

BOARD OF DIRECTORS**PRAKASH B RANE** (Managing Director)**SUPRIYA P RANE****M N AHMED****DR. AJIT C KULKARNI****SHARADCHANDRA ABHYANKAR****Registered Office :**5, Unique Industrial Estate, Off Veer Savarkar Marg, Prabhadevi,
Mumbai 400 025, (India)

Tel.: +91 22 24374687/24379402/24310256 • Fax: +91 22 24309953

Auditors :

M/s. S. P. Sule & Associates

Bankers :

CANARA BANK

Registrars & Share Transfer Agents :M/s. Universal Capital Securities Pvt. Ltd 21, Shakil Niwas, Mahakali Caves Road,
Andheri (E), Mumbai 400 093. • Tel.: +91 22 28207203 - 05 / 28257641

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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of **ABM KNOWLEDGEWARE LIMITED** will be held at 1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai- 400 014 on Thursday, the 25th day of August, 2011 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Supriya P Rane, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors of the Company to hold the office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Sharadchandra Abhyankar, who was appointed as an Additional Director with effect from October 28, 2010 on the Board of the Company pursuant to provisions of Section 260 of the Companies Act, 1956 who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for payment of commission to its Non-Executive Directors not exceeding one percent (1%) of the net profits of the Company, calculated in accordance with the provisions of sections 349 & 350 and other applicable provisions, if any, of the Companies Act, 1956, and that such commission be payable and divisible amongst the Directors in such proportion and in such manner as the Board of Directors in its absolute discretion may decide, from time to time .”

**By Order of the Board
For ABM Knowledgeware Ltd**

**Date: 30th May, 2011
Place: Mumbai**

**Prakash B Rane
Managing Director**

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business under Item No. 5 and 6 of the Notice set out above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ENCLOSED HERewith.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th August, 2011 to 24th August, 2011 (both days inclusive) for determining the names of the members eligible for the dividend, if approved. In respect of dematerialized shares, the dividend will be payable to the “Beneficial Owners” of the shares whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as the close of the business hours on 19th August, 2011.
4. The Equity Shares of the Company are meditated for trading in the compulsory demat mode. The ISIN allotted for the Company’s share is INE850B01018.

5. Payment of Dividend through ECS:
 - Members holding shares in physical form, are advised to submit particulars of account, viz. name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 19th August, 2011 to the Registrar & Share Transfer Agent (RTA) of the Company.
 - Members holding shares in demat form are advised to inform the particulars of their bank account to their respective Depository Participants.
6. Members are requested to notify immediately any changes of address to their Depository Participants in respect of their holdings in electronic form and to Secretarial Department at the Registered Office of the Company or to the Registrar and Transfer Agents in respect of their holdings in physical form.
7. In terms of Section 109A of the Companies Act, 1956, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form 2B, in duplicate to the Secretarial Department at Registered Office of the Company or Company's Registrar and Share Transfer Agent.
8. Members are informed that 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.
9. SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTA for registration of transfers and for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies. Accordingly, members holding shares in physical mode should attach a copy of their PAN card for every transfer request sent to the Company/Registrar and Share Transfer Agent of the Company.
10. A brief profile of the Director retiring by rotation and being eligible for re-appointment /appointment as required by Clause 49 of the Listing Agreement signed by the Company with the Stock Exchange, Mumbai is given in Corporate Governance Report on Page No. 12
11. Members are requested to:-
 - Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - Bring their copies of Annual Report, Notice and Attendance slip duly completed and signed at the Meeting.
 - Quote their Folio/Client ID & DP ID Nos. in all correspondence.
12. All the documents referred to in Accompanying Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
13. Members desiring any relevant information on the Accounts at the Annual General Meeting are advised to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
14. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, Dividend for the year ended 31st March 2007 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund (IEPF). After the transfer of the said amount to IEPF, no claims in this respect lie against IEPF or the Company.

Financial Year	Date of Declaration of Dividend	Last Date of claiming unpaid Dividend
Final Dividend 2006-2007	20.10.2007	24.11.2014
Final Dividend 2007-2008	13.10.2008	17.11.2015
Final Dividend 2008-2009	09.09.2009	14.10.2016
Final Dividend 2009-2010	09.08.2010	13.09.2017

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF SPECIAL BUSINESS:

ITEM NO. 5

Mr. Sharadchandra D Abhyankar is a Solicitor and Advocate by profession and is the Founder Partner of ANS Law Associates, Advocates & Solicitors. He acquired his Master of Laws Degree from Mumbai University. He is a Member of The Bombay Incorporated Law Society and has been a Registered Patent and Trade Marks Attorney.

He has professional expertise of more than 22 years in various branches of law including corporate laws, securities laws, project finance, telecom regulations, constitutional litigation and international commercial arbitrations. He has authored several Articles on various legal subjects in Indian and International Journals.

The Board of Directors in their Meeting held on 28.10.2010 has appointed Mr. Sharadchandra Abhyankar as Additional Non-Executive Independent Director of the Company in terms of Section 260 of the Companies Act, 1956.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Sharadchandra Abhyankar shall hold office only upto the date of ensuing Annual General Meeting. Valid Notice along with the requisite deposit under Section 257 of the Companies Act, 1956, has been received from the member of the Company proposing the candidature of Mr. Sharadchandra Abhyankar for the office of Director of the Company.

Mr. Sharadchandra Abhyankar is not holding shares of the Company on his induction as a member or in the name of any of his relatives.

In view of his rich experience, the Board expects that with his induction as a Member of the Board, the Company would benefit immensely and he will prove to be an asset to the Company. The Board of Directors recommends for your approval, the Ordinary Resolution for the appointment of Mr. Sharadchandra Abhyankar as a Director of the Company, liable to retire by rotation.

None of the Directors except Mr. Sharadchandra Abhyankar are concerned and interested in this resolution.

ITEM NO. 6

The Company, at present, is paying sitting fees to Non-Executive Directors for attending the meetings of the Board of Directors and Committees thereof. The role and level of involvement of Non-Executive Directors has undergone significant qualitative changes, over a period of time, with the changes in the Corporate Governance norms. In appreciation of their contribution and for the services they have rendered/will be rendering to the Company, it is proposed that the Non-Executive Directors be paid remuneration by way of commission not exceeding in aggregate 1% (one percent) per annum or such other percentage as may be specified by the Companies Act, 1956, from time to time, in this regard, of the Net Profits for that year computed in the manner referred to in Sections 198, 349 and 350 of the Companies Act, 1956, for a period of five financial years commencing from 1st April, 2011.

This remuneration will be payable and divisible amongst the Directors in such proportion and in such manner as the Board of Directors in its absolute discretion may decide, from time to time.

The approval of the members under Section 309(4) of the Companies Act, 1956, is required for payment of commission, if any, to Non-Executive Directors. The Board, therefore, recommends the Special Resolution set out at item No.6 of the accompanying Notice for the approval of Members.

All the Directors of the Company may be deemed to be concerned or interested in the aforesaid resolution.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 18th Annual Report & Audited Accounts of the Company for the financial year ended 31st March, 2011.

