmoil. The crisis in the financial sector led to a lower confidence in financial markets leading to a global credit crunch. The past year has been some of the fastest and sharpest falls in both the financial marketplace as well as the industrial economy. According to International Monetary Fund (IMF) World Economic Outlook 2011, the advanced economies declined by 6.5 percent in real Gross Domestic Product during the third quarter of the last financial year. Although the U.S. economy was among the hardest hit, the crisis also had its cascading effect on economies in both Western Europe and Asia. The cascading effect on the emerging economies was partially driven by low confidence on these economies resulting in capital flight from these economies to developed economies and contraction of global trade. This uncertainty in the markets led to significant volatility in exchange rates.

**Segment wise performance**

The company operates in a single segment business i.e. Information Technology Enabled Services, performance is explained elsewhere in this Annual Report.

**Internal Control systems and their adequacy**

Your Company has adequate internal control procedures commensurate with its size and nature of the business. The controls ensure optimum use and protection of data, resources and compliances with the policies, procedures and statutes. The Management periodically reviews the adequacy of the internal control systems.

**Financial Performance**

Financial performance of the Company is reviewed in Directors Report. The financial statements of the company have been prepared in compliance with the requirements of the Companies Act, 1956. There are no material departures from the adoption of the prescribed accounting standards. The Board of Directors of the Company accepts the responsibility for the integrity and objectivity of the financial statements as well as for various estimates and judgments used thereon.

**Material Developments in Human Resources / Industrial Relations**

Our Professionals are our most important assets. We believe that the quality and level of service that our professionals deliver are among the highest in the global technology services industry. Your Company has a team of qualified and dedicated personnel who have contributed to the growth and progress of the Company. Necessary training is being imparted to the employees and various seminars and workshops are being conducted to continuously hone their skills. To increase the deduction of Employee and to retain talented man power in long term the Company as the attrition rate is very high in software industry Introduced Employee stock option scheme and granted 20,00,000 options.

**Outlook**

In view of the increasing opportunities, Management is expecting the sustained growth in the current year both in terms of volume and performance and ensuring the long term financial stability and simultaneously achieving its other objectives by improving its working and reducing un- necessary expenditures and paving the way for new opportunities.

**For and on behalf of the Board**

Place : Hyderabad  
Date : 03-09-2011

Sd/-  
**(M.J.V.V.D.PRAKASH)**  
Chairman & Managing Director

**Annexure –B****Report on Corporate Governance**  
(As required under Clause 49 of the listing agreement)

The Company shares are listed on Madras Stock Exchange Limited and permitted to be traded on Bombay Stock Exchange Limited under Indonext Concept. The Corporate Governance report has been prepared in accordance with Clause 49 of Listing Agreement with Stock Exchange.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate governance at Ranklin is a value-based framework to manage our Company affairs in a fair and transparent manner. We belief that the Corporate Governance is an endeavor for transparency and whole hearted approach in establishing professional management. The Company follows the policy of full disclosure and communication and aimed at continuous enhancement of shareholders value besides complying with statutory requirement under various laws, statements regulations etc.

The Company adheres to good corporate practices and is constantly striving to better of them and adopt emerging best practices. It is believed that adherence to business ethics and commitment would help the Company achieve its goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global IT company, while upholding the core values of excellence, integrity, responsibility and unity.

**2. BOARD OF DIRECTORS****(A) Composition**

- i) The Company's Board consists as on 31st March 2011 - 5 Directors with an Executive Chairman, out of those 3 directors (i.e. more than 50%) are Non-Executive and Independent Directors. The composition of the Board is in accordance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which who is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 have been made by the Directors.

Name of the Director	Category	No of the Board Meeting		Attendance at last AGM	No of Directorship held in other Companies
		Held	Attendance		
Mr. M.J.V.V.D. Prakash	Chairman cum Managing Director	14	14	YES	1
Mrs. M. Jyothsna Lakshmi	Promoter cum Executive Director	14	14	YES	1
Mr. J.V.V. Raghava Kumar	Non-Executive & Independent Director	14	14	YES	NIL
Mr. M. Satish Kumar	Non-Executive & Independent Director	14	14	YES	NIL
Mr. K.S.Chakravarthi @	Non-Executive & Independent Director	12	12	YES	NIL
Mr. P. Venkateswara Rao#	Non-Executive Independent Director	13	13	YES	NIL
Mr. A. Vijay Ramaraju*	Non-Executive & Independent Director	2	2	NO	NIL

# Indicates Resigned from the office of Director from the 10.02.2011

@ Indicates Resigned from the office of Director from the 03.12.2010.

\* Indicates Appointed as Additional director in the place of Mr.P.Venkateswara Rao w.e.f.10.02.2011.

### (B) Board Meetings

During the financial year the Board has met Eleven times, and the dates of Board meetings are mentioned below

01.04.2010	27.05.2010	29.05.2010	14.08.2010	30.08.2010
02.09.2010	02.10.2010	13.10.2010	01.11.2010	13.11.2010
29.11.2010	03.12.2010	10.02.2011	14.02.2011	

### 3. AUDIT COMMITTEE

The Company constituted a Qualified and Independent Audit Committee comprising of 3 Non-Executive and Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956. The Committee is empowered with the powers as prescribed under the said Clause 49 and Section 292A. The Committee also acts in terms of reference and directions of the

Board from time to time. The details of composition of Audit Committee and the attendance and the number of meetings held during the year under review are as follows:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. J.V.V.Raghava Kumar	Chairman	4	4
Mr.M. Satish Kumar	Member	4	4
Mr. K.S.Chakravarthi	Member on (Resigned03-12-2010)	3	3
Mr.A.Vijaya Ramamraju	Member	1	1

Dates on which audit committee's meetings were held.