1. FINANCIAL RESULTS

	(Amount in Rs.)	
	Year ended 31.03.2011	Year ended 31.03.2010
Gross Income	589,496,479	432,888,368
Less: Service Tax	53,241,297	43,928,576
Gross Income (net of Service Tax)	536,255,182	388,959,792
Less: Total expenditure	375,578,296	285,089,482
Gross Profit before Depreciation & Taxation	160,676,886	103,870,310
Less: Depreciation	2,496,722	1,488,042
Net Profit before Tax	158,180,164	102,382,268
Less: Provision for Taxation	52,508,309	33,645,905
Net Profit After Tax	105,672,125	68,736,363

2. OPERATIONS OF THE COMPANY

The operations of the company, compared to last year, have shown higher revenues and profitability. The increased profitability is due to more efficient operations coupled with effective cost control measures.

3. DIVIDEND

The Directors are pleased to recommend a final dividend at the rate of 15% per equity share for the financial year ended 31st March, 2011 as against 10% per equity share for the previous financial year ended 31st March, 2010. The final dividend, subject to approval by the AGM on 25th August 2011, will be paid to the Shareholders, in accordance with the applicable rules and regulations u/s. 205 of the Companies Act, 1956. The total cash outflow on account of dividend on equity shares for financial year 2010-11 would be Rs.1,74,93,237/-, including dividend tax and surcharge thereon.

4. LISTING FEES

The annual listing fees for the year under review have been paid to the Bombay Stock Exchange Limited, where Company's shares are listed.

5. CORPORATE GOVERNANCE

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

A separate report on Corporate Governance Report is being published as a part of the Annual Report of the Company.

The Auditors of the Company have certified that conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, are complied with by the Company and their certificate is annexed to this report along with Management Discussion and Analysis Report.

6. PUBLIC DEPOSITS

We have not accepted any deposits and, as such, no amount of principal or interest was outstanding as of Balance Sheet date.

7. DIRECTORS

As per Article of Association of the Company, Mrs. Supriya P Rane retires by rotation and being eligible, offer herself for re-appointment at this Annual General Meeting. The Board of Directors has recommended her re-appointment for consideration of the Shareholders. The brief resume of Mrs. Supriya P Rane is given in the Corporate Governance Report.

The Board of Directors in their meeting held on 28th October, 2011 has appointed Mr. Sharadchandra Abhyankar as Additional Non-Executive Independent Director of the Company in terms of Section 260 of the Companies Act, 1956. In view of his versatile experience, the Board expects that with his induction as a member of the Board, the Company would benefit immensely and he will prove to be an asset to the Company. The Board of Directors recommends for your approval, the appointment of Mr. Sharadchandra Abhyankar as Director of the Company, liable to retire by rotation.

8. AUDITORS

M/s. S. P. Sule & Associates, Company's Statutory Auditors will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. The Audit Committee of the Board has recommended their re-appointment as Auditors for the year 2011-2012. M/s. S.P. Sule & Associates have confirmed their eligibility and willingness to continue to act as Auditors of the Company.

9 MANAGEMENT DISCUSSION AND ANALYSIS REPORT**A. Industry Structure and Development:**

Your Company has proven track record in this segment of IT industry and related technology practices. Company has shown capability of handling projects of large size. Your Company also has a track record of successfully developing and sustaining such large projects in the Government Sector. There has been significant increase in its customer base and revenues from repeat business. Your Company's focus on e-Governance industry has been expanding and has not seen any significant changes in the strategy, as such. The procurement processes by customers are, by and large, unchanged and may not undergo radical changes. Govt. customers have now become more sensitive towards investment in IT. The intent of e-Governance is to accelerate the automation of government processes for making them easily and transparently accessible to the citizen. Government customers prefer the computerization projects to be "outcome" based rather than "input" based projects. This is beneficial to your company as that makes the competition healthier by eliminating unfair competition which relies more on price undercutting, rather than "outcome" of the project. There are more visible implementations of G2C and G2C e-Government projects, in India which increases the confidence of the other eGov champions who get encouraged to undertake such projects.

B. Existing Opportunities and Outlook:

As outlined in the MDA of last annual report, the following Initiatives in Information Technology Sector would facilitate the growth of e-Government segment of the IT industry .

- National e-Governance Plan (NeGP)
- State Wide Area Networks (SWANs)
- Common Service Centres (CSCs)
- Community Information Centres (CIC)
- Creating Digital Opportunity

These developments would result in simplifying the process of deployment of eGov project, in addition to reducing the costs of the implementation. It would also reduce the Total Cost of Ownership of the projects. As an overall impact of these developments, the eGov industry will get a major boost.

C. Business Threats:

e-Governance initiatives face a long list of challenges. There is no significant change in these parameters. The list of challenges range from technology management, process re-engineering, sustenance, change management, manpower, development of infrastructure, etc. Many of the challenges mentioned below have been acknowledged and efforts have begun in the direction of addressing the same.

Some of the major requirements for success are listed below:

- Educating citizens about the value of e-Government.
- Ensuring access, to useful information and services.
- Coordinating local, regional, and national e-Government initiatives.
- Developing methods and performance indicators to assess the services and standards of e-Government.
- Providing consistent and reliable electricity, telecommunications, and Internet Access.
- Addressing issues of language and communication.
- Including individuals with disabilities in e-Government.
- ICT HR development and sustainable plan in Government's Road Map for e-Governance.

It is necessary to address these challenges through a well articulated plan in a time bound manner. That will ensure the unleashing of the large potential residing in e-Government opportunity for a Company such as yours.

D. Business Strategies and Planning:

IT is slowly becoming a strategic tool for more transformation of governments across the country. Due to nature of the e-Government sector, the Business Strategies and Planning do not undergo significant changes over the year. Our target customers are those Government Organizations with whom citizen needs to deal at the cutting edge for seeking Citizen Services or Consumer Services. This e-Government business is a blend of ICT and Administrative Reforms. This aspect necessitates us to possess some core domain strength for ensuring success of projects as well as effective assistance to customers in carrying out administrative reforms. Our current business focus is on niche domains like providing e-Governance solutions to Municipal Bodies (G2B & G2C); CRM Solution for Electricity Distribution Companies (G2C) and Automation of Billing, Accounting and Collection for Water Distribution Authorities required for providing Subject Matter Expertise required for ERP implementation in large Govt. Organizations. This practice also includes services for enabling 'Change Management' during and after "Go Live" of the ERP implementation. This skill is found to be critical for eGov clients for sustaining the investment in e-Gov projects. This skill coupled with ABM's overall eGov expertise is unique in the industry. Initial few years of our operations were focused in developing in-depth domain knowledge in chosen areas and building eGov solutions with proven track record that can be replicated with ease and offer best domain practices to customers.

In last two years we have been successful in achieving some of the objectives within Maharashtra. We now plan to focus on scaling our operation at the national level. Business Development Team has been appointed for addressing geographies other than Maharashtra. Alliances with other IT Companies are also being established for mutually beneficial objectives of business growth in other states.

E. Human Resource Management:

We believe that the success of the Company is dependent on dedicated and sincere employees. Human capital has always been the most important and valuable asset to your Company. Your Company has enhanced its performance management process that motivates people to take ownership of their own performance and encourages innovation. Your Company has created people practices which enables it to attract and retain potential talents. The employee relations scenario continues to be harmonious and congenial throughout.

**F. Discussion on Financial Performance with respect to the Operational Performance:
(Amount in Rs.)**

	Year ended 31.03.2011	Year ended 31.03.2010
Gross Income	589,496,479	432,888,368
Less: service Tax	53,241,297	43,928,576
Gross Income (net of Service Tax)	536,255,182	388,959,792
Less: Total expenditure	375,578,296	285,089,482
Gross profit before		
Depreciation & Taxation	160,676,886	103,870,310

Financial performance of the company with respect to the operational performance was satisfactory as evident from increase in Revenues and Profitability.

10. INFORMATION UNDER SECTION 217(1) (e)

The information required to be furnished Under Section 217 (1) (e) of the Companies Act, 1956, and the Rules made thereunder, is provided in Annexure-A, forming part of the Report.

11. PARTICULARS OF EMPLOYEES

The information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming a part of Directors' Report for the year ended 31st March, 2011 is as follows:

Name of the Employee	Mr. Prakash B Rane
Age	45 years
Designation	Managing Director
Gross Remuneration	*Rs. 79.16 Lacs
Qualification	B.Tech., M.M.S.
Date of Commencement of the employment	27 th April, 2000
Number of years Experience	18 years
Previous Employment	Advent Business Machines Pvt. Ltd

***Note:** Gross Remuneration includes salary, perquisites and commission for the year ended on 31st March, 2011.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards, in accordance with provisions of the Companies Act, 1956, have been followed and no material departures have been made from the same;
- b) 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 or Loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) the Board of Directors have prepared the Annual Accounts on a “going concern” basis.

13. ACKNOWLEDGEMENT

Your Directors are sincerely thankful to the Company’s customers, suppliers, bankers, financial institutions, Central and State Government authorities for the faith reposed in the Company and for their continued support.

Your Directors also appreciate and value the contributions made by every ABMer for the stupendous growth of the Company.

For and on behalf of the Board

Date: 30th May, 2011

Place: Mumbai

Prakash B Rane

Managing Director

ANNEXURE ‘A’

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE RULE 2 OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988

Conservation of Energy:

Your Company consumes energy mainly for the operation of its software development, thus the consumption of electricity is negligible. In order to conserve the electricity, the Air conditioners are kept at a moderate temperature and all the electrical equipments are turned off, whenever they are not required by the Office Staff.

Technology Absorption, Adoption & Innovation and Research and Development:

Your Company has continued its focus on ‘productisation of services’ by innovative business models. The deployment of Company’s solution on UNICODE has also achieved maturity and better acceptability of the solutions. Focus on Integration of Company’s solution with Portals and gadgets like PDAs (Personal Digital Assistants), mobile has continued and can be made available as a solution offering.

Foreign Exchange Earnings and Outgo:

Due to extensive focus and scope in the domestic market, your Company decided to dedicate its resources for addressing the local market and hence there has not been any export turnover during this financial year. This strategy will be revisited by your Company, from time to time, keeping in view the need to de-risk the dependence on a single sector for the generation as well as to make the growth more broad-based.

REPORT ON CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of the shareholders. In other words, ABM has consistently followed the principles of good Corporate Governance through transparency, accountability and fairness in all areas of operations, thus meeting the aspirations of all its stakeholders with primary objective of enhancing and protecting their interest. The Company adheres to good corporate practices and is constantly striving to better them and adopt the emerging best practices. The Company will continue to focus its resources, strengths and strategies to achieve its vision while upholding the core values of transparency, integrity, honesty and accountability.

The Company has always been taking the spirit of various legislations as guiding principles and proposes to go well beyond statutory compliance by establishing such systems and procedures as are required to make the management completely transparent. The Company is fully compliant with the requirement of Listing Agreements and applicable Corporate Governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the report containing the details of governance system and processes at ABM Knowledgeware Ltd is as under:

I. BOARD OF DIRECTORS

The Company is managed by a Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Board of Directors consists of five Directors of which two are Promoter Directors, one is Executive Director and three are Non-Executive Independent Directors. As a result, the combination of Independent and Non-Executive Directors constitute more than 50% of the Board. All important strategic policy matters are deliberated at the Board Meetings where the role of Independent Directors is crucial. The Independent Directors are all expert professional with high credentials who actively contribute in the deliberations of the Board.

Five Board Meetings were held during the Financial year 2010-2011 i.e. on 7th April, 2010, 29th May, 2010, 23rd July, 2010, 28th October, 2010 and 31st January, 2011. The previous Annual General Meeting (AGM) of the Company held on 29th July, 2010 was attended by all the Directors.

Following are the details regarding the constitution of the Board as on 31st March, 2011:

Name of the Directors	Executive / Non- Executive	Promoter / Independent	Number of Board Meeting attended	Other Directorship
Mr. Prakash B Rane	Executive- Managing Director	Promoter	5	1
Mrs. Supriya P Rane	Non - Executive	Promoter	5	Nil
Mr. M N Ahmed	Non - Executive	Independent	4	8
Dr. Ajit C Kulkarni	Non - Executive	Independent	5	2
Mr. Sharadchandra Abhyankar*	Non - Executive	Independent	2	4

* Mr. Sharadchandra Abhyankar was appointed as Additional Director at the Board Meeting held on 28th October, 2010.

The Board meets at least once in a quarter to review amongst other items, the quarterly performance of the Company and the financial results. Whenever necessary, additional meeting are held. Each director is expected to attend the Board Meetings. The agenda of the Board meeting is circulated in advance to the Board members.

CODE OF CONDUCT

The Board has formulated a code of conduct for its Board Members and Senior Management Personnel that requires strict adherence to the Corporate Values while delivering a world class customer friendly e-Governance Solution. All Board members and senior management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

II. COMMITTEES OF DIRECTORS

A) AUDIT COMMITTEE:

The Audit Committee comprises of one Promoter & Non-Executive Director and two Independent & Non-Executive Directors. The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly/half-yearly/annual financial statements, reviewing with the Management on the financial statements and adequacy of internal audit function, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations.

The Audit Committee also reviews and analyses the adequacy of internal control system, the financial and risk management policies of the Company and other matters as laid down under clause 49 of the Listing Agreement with the Stock Exchange. The Internal Auditor submits reports periodically to the Committee and suggestions are given for effective functioning of the Internal Control System.

The financial results are first presented at the Audit Committee Meeting for review, before placing the same at Board Meeting. All the members have good knowledge of accounts and finance. The Committee is being chaired by Mr. M. N. Ahmed, who is a senior Member of Institute of Chartered Accountants of India, having a varied experience in the field of accounting, taxation and financial planning.

The Committee held five meetings during the year on 7th April, 2010, 29th May, 2010, 23rd July, 2010, 28th October, 2010 and 31st January, 2011.

Following are the details regarding the Composition and attendance of the Committee:

Name	Categories of Director	No. of Committee meetings attended
Mr. M. N. Ahmed, Chairman	Independent and Non-Executive Director	4
Mrs. Supriya P Rane, Member	Promoter and Non-Executive Director	5
Dr. Ajit C Kulkarni, Member	Independent and Non-Executive Director	5

The minutes of the meetings of the Audit Committee were placed and approved by the Board. The Company has complied with the requirements of Clause 49 of the Listing Agreement of Stock Exchange and Section 292A of the Companies Act, 1956, as regards composition of Audit Committee.