<b>29.05.2010</b>	<b>14.08.2010</b>	<b>13.11.2010</b>	<b>14.02.2011</b>
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#### 4. REMUNERATION COMMITTEE

The Remuneration Committee is vested with the power to recommend and review remuneration of the executive(s) and non-executive directors of the Company.

Further during the year under review the company has empowered the Remuneration Committee of the Board to act as Employee compensation Committee to formulate the detailed terms and conditions of the employee Stock Option Scheme of the Company called Ranklin ESOS-2010, administer, and supervise the same in accordance with SEBI guide Lines subject to the provisions of the scheme and subject to the approval of the relevant authorities, the Remuneration Committee shall:

- Determine the quantum of option to be granted under the Scheme per employee and in aggregate:
- Determine the conditions under which option vested in employees may lapse in case of termination of employment for misconduct:
- Determine the exercise period under which the employees should exercise the option:
- Provide the specified time period within which the employees shall exercise the vested options in the event of termination or resignation of an employee:
- Determine the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period:
- Determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions:
- Grant, vest and exercise of option in case of employees who are on long leave:
- Determine the procedure for cashless exercise of options



The Committee has been reconstituted w.e.f. 10.02.2011 and consists of the following Directors as Members.

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr.M.Satish Kumar	Chairperson	Independent Director
Mr.J.V.V.Raghava Kumar	Member	Independent Director
Mr.P.Venkateswara Rao (Resigned on 10.02.2011)	Member	Independent Director
Mr. A.Vijaya Rama Raju (Appointed w.e.f.10.02.2011)	Member	Independent Director

During the year Remuneration Committee met on December 02nd 2010 to grant Stock options under Ranklin- ESOS-2010.

Details of the Directors' Remuneration are as follows:

Director	Designation	Remuneration paid/to be paid for Financial year 2010-11 (In Rs.)
Mr. M.J.V.V.D. Prakash	Chairman & Managing Director	4,80,000
Mrs.Jyothsna Lakshmi	Directors	3,00,000

## 5. INVESTOR GRIEVANCE COMMITTEE

During the year under-review the Board has reconstituted the "Shareholders/ Investors Grievance Committee" comprising the following Non-Executive Directors.

- |                            |          |
|----------------------------|----------|
| 1. Mr. M.Satish Kumar      | Chairman |
| 2. Mr. J.V.V.Raghava Kumar | Member   |
| 3. Mr. A.Vijaya Ramaraju   | Member   |

The Committee specifically looks after the services of the Registrars and Share Transfer Agents and recommends measures for providing efficient services to investors and resolving investor's complaints in the shortest possible time.

During the year under review no complaints has been received from investors, no complaints have been solved and no complaints are pending on companies end.

Name and designation of Compliance Officer:

Mr. M.J.V.V.D Prakash  
Chairman & Managing Director

**6. GENERAL BODY MEETINGS**

A. Details of the last three Annual General Meetings are given below:

<b>Financial year ended</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>	<b>Special Resolution passed</b>
March 31st, 2008	29th September 2008	3, Cube Towers, 6th Floor, 2-93/8 & 9 White fields, Kondapur, Hyderabad-500 081	11.00 am	In supersession of earlier resolution passed at 9th AGM, on 30.9.2004 Mr. M J V V D Prakash has been appointed as Managing Director for a further period of Five years.
March 31st, 2009	30th September 2009	Hotel 1 Place, P RR Estate, 2-22-298, Behind K.P.B.B. Buss Stop, Hyderabad – 500 072,	11.00 am	None
March 31st, 2010	30th September 2010	Hotel 1 Place, P RR Estate, 2-22-298, Behind K.P.B.B. Buss Stop, Hyderabad – 500 072,	11.00 am	As per the Section 94, 95 of the Companies Act 1956 a Special Resolution has been passed for Sub division of Authorized Share Capital of the company comprising of 1,80,00,000 (One Crore Eighty Lakhs) of Rs 10/- Each into 3,60,00,000/- (Three Crore Sixty Lakhs only) Equity Shares of Rs 5/- each.

**B. Resolution passed through Extra-ordinary General Meeting (or) Postal Ballot.**

Date	Venue	Time	Special Resolution passed
1st December 2010	Hotel 1 Place, P RR Estate, 2-22-298, Behind K.P.B.B. Buss Stop, Hyderabad – 500 072,	11.00 am	<p>i) Pursuant to the Section 81 (1A) of the Companies Act 1956 and SEBI( Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 consent of the Members of the Company has been accorded to the Board to frame the Employee Stock Option Scheme namely RANKLIN ESOS 2010 for issue of the Options not exceeding the 20,00,000 (Twenty Lakhs) options at such price and on such terms and conditions as may be fixed and determined by the Board in accordance with the guidelines or other applicable provisions.</p> <p>ii) In supersession of the earlier resolution passed through postal ballot dated 15.04.2010 for increasing of Authorized Share capital the following resolution has been passed.</p> <p>“Pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company the Consent of members be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs.5,31,00,000/- (Rupees Five Crores Thirty One Lakhs Only) divided into 53,10,000 (Fifty Three Lakhs Ten Thousand) equity shares of Rs.10/- (Rupees Ten Only) each to Rs.8,31,00,000/- (Rupees Eight Crores thirty one lakhs Only) divided into 83,10,000 (Eighty three lakhs ten thousand only) equity shares of Rs. 10/- (Rupees Ten) each, ranking pari passu with the existing equity shares.</p>

**ii) Postal Ballot**

The Company has passed Special Resolutions through postal Ballot dated 15.04.2010 under Section 16, 94, 31 and 81(1A) of the Companies Act, 1956 on the following items.