B) SHAREHOLDERS GRIEVANCES & SHARE TRANSFER COMMITTEE :

The Shareholders Grievances & Share Transfer Committee comprises of Non-executive Directors only. The purpose of constituting this Committee is to uphold the basic rights of the Shareholders. It looks into redressal of Shareholders' complaints pertaining to transfer/transmission of shares, non-receipt of Annual Reports, Dividend payments, issue of duplicate Share Certificates and other miscellaneous complaints.

The Committee focuses on shareholders' grievances and strengthening of investor relations. The Committee oversees and reviews performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. The minutes of the committee are circulated and noted by Directors at the Board Meetings. The committee met on 30th April, 2010, 20th July, 2010, 30th October, 2010 and 25th January, 2011 during the year under review.

The present composition of the Shareholders and Share Transfer Grievances Committee is as follows:-

Name	Status	Out of total 4 meetings the attendance is -
Mr. M. N. Ahmed, Chairman	Non-Executive Director, Independent	4
Mrs. Supriya P Rane	Non-Executive Director, Promoter	4

During the year under review, two (2) complaints were received and none is pending. No share transfer remains

unregistered for more than 30 days as on 31st March, 2011, except those cases where the Company had sent the objection letters to investor's complaints and other related correspondence immediately. The average period of redressal of grievances is 20 days from the date of the receipt of the same.

The Share Transfers, Maintenance of Register of Members as per Companies Act, 1956 and correspondence with the shareholders have been entrusted to the Share Transfer Agent, M/s. Universal Capital Securities Private Limited at 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai 400 093. Contact Number:+91-022-28207203-05 / 28257641

C) REMUNERATION COMMITTEE :

The role of the Remuneration Committee is to assist the Board to discharge its responsibilities and facilitate the Company to attract and retain Senior Management Personnel, Executive and Non-Executive Directors who will create value for Shareholders and will also support the Company's mission in ensuring that the Company had appropriate remuneration policies to monitor their implementation.

The Committee is headed by Dr. Ajit C Kulkarni, an Independent Director. Mr. M. N. Ahmed and Mrs. Supriya P Rane are the member of the Committee. During the year under review, two Remuneration Committee meetings were held on 15th November, 2010 and 24th March, 2011 and were attended by all the members.

As a policy, the Company has not made any payments to Non-Executive Directors except sitting fees. The remuneration to the Executive Director is governed by the agreements executed with him and as approved by the Members of the Company in their Annual General Meeting. As per the agreement, salary and perquisites are a fixed component and the commission is based on the performance of the Company, i.e. on the net profit of the year, calculated as per the provisions of the Companies Act, 1956.

Remuneration paid to the Board of Directors during the year under review is as follows:

Name of the Director	Status	Salary & Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)
Mr. Prakash B Rane	Managing Director	42,00,000	32,48,000	Nil
Mrs. Supriya P Rane	Director	Nil	Nil	96,000
Mr. M. N. Ahmed	Director	Nil	Nil	88,000
Dr. Ajit C Kulkarni	Director	Nil	Nil	48,000
Mr. Sharadchandra Abhyankar	Additional Director	Nil	Nil	8,000
Total (Rs.)		42,00,000	32,48,000	2,40,000

Retiring Director

As required under the Listing Agreement, the particulars of Director who is retiring by rotation and willing to be re-appointment at the 18th Annual General Meeting are given below:

Name	Mrs. Supriya P Rane
Age	42 yrs.
Qualification	BE (Electronics), Postgraduate Diploma in System Management
Experience	Supriya Rane is the Director of the Company. She is an Electronic Engineer with a Post Graduate Diploma in System Management. She provides guidance to the Company in areas related to her expertise while contributing to the growth of the Company. She is a Member of Investor Grievance & Share Transfer Committee, Audit Committee as well as Remuneration Committee.
Other Directorships	Nil
Shareholding in the Company	As on 31 st March, 2011, the number of shares held by her are 12,27,000 (12.27% of total paid up equity share capital). Together with her husband Mr. Prakash B Rane, who is Managing Director of the Company and other relatives, she is holding 60.02% of the total paid up capital.

Code for prevention of insider-trading practices

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and Directors and cautioning them of the consequences of violations.

Whistle Blower Policy

The Company has formulated Whistle Blower Policy with a view to maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organization. The employees of the Company have access to approach the Management without fear on any issue relating to Code of Conduct/Business Ethics. Further, employees are encouraged to make a disclosure to the Audit Committee through email viz. egovernance@abmindia.com or by giving letter to the Compliance Officer in writing.

Audit Committee periodically reviews the existence and functioning of the mechanism.

Certification by Chief Executive Officer

The Chief Executive Officer certification of the financial statements and the cash flow statement for the year is enclosed at the end of the report on Page No. 17. The said certificate is signed by Mr. Prakash B Rane, Managing Director of the Company.

III. SHAREHOLDERS' INFORMATION

a) General Information:

18th Annual General Meeting

Date	: 25 th August, 2011
Time	: 3.00 p.m.
Venue	: 1 st Floor, Dadar Bhagini Samaj, 3 rd Lane, Hindu Colony, Dadar (E), Mumbai- 400 014
Date of Book Closure	: 20 th August, 2011 to 24 th August, 2011 (both days inclusive)
Dividend Payment Date(subject to the approval of the shareholders)	: On or before September 24, 2011

b) Address for Correspondence :

Registered Office of the Company

Shareholder can correspond at the Registered Office of the Company at Mumbai i.e. 5, Unique Industrial Estate, off Veer Savarkar Marg, Prabhadevi, Mumbai- 400 025.

c) Share Transfer Agent :

Registrar & Transfer Agents: M/s. Universal Capital Securities Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai- 400 093. Contact Number: +91-22 28207203 - 05 / 2825 7641

d) General Body Meetings:

The last three Annual General Meetings (AGM) of the Company were held on the following dates and time:

Date	Time	Address	Special Resolution
15 th AGM on 25.09.2008	9.00 a.m.	Polestar, 2 nd Floor, MIG Cricket Club, Gandhinagar, Bandra (E), Mumbai- 400 051	Special Resolution passed for revision of remuneration of Mr. Prakash B Rane, Managing Director of the Company.
16 th AGM on 25.08.2009	10.00 a.m.	Polestar, 2 nd Floor, MIG Cricket Club, Gandhinagar, Bandra (E), Mumbai 400 051	—
17 th AGM on 29.07.2010	10.00 a.m.	Dadar Bhagini Samaj, 1 st Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	Special Resolution passed for re- appointment of Mr. Prakash B Rane as Managing Director of the Company and revision of his remuneration.

Whether any Special Resolutions:-

- | | |
|--|--------|
| i) Were put through Postal Ballots last year | : No |
| ii) Details of voting pattern | : N.A. |
| iii) Person who conducted the Postal Ballot exercise | : N.A. |
| iv) Are proposed to be conducted through Postal Ballot | : No |
| v) Procedure for Postal Ballot | : N.A. |

e) Financial Calendar (Tentative)
Adoption of Quarterly Financial Results:

Quarterly Financial Results of the quarter ending June, 2011	: Last week of July, 2011
Quarterly Financial Results of the quarter ending September, 2011	: Last week of October, 2011
Quarterly Financial Results of the quarter ending December, 2011	: Last week of January, 2012
Audited Financial Results for the year ended 31st March, 2012	: Last week of May, 2012
Annual General Meeting 2011—2012	: September, 2012

IV. OTHER DISCLOSURES

No materially significant related party transaction that may have potential conflict with the interest of the company at large have been entered into. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties as per Accounting Standard AS 18 are disclosed in Note. No. 9 of the notes forming parts of Accounts.

The Company has complied with all the mandatory requirements of the Listing Agreements with the Stock Exchange as well as regulations and Guidelines of SEBI. However it has not adopted the non-mandatory requirements of the said clause except formation of Remuneration Committee and Whistle-Blower Policy. Further, there is no penalty and stricture by any statutory authority during the year.

Disclosures of Accounting treatment:

In the preparation of Financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Risk management - Disclosures to the Board :

ABM has established an effective risk assessment and minimization procedure which is reviewed by the Board periodically. There is a structure in place to identify and mitigate various identifiable risks faced by Company, from time to time. At the meetings of the Board these risks are reviewed and new risks are identified. After assessment, controls are put in place with specific responsibility of the concerned officer of the Company.

Listing At Stock Exchange:

The Equity shares of the Company are listed at the Bombay Stock Exchange Limited, Dalal Street, Fort, Mumbai Code No. ABMKNOWLEDGE: 531161.

Listing and Market Price Data :

The high and low prices of every month during the financial year 2010-2011 are shown in the table.

Month	High	Low	Close	Volume (Number)
April 2010	52.90	41.50	48.70	56,852
May 2010	52.90	42.05	43.90	48,625
June 2010	60.00	42.20	53.30	3,59,999
July 2010	63.70	50.00	60.00	3,17,267
August 2010	98.45	59.90	83.30	17,18,820
September 2010	99.50	82.50	91.60	5,52,683
October 2010	95.00	77.85	78.95	1,64,715
November 2010	90.00	57.80	68.85	1,16,325
December 2010	84.00	61.00	77.50	1,08,274
January 2011	80.00	59.10	61.70	61,204
February 2011	69.40	56.00	67.70	62,077
March 2011	69.20	59.00	62.05	46,846

Share Transfer System :

Transfers of shares held in physical mode is processed by M/s Universal Capital Securities Private Limited our Registrar and Share Transfer Agents and approved by the Share Transfer Committee. Shares lodged for transfer are normally processed within 20 days from the date of lodgment, if the documents are clear in all respects. During the year 2010-2011, 46,100 shares in physical form were transferred and the transfer process was completed within an

average time period of 20 days from the date of lodgment, unless notices are required to be sent to the Registered Office in certain identified categories of cases. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 30 days. Depositories control the share transfers in Demat Mode.

As required under Clausus 47 (c) of the Listing Agreements entered into by the Company with The Bombay Stock Exchange Limited (BSE), the Company obtains certificate every half-yearly from a practicing Company Secretary with regard to compliance with the share transfer formalities. Certificates issued in this regard are placed before the Share Transfer & Shareholders/Investors Grievances Committee and forwarded to Stock Exchange where the equity shares of the Company are listed.

Shareholding Pattern and Distribution of Shares - as at 31st March, 2011:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING				
Category	No. of Shares	% To the Total Paid up Capital	Category of Shares	Shareholders		Respective Shareholding	
				Total	%	Total	%
Promoters	6003150	60.02	1-500	2184	80.088	407610	4.076
NRIs/OCBs	1070399	10.70	501-1000	275	10.084	225417	2.254
Indian Public	1513899	15.14	1001-2000	117	4.290	176634	1.766
Bodies Corporate	1086805	10.87	2001-3000	35	1.284	87272	0.873
Others:			3001-4000	27	0.990	95696	0.957
• Directors & their Relatives	40750	0.41	4001-5000	18	0.660	86125	0.861
• Clearing Members/ Foreign Nationals / Mutual Funds	32097	0.32	5001-10000	43	1.577	322871	3.228
• Institutions (Foreign Institutional Investors)	254000	2.54	10001-Above	28	1.027	8599475	85.985
Total	10001100	100.00		2727	100.00	10001100	100.00

Dematerialization of Shares:

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL). Shares of the Company are compulsory to be delivered in the demat form on Stock Exchange by all investors.

ISIN Number : ISIN INE850B01018.

During the year under review, 84,38,988 shares were dematerialized in the following depositories.

CDSL: 4,35,101 Equity Shares

NSDL: 80,03,887 Equity Shares

Out of the listed Paid up Capital 84.38% Equity Share Capital has been dematerialized.

We request shareholders, who still continue to hold shares in physical form, to dematerialize their shares at the earliest to avail of the various benefits of dealing in securities in electronic/dematerialized form. If you need any further information/clarification/assistance in this regard please do contact Company Secretarial Department.

Means of Communication:

- a) **Quarterly Results** : Since Company's unaudited quarterly results including half yearly results are published in newspaper and also displayed on Company website, the same were not sent to each household of shareholders.
- b) **Website** : Previous Unaudited Results and Annual Reports are posted on Company's website www.abmindia.com.
- c) **Publication of Quarterly results in the newspapers** : Navshakti (in Marathi) and Free Press Journal (in English).
- d) **Annual Report** : Annual Report containing, inter-alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important information is circulated to members and other entitled thereto. The Annual Report of the Company is available in the Company's website in downloadable form.
- e) **Corporate Filing and Dissemination System (CFDS)** : Pursuant to clause 52 of the Listing Agreement with the Stock Exchanges, the Company during the year has uploaded financial information like annual and quarterly financial statements, shareholding pattern, outcome of AGM, Corporate announcement on the CFDS website www.corpfiling.co.in
- f) **Designated Email ID** : The Company has designated email-id egovernance@abmindia.com exclusively for investors' servicing.
- g) **Management Discussion and Analysis** : The Management Discussion & Analysis Report forms part of the Annual Report.

For and on behalf of the Board

Date: 30th May, 2011

Place: Mumbai

Prakash B Rane
Managing Director

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I, Prakash B Rane, Managing Director of ABM Knowledgeware Limited, to the best of my knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2011 along with its schedules and notes on accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information, these statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading; these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violating of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps, we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - Significant changes in internal control during the year, whenever applicable.
 - That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 - That there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having such significant role in the Company's internal control system.

We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year under review.

For and on behalf of the Board

Date: 30th May, 2011

Place: Mumbai

Prakash B Rane
Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To The Members of

ABM KNOWLEDGEWARE LIMITED

We have examined the compliance of conditions of Corporate Governance by ABM KNOWLEDGEWARE LIMITED, for the financial year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with The Bombay Stock Exchanges Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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 explanations given to us and based on the representations given by the Management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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 S. P. Sule & Associates
Chartered Accountants
Registration No.:114561W

Milind Garud
Partner

Date : 30th May, 2011
Place : Mumbai

Membership. No.: 048065

AUDITORS' REPORT

To The Members of

ABM Knowledgeware Ltd

- 1) We have audited the attached Balance Sheet of ABM Knowledgeware Ltd as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date and also the Cash Flow Statement 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 conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
 - e) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of subsection (l) 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 significant accounting policies and Notes to Accounts in Schedule K 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For S. P. Sule & Associates
Chartered Accountants
Registration No.:114561W**