1. Increase of authorized Share capital from Rs 5.31Crores to Rs.18.00 Crores.
2. Amendment of Article 7(A) of Articles of Association to affect the Increase of Authorized Share Capital of the Company.
3. Approval U/s 81 (1A) of the Companies Act, 1956 and all other applicable statutes for the issue of GDRs/ADRs.
4. Approval U/s 81 (1A) of the Companies Act, 1956 and all other applicable statutes for the issue of share warrants to promoters and persons acting in concert.
5. Amendment of Memorandum of Association of the Company pertaining to Main objects by altering the clause III(A)(5) incorporating new object to venture into power generation and related activities.

The particulars of the voting pattern in the Postal Ballot are as:

Sl. No	Particulars	Item No.1	Item No.2	Item No.3	Item No.4	Item No.5
1.	No.of Postal Ballot forms received	167	167	167	167	167
2.	Number of Valid Votes	29,01,501	29,01,501	29,01,501	29,01,501	29,01,501
3.	Number of Valid Votes in favour of Resolution	28,98,301	28,98,301	28,98,301	28,98,301	28,98,301
4.	Number of Valid Votes in against the Resolution	2,300	2,300	2,300	2,300	2,300
5.	Number of Invalid votes	900	900	900	900	900

Sri M.J.V.V.D. Prakash, Managing Director of the Company was authorized to conduct the Postal ballot process and Sri. B.L. Chandra Sekhar, Company Secretary in practice was appointed as Scrutinizer for Postal Ballot process of the Company.

**7. DISCLOSURE**

The Company has no related Party transaction in the ordinary course of business, which has any potential conflict with the interest of the Company.

There was no non-compliance by the Company during the last 3 years on any matter relating to capital markets and there were no penalties, strictures imposed on the Company by Stock

Exchange or SEBI or any Statutory Authority.

The company has posted the Code of Conduct for Directors and Senior Management on its website as per clause 49(ID) of Corporate Governance.

The Company has complied with all mandatory requirements of Clause 49 and is in the process of implementation of Non-mandatory requirements.

## 8. MEANS OF COMMUNICATION

1. Quarterly and half-yearly reports are published in the News Paper Having National and vernacular circulation. Annual Report constructing, interalia, Directors Report, Auditors Report, Corporate Governance and Management Discussion and Analysis is the main source of information to the shareholders.

## 9. GENERAL SHARE HOLDER INFORMATION

### i. Annual General Meeting

Date and Time	30.09.2011 & 10.00 A.M.
Venue	at Hotel 1 Place, P.R.R. Estate, 2-22-298, Behind K.P.H.B. Buss Stop, Hyderabad – 500 072
Last Date of Proxy forms	48 Hours

ii. **Book Closure Date** : 26-09-2011 to 30-09-2011 (Both Days inclusive)

iii. **Dividend Payment Date** : within 30 days from the approval date of A.G.M.

### iv. Listing on Stock Exchange:

- a. Madras Stock Exchange Limited (MSE)
- b. Bombay Stock Exchange Limited (BSE)

The equity shares of the Company got permitted for trading on BSE under Indonext segment

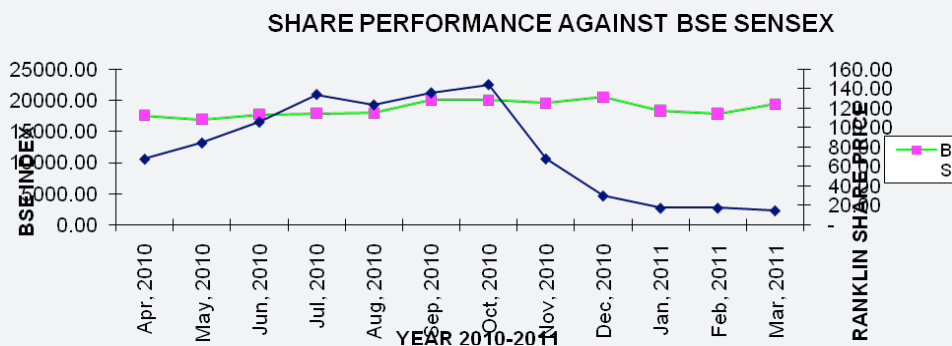
### v. Stock Code

Name of the Stock Exchange	Stock Code
The Madras Stock Exchange Ltd. Chennai	--
Bombay Stock Exchange Limited Mumbai	590077

**vi. Market Price Data**

High, low price during each month and trading volumes of the Company's Equity Shares during the last financial year 2010-11 at The Bombay Stock Exchange Limited, are given below:

Month	High (Rs.)	Low (Rs.)	Volume
April, 2010	73.70	54.00	3485734
May, 2010	86.40	59.35	4000221
June, 2010	108.00	76.25	4698431
July, 2010	145.65	103.65	4973402
August, 2010	140.00	115.55	5430783
September, 2010	149.00	118.00	4750838
October, 2010	151.95	105.25	5680243
November, 2010	170.00	67.60	4678128
December, 2010	60.85	24.45	3221104
January, 2011	29.65	16.75	1403984
February, 2011	20.90	15.90	935392
March, 2011	17.55	13.35	918245

**vii. Performance of Ranklin Solutions Limited in Comparison with BSE Sensex**

**viii. Share Transfer System**

All services relating to share transfers / transmissions and information may be addressed to:

M/s. Venture Capital & Corporate Investments Private Limited  
# 12-10-134, Bharat Nagar, Hyderabad -18

The Company periodically audits the operations of share transfer agent.

**ix. Shareholding Pattern As On 31st March 2011**

Category	No. of shares held	% of Capital
Indian Promoters	1224357	24.29
Individual NRI Promoter	Nil	Nil
Mutual Funds & UTI	Nil	Nil
Banks, Financial Institutions Insurance Companies(Central/State Govt Institutions/ Non-Govt. Institution	Nil	Nil
FII's	Nil	Nil
Indian Public	2442947	48.47
Private Corporate Bodies	1364096	27.06
NRI's/ OCB's/ FCB's, others	8900	0.18
Total	5040300	100

**x. Dematerialization of Shares and Liquidity**

The shares of the company are traded compulsorily in Demat. The Company has already entered into necessary arrangements with NSDL and CDSL for Demat Facility. Of the total equity of the Company 96.45% is held in dematerialization form with NSDL and CDSL as on 31st March 2011.

**xi. Distribution of Shareholding As On 31st March 2011**

Nominal Value of Share Holding	No. of Share Holders	In % Shares	No. of Shares	In %
1 – 5000	1087	63.19	198775	3.94
5001 – 10000	222	12.90	194627	3.86
10001 – 20000	137	7.96	215844	4.28
20001 – 30000	47	2.73	124060	2.46
30001 – 40000	43	2.50	151131	2.99
40001 - 50000	33	1.91	154001	3.05
50001 - 100000	57	3.31	408621	8.10
100001 - Above	94	5.46	3593241	71.29
Total	1720	100	5040300	100

**xii. Address for Correspondence**

Module 1, Q3-A3, 1st Floor, Cyber Towers,  
Hitech City, Madhapur, Hyderabad – 500-081



**Chief Executive Officer (CEO) Certification**

We have reviewed the financial statements, read with the cash flow statement of Ranklin Solutions Limited for the year ended 31st March, 2011 and that to the best of our knowledge and belief, we state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
- (ii) These statements present true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluating the effectiveness of internal control systems of the company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the auditors and audit committee:
  - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (ii) There are no instances of fraud involving the management or an employee.

Place : Hyderabad  
Date : 03-09-2011

Sd/-  
**M J V V D PRAKASH**  
Chairman & Managing Director

**Declaration of Compliance of Code of Conduct by directors and Senior Management Personnel**

To,  
The share Holders  
Ranklin Solutions Limited

This is to confirm that the company has adopted a Code Conduct for its employees including the Board of Directors and Senior Management.

I confirm that the company has in respect of the financial year ended 31st March 2011 received from the senior management team of the Company and Members of the Board a declaration of the compliance with the code of conduct as applicable to them.

Place : Hyderabad  
Date : 03.09.2011

Sd/-  
**M J V V D Prakash**  
Chairman & Managing Director

**CERTIFICATE FROM COMPANY SECRETARIES REGARDING COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members,  
**Ranklin Solutions Limited**  
Hyderabad.

We have examined the compliance of conditions of corporate governance by Ranklin Solutuins Limited for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the Management. Our examinations were 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 expression of the opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For A.N.SARMA & Co  
Company Secretaries

Sd/-  
**A.N.SARMA**  
PARTNER

Place : Hyderabad  
Date : 03.09.2011

**AUDITOR'S REPORT**

To

The Member's of

M/s RANKLIN SOLUTIONS LIMITED,

Hyderabad.

1. We have audited the attached Balance Sheet of M/s Ranklin Solutions Limited, Hyderabad as at 31st March, 2011 and the annexed Profit & Loss Account for the year ended on that date and report that 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 audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, We annex a Statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in paragraph 1 above:
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion, proper books of accounts, as required by law, have been kept by the company so far as it appears from our examination of those books;
  - (c) the said Balance Sheet and Profit and Loss Account are in agreement with the books of accounts;
  - (d) in our opinion the Balance Sheet and the Profit and Loss Account subject to Note No. 8 of Schedule 12 comply with the Accounting Standards referred to in Sub-section 3(C) of Section 211 of the Companies Act, 1956;
  - (e) on the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as at 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- (i) in the case of the Balance Sheet, of the State of Affairs of the Company as on 31st March, 2011; and
  - (ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **P.S. NAGARAJU & CO.**,  
Chartered Accountants,

Sd/-

**CA P. S. NAGARAJU**

Partner

(Membership No: 210268)

(Firm Registration No: 011447S)