**Milind Garud
Partner
Membership No. 048065**

**Date : 30th May, 2011
Place : Mumbai**

Annexure to the Auditors' Report

i. Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. During the year, the Company has not carried out physical verification of assets.
 - c. There has been no disposal of fixed assets during the year.
- ii. Inventory: In our opinion, there is no physical inventory in existence and hence the question of physical verification and its comparison with the inventory record does not arise.
- iii. According to the information and explanations given to us, the Company, during the year, has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties as per the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph (iii) (b), (c) and (d) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the services are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventories, services and fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v. As explained to us, and according to the information and explanation given to us, there are no transactions that need to be entered in the register maintained in pursuance of Section 301 of Companies Act, 1956 and exceeding the value of Five lacs rupees in respect of each party during the financial year.
- vi. The company has not accepted any deposits from the public and hence this clause is not applicable.
- vii. There is no internal audit system. However, the Company has adequate internal control procedure involving internal checking of its financial record.
- viii. The Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956.
- ix. Statutory Dues:
- a. According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Fund, Income Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it have generally been regularly deposited during the year with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31st March, 2011 for a period of more than six months from the date on which

they became payable except those mentioned below:

Nature of Payment	Due Date	Amount Payable
Advance Income Tax	15 th June 2010	29,81,307
Advance Income Tax	15 th Sept 2010	24,43,921

- x. According to the record's of the company, there are no dues of Income tax, Value Added Tax, Customs tax/Wealth tax, Excise duty/Cess which have not been deposited on account of any dispute.
- xi. The company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xii. The Company has not made any defaults in payment of dues to bank.
- xiii. In our opinion and according to information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv. In our opinion the Company is not a Chit fund or a Nidhi/Mutual Benefit fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other Investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvi. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvii. During the year, the Company has not taken any term loan.
- xviii. According to the information and explanations given to us there are no funds raised on short term basis by the Company during the period under audit.
- xix. 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.
- xx. The Company has not issued any Secured Debentures during the year.
- xxi. The Company has not raised any money through public issue during the year.
- xxii. 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 nor have we been informed of such case by the management.

For S. P. Sule & Associates
Chartered Accountants
Registration No.:114561W

Date : 30th May, 2011
Place : Mumbai

Milind Garud
Partner
M. No.: 048065



BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

	Schedule No.	As at 31 st March, 2011	As at 31 st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	102,415,000	102,415,000
Reserves and Surplus			
General Reserve		5,500,000	-
Profit and Loss Account		241,644,171	158,965,283
		<u>247,144,171</u>	<u>158,965,283</u>
		349,559,171	261,380,283
Loan Funds			
Secured Loans	B	1,207,747	-
Deferred Tax Liability		3,540,323	3,532,284
TOTAL		<u><u>354,307,241</u></u>	<u><u>264,912,567</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	36,503,597	34,260,167
Less: Depreciation		12,277,919	9,781,197
Net Block		24,225,678	24,478,970
Capital Work -in- Progress		159,387,544	-
		<u>183,613,222</u>	<u>24,478,970</u>
Investments	D	6,038,066	12,133,097
Current assets, Loans and Advances			
Sundry Debtors	E	155,473,248	150,737,868
Cash & Bank balances		136,369,896	210,735,666
Loans and Advances		17,083,795	20,976,319
		<u>308,926,939</u>	<u>382,449,853</u>
Less:			
Current liabilities and Provisions			
Current liabilities	F	125,129,744	139,964,241
Provisions		19,141,242	14,185,112
		<u>144,270,986</u>	<u>154,149,353</u>
Net current assets		164,655,953	228,300,500
Notes to Accounts	K		
TOTAL		<u><u>354,307,241</u></u>	<u><u>264,912,567</u></u>

As per our report of even date

For and behalf of the Board of Directors

For **S.P.Sule & Associates**
Chartered Accountants
Registration No : 114561W

PRAKASH B. RANE
Managing Director

M. N. AHMED
Director

Milind Garud
Partner
M.No.: 048065

SUPRIYA P. RANE
Director

DR.AJIT C. KULKARNI
Director

Date :30th May, 2011
Place :Mumbai

SHARADCHANDRA ABHYANKAR
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

	Schedule No.	Year ended 31 st March, 2011	Year ended 31 st March, 2010
INCOME :			
Software & Services - Gross Turnover		579,897,446	421,953,648
Less :- Service Tax		(53,241,297)	(43,928,576)
		<u>526,656,149</u>	<u>378,025,072</u>
Other Income	G	9,599,033	10,934,720
		<u>536,255,182</u>	<u>388,959,792</u>
EXPENDITURE :			
Operating Expenses	H	227,440,810	193,279,801
Payroll Cost	I	116,432,932	68,112,447
Administrative Expenses	J	30,706,639	22,513,427
		<u>374,580,381</u>	<u>283,905,675</u>
Profit before Finance exps, Depreciation & Tax		<u>161,674,801</u>	<u>105,054,117</u>
Interest & Finance expenses		997,915	1,183,807
Profit before Depreciation & Tax		<u>160,676,886</u>	<u>103,870,310</u>
Depreciation		2,496,722	1,488,042
Profit before Tax		158,180,164	102,382,268
Provision for taxation [Including deferred tax Rs 8039/-] [Previous Year -Deferred tax Rs 81025/-]		52,508,039	33,645,905
Profit after tax available for Appropriation		<u>105,672,125</u>	<u>68,736,363</u>
Proposed Dividend		(15,001,650)	(10,001,100)
Tax on Dividend		(2,491,587)	(1,661,058)
Profit before transfer to General Reserve		88,178,888	57,074,205
Transfer to General Reserve		(5,500,000)	--
Add : Amount brought forward from Previous year		158,965,283	101,891,078
Balance Carried forward to Balance Sheet		<u>241,644,171</u>	<u>158,965,283</u>
Basic and Diluted Earning per Share (Equity Shares of face value Rs. 10/- each)		10.57	6.87
Number of shares used in computing earning per share		<u>10,001,100</u>	<u>10,001,100</u>
Notes to accounts	K		

As per our report of even date

For and behalf of the Board of Directors

For **S.P.Sule & Associates**

Chartered Accountants

Registration No : 114561W

PRAKASH B. RANE

Managing Director

M. N. AHMED

Director

Milind Garud

Partner

M.No.: 048065

SUPRIYA P. RANE

Director

DR.AJIT C. KULKARNI

Director

Date :30th May, 2011

Place :Mumbai

SHARADCHANDRA ABHYANKAR

Director

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011
 (Amount in Rs.)

		Year ended 31 st March, 2011	Year ended 31 st March, 2010
SCHEDULE A			
Share Capital :			
Authorised:			
12,500,000	Equity shares of Rs 10/- each	125,000,000	125,000,000
	(Previous year 12,500,000 Equity shares of Rs 10/-each)	<u>125,000,000</u>	<u>125,000,000</u>
Issued :			
10,350,000	Equity shares of Rs. 10/- each	103,500,000	103,500,000
	(Previous year 10,350,000 Equity shares of Rs 10/- each)	<u>103,500,000</u>	<u>103,500,000</u>
Subscribed and Paid-up:			
10,001,100	Equity shares of Rs 10/- each	100,011,000	100,011,000
	(Previous Year - 10,001,100 Fully paid up Equity shares)		
Add:			
348,900	Equity shares forfeited - Amount paid	2,404,000	2,404,000
		<u>102,415,000</u>	<u>102,415,000</u>

Note :

Out of the above 2,500,000 Equity Shares were allotted for consideration other than cash to the Shareholders' of erstwhile amalgamating company in pursuance of scheme of amalgamation.