Place : Hyderabad

Date : 03-09-2011

**ANNEXURE TO THE AUDITOR'S REPORT**  
**(Referred to in Paragraph (3) of our Report of even date to the members of**  
**Ranklin Solutions Limited)**

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Physical verification of major assets was conducted by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No. material discrepancies were noticed on such verification as compared with book records.
  - (c) During the year the company has not disposed off any substantial part of its fixes assets.
- (2) In our opinion and according to the information and explanations made available to us the Company is not maintaining any inventories and accordingly clause 2(a), (b) and (c) of the Order are not applicable in respect of verification of inventories etc.
- (3) The company has neither granted nor taken any loans, secured or unsecured, from companis, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956
- Since the Company has not granted or taken any loans from parties listed in the register maintained u/s 301 clauses 3(b) 3(c) and 3(d) are not applicable.
- (4) In our opinion and according to the information and explanations given to us, during the course of our audit, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of goods and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal controls.
- (5) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that there were no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 Consiquently requirement of clauses (5A) and (5B) of paragraph 4 of the order are not applicable.
- (6) The Company has not accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from public during the current financial year.
- (7) The Company yet to introduce the internal audit system commensurate with the size and nature of business.

- (8) According to the information given to us the Central Government has not prescribed maintenance of cost records u/s 209 (1)(d) of the Companies Act in respect of the business of the company.
- (9) (a) The company is not regular in depositing undisputed statutory dues with appropriate authorities including provident fund, Employees State insurance, Income Tax , Sales tax, Wealth Tax, Service tax, Custom duty, Excise duty, cess and other material dues applicable to the Company.
- (b) There are undisputed statutory dues outstanding as on 31st March 2011 for a period of more than six months from the date they become payable.

S. No.	Particulars	Amount (Rs.)
1	Income tax relating to Previous Year	3,22,77,196/-
2	Service Tax Payable	20,92,082/-
3	TDS relating to Previous years	1,94,957/-

10. The Company does not have its accumulated losses as on 31st March, 2011 exceeding 50% of its networth. The Company has not incurred cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations made available to us, the Company has not defaulted in repayment of dues to Financial Institution or Bank. The Company has not raised any funds from Debenture Holders as at the balance sheet date.
12. In our opinion the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi/mutual benefit fund/ society and therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by other from banks or financial institutions.

16. In our opinion and according to the information and explanations given to us, No term loans were raised by the Company during the year.
17. In our opinion and according to the information and explanations given to us, the Company has not raised on short term basis were not utilised for longterm investment purpose and vice versa
18. According to 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 during the year.
19. In our opinion and according to information and explanations given to us, the Company has not issued any secured debentures during the period covered by the report. Accordingly, Clause 19 of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
20. During the period covered by our audit report, the Company has not raised any money by public issues.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended on 31st March, 2011.

Place : Hyderabad  
Date : 03.09.2011

For **P.S. NAGARAJU & CO.,**  
Chartered Accountants,

Sd/-  
**CA P. S. NAGARAJU**  
Partner  
(Membership No: 210268)  
(Firm Registration No: 011447S)



**BALANCE SHEET AS ON 31-03-2011** (Amount in Rupees)

Particulars	Schedule No	As on 31/03/11	As on 31.03.10
<b>I. SOURCES OF FUNDS:</b>			
<b><u>Share Holders' Funds:</u></b>			
Share Capital	1	50400000	50400000
Share Capital & Premium		37500000	0
Reserves & Surplus		209763905	151703326
		<b>297663905</b>	<b>202103326</b>
Deferred Tax		10076939	5270191
Secured Loans	2	57250539	0
Un-Secured Loans		33654034	0
		<b>398645417</b>	<b>207373517</b>
<b>II. APPLICATION OF FUNDS:</b>			
<b><u>Fixed Assets:</u></b>			
Gross Block	3	138715024	105234593
Less: Depreciation		60645119	40731721
Net Block		78069905	64502872
CWIP		38652526	0
Investments	4	4000000	4000000
<b><u>Current Assets, Loans &amp; Advances:</u></b>			
Cash & Bank Balances	5	328796	227783
Loans & Advances	6	160636124	81167650
Sundry Debtors	7	183886050	98954812
		<b>344850970</b>	<b>180350245</b>
<b><u>Less: Current Liabilities &amp; Provisions</u></b>			
(a) Current Liabilities	8	46122749	21266355
(b) Provisions	9	20805235	20213245
		<b>66927984</b>	<b>41479600</b>
Net Current Assets		<b>277922987</b>	<b>138870645</b>
Notes to Accounts	11		
		<b>398645417</b>	<b>207373517</b>

As per Our Report of Even Date

**for P.S. NAGARAJU & CO.,**

Chartered Accountants,

Sd/-

**CA P.S. NAGARAJU**

Partner

Membership no. : 210268

Place : Hyderabad,

Date : 03-09-2011

By Order of the Board

Sd/-

**M.J.V.V.D. Prakash**

Chairman &amp; Managing Director

Sd/-

**M. Jyothsna Lakshmi**

Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2011**

Particulars	Schedule No	As on 31/03/11	As on 31.03.10
<b>I. INCOME:</b>			
Income from Operations		477562443	412959841
Other Income		0	461258
<b>Total of Income:</b>		<b>477562443</b>	<b>413421099</b>
<b>II. EXPENDITURE:</b>			
Salaries & Other Benefits		<b>17086826</b>	11051033
Managerial Remuneration		<b>780000</b>	780000
Cost of Software		<b>325399434</b>	294158530
Administrative Expenses	10	<b>31301827</b>	13993882
Depreciation	3	<b>19913398</b>	10145886
<b>Total of Expenses</b>		<b>394481486</b>	<b>330129331</b>
<b>III. Net Profit before Tax</b>		<b>83080957</b>	83291768
Less: Provision for Taxation		<b>17275090</b>	14200000
Provision for Deferred Tax		<b>4806748</b>	161079
<b>IV. Net Profit for the Current Period</b>		<b>60999119</b>	68930689
Less:			
Proposed Dividend		<b>2520000</b>	5040000
Provision for Dividend Tax		<b>418541</b>	856548
<b>V. Balance carried forwarded to Next Year</b>		<b>58060578</b>	63034141
Add: Previous Years Profit Brought Forward		<b>151703326</b>	88669185
Surplus/(Deficit) Carried to Balance Sheet		<b>209763905</b>	151703326
Earnings per share (Basic & Diluted)		<b>12.10</b>	13.68
Notes on Accounts	11		

As per Our Report of Even Date

**for P.S. NAGARAJU & CO.,**

Chartered Accountants,

Sd/-

**CA P.S. NAGARAJU**

Partner

Membership no. : 210268

Place : Hyderabad,

Date : 03-09-2011

By Order of the Board

Sd/-

**M.J.V.V.D. Prakash**

Chairman &amp; Managing Director

Sd/-

**M. Jyothsna Lakshmi**

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**  
**(As required under Clause 32 of the Agreement with Stock Exchanges)**

	31-03-2011	31-03-2010
	Rs. In Lakhs	Rs. In Lakhs
<b>Net Profit/Loss Before Tax and Extraordinary items</b>	830.81	832.92
Adjustments for:		
Depreciation	199.13	101.46
Miscellaneous Expenditure written off	-	-
Taxation		
Interest Income and Dividend Income		
Operating Profit before Working Capital change	1,029.94	934.38
<b>Adjustment for:</b>		
(Increase)/Decrease in Current Assets	(1,644.00)	(613.83)
Increase/(Decrease) in Current Liabilities and Provisions	52.35	(23.52)
Cash generated from operations	(561.71)	297.02
Extraordinary Items		
Net cash flow from Operating Activities (A)	(561.71)	297.02
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Purchases of fixed assets	(721.33)	(408.50)
Purchase of Investments	-	112.00
Interest and Dividend Income		
Net cash used in Investing Activities (B)	(721.33)	(296.50)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	375.00	
Amounts received from working capital facilities	572.51	
Receipt / (Repayment) of Unsecured Loans	336.54	-
Net cash used in Financing Activities (C)	1,284.05	-
Net Increased in Cash and Cash Equivalents (A+B+C)	1.01	0.52
Opening balance of cash and cash equivalents	2.28	1.76
Closing balance of cash and cash equivalents	3.29	2.28

FOR AND ON BEHALF OF THE BOARD

Sd/-

**M.J.V.D. Prakash**

Chairman & Managing Director

**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow Statement of RANKLIN SOLUTIONS LTD., for the year-ended 31st March, 2011. The statement has been prepared in accordance with the requirement of Clause 32 of Listing Agreement with Hyderabad Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company.

Place : Hyderabad

Date : 03-09-2011

**For P. S. NAGARAJU & CO.,**  
**CHARTERED ACCOUNTANTS**

Sd/-

**CA P. S. NAGARAJU**

PARTNER

(Member No.210268)

(Firm Registration No: 011447S)

## SCHEDULES FORMING PART OF BALANCE SHEET, PROFIT &amp; LOSS ACCOUNT AS AT 31ST MARCH, 2011

Particulars	As on 31.03.2011	As on 31.03.2010
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>Authorised Share Capital:</b>		
83,10,000 Equity Shares of Rs. 10/- each	<b>83100000</b>	53100000
Issued, Subscribed & Paid up Capital:		
50,40,000 Equity Shares of Rs. 10/- each	<b>50400000</b>	50400000
<b>Total:</b>	<b>50400000</b>	50400000
<b>SCHEDULE - 2:</b>		
Secured Loans:		
Cash Credit from Central Bank of India	<b>57250539</b>	0
	<b>57250539</b>	0
<b>SCHEDULE - 4:</b>		
Investments:		
Vasavi Poly Industries Limited	<b>4000000</b>	4000000
<b>Total:</b>	<b>4000000</b>	4000000
* Book Value		
<b>SCHEDULE - 5:</b>		
Cash & Bank Balances:		
Cash Balance	<b>298134</b>	211802
Balances with Banks	<b>30662</b>	15981
<b>Total:</b>	<b>328796</b>	227783
<b>SCHEDULE - 6:</b>		
Loans and Advances:		
Loans & Advances recoverable in cash or in kind or for value to be received	<b>160072824</b>	80604350
Deposits	<b>563300</b>	563300
<b>Total:</b>	<b>160636124</b>	81167650