SCHEDULE B
Secured Loans :

Bank OCC Account	1,207,747	-
(Secured against Stock and Debtors)	<u>1,207,747</u>	<u>-</u>

SCHEDULE C
Fixed Assets :

(Amount in Rs.)

Assets	Gross Block (At Cost)				Depreciation			Net Block	
	As At 1 st April, 2010	Additions during the year	Deletion during the year	As at 31 st Mar., 2011	As at 1 st April, 2010	For the year	Up to 31 st Mar., 2011	As at 31 st Mar., 2011	As at 31 st Mar., 2010
Tangible Assets									
Computers	1,804,033	1,307,780	-	3,111,813	1,137,962	326,322	1,464,284	1,647,529	666,071
Office Equipments	1,980,255	279,214	-	2,259,469	407,991	102,781	510,772	1,748,697	1,572,264
Furniture	7,051,420	656,436	-	7,707,856	1,152,776	1,535,549	2,688,325	5,019,531	5,898,644
Motor Car	2,491,716	-	-	2,491,716	866,125	236,714	1,102,839	1,388,877	1,625,591
Office Premises	18,120,027	-	-	18,120,027	3,403,647	295,356	3,699,003	14,421,024	14,716,380
Intangible Assets									
Software Products	2,812,716	-	-	2,812,716	2,812,696	-	2,812,696	20	20
TOTAL	34,260,167	2,243,430	-	36,503,597	9,781,197	2,496,722	12,277,919	24,225,678	24,478,970
Previous Period	28,739,233	5,520,934	-	34,260,167	8,293,155	1,488,042	9,781,197	24,478,970	20,446,078

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011
 (Amount in Rs.)

	Year ended 31 ST March, 2011	Year ended 31 ST March, 2010
SCHEDULE D		
Investments :		
Non-Trade		
a) Long Term at Cost		
In Equity shares(Quoted)		
500 Shares of Canara Bank of 10/- each fully paid (Aggregate Market Value C.Y.Rs.313075/-,P.Y.Rs.205175/-)	17,500	17,500
b) Current Investments:- (at lower of F.V or Cost)		
In Mutual Funds		
i) Reliance Money Manager Fund	-	5,121,727
ii) Reliance Medium Term Fund	-	272,070
iii) Reliance Liquid Fund	-	1,721,800
iv) Canara Robeco Equity Diversified Fund (Market Value - 29,54,008/-)	2,500,000	2,500,000
v) Canara Bank Robeco Infrastructure Fund (Market Value - 28,14,520/-)	2,500,000	2,500,000
vi) Canara Robeco Indigo Fund (Market Value - 10,49,627/-)	1,020,566	-
	6,020,566	12,115,597
Total	6,038,066	12,133,097

Investment in Mutual Funds movements during the year:-

Name of Mutual Fund	Balance as of 01.04.2010		Purchase during the year		Sold during the year		Balance As at 31.3.11	
	No.of units	Figures in Rs.	No.of units	Figures in Rs.	No.of units	Figures in Rs.	No.of units	Figures in Rs.
Canara Robeco Equity Diversified Fund	53,729	2,500,000	-	-	-	-	53,729	2,500,000
Canara Robeco Infrastructure Fund	124,316	2,500,000	-	-	-	-	124,316	2,500,000
Canara Robeco Indigo Fund	-	-	102,008	1,020,566	-	-	102,008	1,020,566
Reliance Liquid Fund - Treasury Plan Institutional option-Daily Dividend option	112,630	1,721,800	4,602,481	70,359,983	4,715,111	72,081,783	-	-
Reliance Money Manager Fund Institutional Option Daily Dividend plan	5,116	5,121,727	284,907	285,116,014	290,023	290,237,741	-	-
Reliance Medium Term Daily Dividend Plan	15,915	272,070	348	5,959	16,263	278,029	-	-
Total		12,115,597		356,502,522		362,597,553		6,020,566

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011
 (Amount in Rs.)

	Year ended 31 ST March, 2011	Year ended 31 ST March, 2010
SCHEDULE E		
Current Assets, Loans and Advances :		
A. Current Assets		
Sundry Debtors (Unsecured, considered good)		
Outstanding for more than six months	73,973,632	33,982,894
Others	<u>81,499,616</u>	<u>116,754,974</u>
	155,473,248	150,737,868
Cash and Bank Balances		
Cash on hand	45,988	32,042
Balances with scheduled banks in		
Current Account	9,775,010	1,660,208
Fixed Deposit Account	74,987,996	198,532,150
Margin Money Account	<u>51,560,902</u>	<u>10,511,266</u>
	136,369,896	210,735,666
Total (A).. . . .	<u>291,843,144</u>	<u>361,473,534</u>
B. Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	10,054,096	16,170,326
Deposits with Government & Semi Government Dept.	3,479,481	3,258,264
Other Deposits	100,000	312,899
Prepaid expenses	3,450,218	75,682
Service Tax Credit	-	1,159,148
Total (B).....	<u>17,083,795</u>	<u>20,976,319</u>
Total (A+B)	<u>308,926,939</u>	<u>382,449,853</u>
SCHEDULE F		
Current Liabilities and Provisions :		
Current Liabilities		
Sundry Creditors for goods	1,300,669	2,203,248
Sundry Creditors for expenses & services	100,568,504	123,948,068
Other Liabilities	22,588,653	13,455,634
Unclaimed Dividend	671,918	357,291
Total (A).. . . .	<u>125,129,744</u>	<u>139,964,241</u>
Provisions for		
Tax including FBT (Net of Taxes paid)	-	882,341
Proposed Dividend	15,001,650	10,001,100
Tax on Dividend	2,491,587	1,661,058
Leave & Grauity	1,648,005	1,640,613
Total (B).....	<u>19,141,242</u>	<u>14,185,112</u>
Total (A+B)	<u>144,270,986</u>	<u>154,149,353</u>

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011
 (Amount in Rs.)

	Year ended 31 st March, 2011	Year ended 31 st March, 2010
SCHEDULE G		
Other Income		
Interest (Tax deducted at source Rs.11.03 lacs, previous year Rs.10.52 lacs)	6,227,126	8,324,710
Dividend Income	1,690,108	2,480,189
Miscellaneous income	1,681,799	129,821
Total ...	<u>9,599,033</u>	<u>10,934,720</u>
SCHEDULE H		
Operating Expenses :		
Services Charges & Project expenses	227,440,810	193,279,801
Total ...	<u>227,440,810</u>	<u>193,279,801</u>
SCHEDULE I		
Payroll Costs :		
Salaries and emoluments	97,182,934	55,687,614
Director's Remuneration	4,200,000	3,000,000
Provident Fund Contribution and other Funds	7,163,732	4,684,238
Gratuity & Leave encashment	1,334,762	675,245
Staff Welfare Expenses	3,303,504	2,165,350
Director Commission	3,248,000	1,900,000
Total ...	<u>116,432,932</u>	<u>68,112,447</u>
SCHEDULE J		
Administrative Expenses :		
Communication Expenses	1,906,064	1,271,463
Advertisement/Sales Promotion Expenses	3,770,042	2,318,891
Entertainment Exp	2,177,588	2,264,990
Debts written off	599,134	2,287,462
Duties & Taxes	212,016	27,962
Electricity Charges	1,684,576	970,143
Insurance expenses	68,978	75,509
Legal and Professional Fees	5,158,905	5,690,402
Other Expenses	1,239,688	844,168
Office Expenses	838,896	803,069
Printing & Stationery	871,139	613,945
Remuneration to Auditors	259,758	251,485
Rent	6,078,321	1,466,723
Repairs & Maintenance	489,701	495,062
Travelling & Conveyance	4,719,832	2,502,153
Donation	632,000	630,000
Total ...	<u>30,706,639</u>	<u>22,513,427</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