**SCHEDULE - 3 - FIXED ASSETS**

Description of Asset	(Amount in Rupees)									
	Gross Block					Depreciation			Net Block	
	As on 01.04.10	Additions/ Deletions	Balance on 31.03.11	As on 01.04.10	As on 31.03.2011	for the Year (Deletions)	As on 31.03.2011	As on 31.03.2011	As on 31.3.2010	
Computer & Software	102290697	33131218	135421915	39415623	19714155	59129777	76292138	62875074		
Furniture	1542523	349213	1891736	825163	110537	935700	956036	717360		
Office Equipment	636113	0	636113	130799	40266	171065	465048	505314		
Air Conditioners	765260	0	765260	360136	48441	408577	356683	405124		
Total:	105234593	33480431	138715024	40731721	19913398	0	60645119	78069905	64502872	
Previous Year	(64384593)	(40850000)	(105234593)	(30585835)	(10145886)	(40731721)	(64502872)	(33798758)		

## SCHEDULES FORMING PART OF BALANCE SHEET, PROFIT &amp; LOSS ACCOUNT AS AT 31ST MARCH, 2011

Particulars	As on 31.03.2011	As on 31.03.2010
<b>SCHEDULE - 7: - Sundry Debtors:</b>		
Outstanding for a period of more than Six Months	0	0
Others	<b>183886050</b>	98954812
<b>Total:</b>	<b>183886050</b>	98954812
<b>SCHEDULE - 8 - Current Liabilities:</b>		
Sundry Creditors	<b>2539950</b>	246521
Outstanding Liabilities	<b>43582799</b>	21019834
<b>Total:</b>	<b>46122749</b>	21266355
<b>SCHEDULE - 9: - Provisions:</b>		
Provision for Audit Fees	<b>591604</b>	116697
Provision for Taxation	<b>17275090</b>	14200000
Provision for Dividend	<b>2520000</b>	5040000
Provision for Dividend Tax	<b>418541</b>	856548
<b>Total:</b>	<b>20805235</b>	20213245
<b>SCHEDULE - 10:- Administrative Expenses:</b>		
Office Rent	<b>7504386</b>	4972920
Printing & Stationery	<b>300464</b>	338755
Travelling Expenses	<b>2574955</b>	171046
Cab Hire & Maintenance	<b>1451852</b>	2545110
Books & Periodicals	<b>635</b>	19448
Business Promotion Expenses	<b>397828</b>	157093
Vehicle Maintenance Expenses	<b>184591</b>	40817
General Expenses	<b>144911</b>	235722
Membership & Subscriptions	<b>6619</b>	25388
Telephone & Network Expenses	<b>475846</b>	630842
Rates & Taxes	<b>153375</b>	147852
Consultancy Fees	<b>1731500</b>	535500
Interest Expenses	<b>11820706</b>	2013697
Bank Charges	<b>330617</b>	139372
Electricity Expenses	<b>1747876</b>	676869
Repairs & Maintenance Expenses	<b>669105</b>	309271
Advertisement Expenses	<b>109360</b>	200137
Security Services	<b>357321</b>	315916
Staff Welfare Expenses	<b>354991</b>	104293
Water Charges	<b>71468</b>	131887
Auditor's Remuneration	<b>529440</b>	43377
Postage & Telegrams	<b>16936</b>	683
Computer Consumables	<b>367044</b>	237886
<b>Total:</b>	<b>31301827</b>	13993882

**SCHEDULE 11 - NOTES ON ACCOUNTS:****A. SIGNIFICANT ACCOUNTING POLICIES:**

## a) Accounting Convention:

The Company follows the mercantile system of accounting, recognising income and expenditure on accrual basis. However, no interest is provided on Non Performing Assets as per Reserve Bank of India norms. The Accounts are prepared on historical cost basis and as a going concern.

## b) Fixed Assets:

Fixed Assets are stated at cost less depreciation.

## c) Depreciation:

Depreciation on assets is provided on Straight Line Method as per the rates prescribed in Schedule XIV of the Companies Act, 1956 and rules framed there under.

## d) The accrual system of accounting is followed.

## e) Investments:

Investments are valued at Cost and are treated as Long Term Investments.

**B. NOTES ON ACCOUNTS:**

1. The Balances to the debit or credit of parties are subject to confirmation.

2. In the opinion of the Board the current assets & loans and advances are approximately of the value stated if realized in the ordinary course of business. The provisions for depreciation and all known liabilities are adequate and not in excess of the amounts considered reasonably necessary.

**3. Auditors Remuneration**

<b>Particulars</b>	<b>As at 31-03-2011</b>	<b>As at 31-03-2010</b>
Statutory Audit Fees	<b>5,29,440</b>	1,32,360
Certification & Other Services	<b>0.00</b>	1,32,360
Other Matters	<b>0.00</b>	0.00
<b>Total</b>	<b>5,29,440</b>	<b>2,64,720</b>

**4. Director's Remuneration including salaries as follows:**

Particulars	As at 31-03-2011	As at 31-03-2010
Remuneration of Managing Director	7,80,000	6,00,000
Sitting fees	0.00	0.00
Remuneration of Director	0.00	0.00

**5. Earnings Per Share (Amount in Rs)**

Particulars	2010-11	2009-10
Profit after Tax	60999119	68930689
No of Equity Shares	5040000	5040000
Earning Per Share (Rs)	12.10	13.68

**6. Segment Reporting :**

The Company operates in a single primary business segment namely ITES [Information Technology Enabled Services]. The Segment-wise details as per Accounting Standard 17 are not applicable. Hence, no separate disclosure is required.

**7. Foreign Exchange Earning & Out go**

Foreign Exchange earnings	Rs. 39,48,000/-
Foreign Exchange outgo	Nil

**8. Quantitative Details**

The company is primarily engaged in ITES. The production and sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of services and certain information as required under paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

**9. Particulars of Employees**

There are no employees whose particulars are required to be furnished U/s 217 (2A) of the Companies Act, 1956 read with Companies Act (Particulars of Employees) Rules, 1975 as the remuneration of none of the employees has crossed the limits specified therein.

**10. Contingent Liabilities**

There are no contingent liabilities to be disclosed as on the date of balance sheet.

**11. Related Party Disclosure**

There are no transactions with the parties that are related in nature to be disclosed as per Accounting Standard 18.



**12. Deferred Tax :**

In accordance with Accounting Standards - 22 on "Accounting for Taxes on Income" issued by ICAI, the company has accounted for Deferred Tax.

- 13.** Previous year figures have been regrouped and rearranged wherever considered necessary.
- 14.** Paises are rounded off to the nearest rupee.

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As per our report of even date,

**For P. S. NAGARAJU & CO.,**  
**Chartered Accountants,**

for and on behalf of the Board

Sd/-

**CA. P. S. NAGARAJU**

Partner

(Membership No: 210268)

(Firm Registration No: 011447S)

Sd/-

**M.J.V.V.D. Prakash**

Chairman & Managing Director

Sd/-

**M. Jyothsna Lakshmi**

Director

Place : Hyderabad,

Date : 03-09-2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****A Registration Details**

Registration No.

2 1 5 5 5

State Code

0 1

Balance Sheet Date

31 03 2011

**B. Capital raised during the year (Amount Rs. In Lakhs)**

Public Issue

N i l

Rights Issue

N i l

Bonus Issue

N i l

Private Placement

N i l

**C Position of Mobilisation and Deployment of Funds (Amount Rs. In Lakhs)****Sources of Funds**

Total Liabilities

3 9 8 6 . 4 5

Total Assets

3 9 8 6 . 4 5

Paid up Capital

5 0 4 . 0 0

Reserves &amp; Surplus

2 0 9 7 . 6 4

Secured Loans

5 7 2 . 5 1

Deferred Tax Liability

1 0 0 . 7 7

**Application of Funds**

Net Fixed Assets

7 8 0 . 7 0

Investments

4 0 . 0 0

Net Current Assets

2 7 7 9 . 2 3

Misc. Expenditure

N I L

**IV Performance of the Company (Amount Rs. In Lakhs)**

Turnover

4 7 7 5 . 6 2

Total Expenditure

3 9 4 4 . 8 1

Profit Before Tax

8 3 0 . 8 1

Profit after Tax

6 0 9 . 9 9

EPS in Rs.

1 2 . 1 0

Dividend Rate %

5%

**V Generic Names of three principle products / services of company**

1. Item Code No. 8 5 4 2 9 0 0 9 . 1

2. Product Description Software Development &amp; IT Services

**For P. S. NAGARAJU & CO.,**  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Sd/-

**CA. P. S. NAGARAJU**

Partner

(Membership No: 210268)

(Firm Registration No: 011447S)

Place : Hyderabad

Date : 03-09-2011

Sd/-

**M.J.V.V.D. Prakash**

Chairman &amp; Managing Director

**RANKLIN SOLUTIONS LIMITED**

Module 1, Q3-A3, Cyber Towers, 1st Floor, Hi tech City, Madhapur, Hyderabad - 500 081

**PROXY**

I/we..... of .....  
..... in the district of.....  
..... Ranklin Solutions Limited hereby appoint .....  
of..... or failing him..... of  
..... as my/our Proxy to attend and to vote for me/us on my/our  
behalf at the 16th Annual General Meeting of the Company to be held on 30th September,  
2011 at 10.00 A.M. at Hotel 1 Place, P.R.R.Estate, 2-22-298, Behind K.P.H.B.Bus Stop,  
Hyderabad-500072. Andhra Pradesh.

Signed this ..... Day of ..... Two Thousand Eleven.

Signature  
(on Re.1  
Revenue  
Stamp)

Note: This Proxy Form duly completed should be deposited at the Registered Office of the Company not less  
the 48 (Forty Eight) hours before the time fixed for holding the meeting.



**RANKLIN SOLUTIONS LIMITED**

Module 1, Q3-A3, Cyber Towers, 1st Floor, Hi tech City, Madhapur, Hyderabad - 500 081

**ATTENDENCE SLIP**

(Please present this slip at the Meeting Venue)

16th ANNUAL GENERAL MEETING – 30th September, 2011

Regd. Folio No. :

No. of Shares Held:

Client ID No. :

I hereby record my presence at the 16th ANNUAL GENERAL MEETING of the members of the  
Company held on Friday 30th September, 2011 at 10.00 A.M. at Hotel 1 Place, P.R.R.Estate,  
2-22-298, Behind K.P.H.B.Bus Stop, Hyderabad-500072. Andhra Pradesh.

.....  
Name of the Shareholder / Proxy

.....  
Signature of Member / Proxy

Note: Members are requested to bring their copies of Annual Report to the meeting