	For the Year ended 31 st March, 2011	For the Year ended 31 st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax and extraordinary items	158,180,164	102,382,268
Adjustments for:		
Less: Interest \ Dividend \ Other Income	(7,917,234)	(10,811,202)
Add: Interest & Finance expenses	997,915	1,183,807
Add: Depreciation	2,496,722	1,488,042
Provisions and write - off	599,134	2,287,462
Operating Profit before working capital Changes	154,356,701	96,530,377
Adjustments for :		
Current assets(Increase)/Decrease	2,760,789	(15,635,452)
Current liabilities Increase/(Decrease)	(15,141,732)	(28,163,590)
Net cash generated from operations	141,975,758	52,731,335
Taxes paid	(57,585,120)	(39,046,709)
Net cash flow from operating activities	84,390,638	13,684,626
	A	
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(161,630,974)	(5,520,934)
Interest and Dividend received	7,917,234	10,811,202
(Purchase) / Sale of Investment (Net)	6,095,031	(476,189)
Net Cash flow from Investing activities	(147,618,709)	4,814,079
	B	
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest & Finance expenses	(997,915)	(1,183,807)
Proceeding from borrowings	1,207,747	-
Dividend paid including Corporation Tax	(11,347,531)	(11,551,686)
Net cash flow from Financing Activities	(11,137,699)	(12,735,493)
	C	
Net (decrease) \ increase in cash and cash equivalents	(74,365,770)	5,763,212
	(A + B + C)	
Cash and Cash equivalent as at the beginning of the year	210,735,666	204,972,454
Cash and Cash equivalent as at end of the year	136,369,896	210,735,666

Notes:

- 1) The Cash Flow Statement is prepared in accordance with indirect method as per AS.3 "Cash Flow Statements".
- 2) Previous years figures have been regrouped and recasted wherever necessary

As per our report of even date

 For **S.P.Sule & Associates**

Chartered Accountants

Registration No : 114561W

Milind Garud

Partner

M.No.: 048065

Date :30th May, 2011

Place :Mumbai

For and behalf of the Board of Directors

PRAKASH B. RANE
 Managing Director

M. N. AHMED
 Director

SUPRIYA P. RANE
 Director

DR.AJIT C. KULKARNI
 Director

SHARADCHANDRA ABHYANKAR
 Director

**SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET
AND PROFIT AND LOSS ACCOUNT**

SCHEDULE K**A. Significant Accounting Policies:**

The financial statements have been prepared in accordance with applicable accounting standards.

A summary of the important accounting principles that have been applied consistently is set out below:

1. Basis of accounting

The financial statements are prepared on accrual basis in accordance with the historical cost convention.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3. Fixed assets

Tangible: Fixed assets are recorded at cost. Cost is purchase cost together with all incidental expenses of acquisition and other related costs.

Intangible: Costs that are directly associated with identifiable and unique software products controlled by the Company, whether developed in-house or acquired, and have probable economic benefits exceeding the cost beyond one year are recognized as software products.

4. Depreciation

Depreciation on fixed assets other than Rights and Software has been provided on straight line basis at the rates and in the manner prescribed under schedule XIV to the Companies Act 1956. Rights and Software Products meant for sale is amortized over the period the benefit out of them is expected to accrue, in any case, not exceeding five years.

5. Revenue recognition

- a) Sale of IT Products are recognized when the products are supplied and are recorded net off trade discounts and rebates exclusive of Value Added Tax where applicable.
- b) Revenue from services is recognized either on time and material basis or fixed price basis or based on certain measurable criteria as per relevant agreements. Revenue on time and material contracts is recognized as and when services are performed.
- c) Revenue on fixed-price contracts is recognized on the percentage of completion method, with contract cost determining the degree of completion.
- d) Revenue from other service contracts is recognized based on transactions processed, manpower deployed and terms of contract. Escalation claim are recognized only if there is certainty of realisation.
- e) Income from deputation of personnel is recognized based on terms of agreement & arrangement with the concerned parties, on accrual basis.
- f) Interest / dividend income is recognized on accrual basis.
- g) Transactions in foreign currency are normally accounted for at the rate prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of Balance sheet. The exchange differences on settlement/conversion are adjusted to Profit & Loss Account.

6. Sundry Debtors and Loans and Advances are stated after making adequate provisions for doubtful recovery or write offs as considered necessary by the management.

7. Employee Benefits:

Employee benefits are provided in the books as per AS -15(revised) in the following manner:

- a) Provident Fund and Pension Contribution as a percentage of Salary / wages in a defined contribution scheme are charged to Profit & Loss Account.
- b) Gratuity is a defined benefit obligation . The liability is provided for on the basis of actuarial valuation made at the end of each Financial year. The actuarial valuation is made on projected unit credit method.
- c) Long term compensated absences are provided for on actuarial valuation basis. The actuarial valuation is made on projected unit credit method.
- d) Actuarial gains or losses in respect of such benefits are charged to Profit & Loss Account.

8. Provision for tax is made for Current and Deferred Tax. Current taxes are provided on the estimated taxable income using the applicable current tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the current tax rates and tax laws that have been enacted.

9. Investments

Current investments are stated at lower of fair value or cost. Long Term investments are stated at cost. Cost includes incidental expenses incurred in acquisition. The decline in value of long term investments if any other than of temporary nature is provided in profit & loss a/c.

10. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if material, is charged for when the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

11. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

B. NOTES TO ACCOUNTS:

1. Directors' Remuneration

	Year ended On 31.03.2011 (Rs.)	Year ended On 31.03.2010 (Rs.)
a. Salaries	4,200,000	3,000,000
b. Employer's contribution to PF and other funds:	468,000	331,200
c. Commission payable	3,248,000	1,900,000

Note : The above figure does not include provision for gratuity liability actuarially valued as separate figures are not available.

Computation of Profit Under Section 349 of the Companies Act, 1956.

	Year Ended On 31.03.2011 (Rs.)	Year Ended on 31.03.2010 (Rs.)
Profit after Tax as per Profit and Loss Account	88,178,888	57,074,204
Add: Depreciation as per Accounts	2,496,722	1,488,042
Managerial Remuneration	4,200,000	3,000,000
Managerial Commission	3,248,000	1,900,000
Sitting Fees to Non-Executive Directors	240,000	292,000
Bad Debts	599,134	2,281,677
Provision for Taxation	52,500,000	63,283,856
	151,462,744	99,600,803
Less: Depreciation as per Section 350	2,496,722	1,488,042
Eligible Net Profit as per section 349 of the Companies Act, 1956	148,966,022	98,112,761
Maximum Limit of Remuneration payable as per Section 198, 309 read with Schedule XIII of the Companies Act, 1956	7,448,301	4,905,638
To Managing Director @ 5% of Eligible Profit		
Managerial Remuneration paid During the year	4,200,000	3,000,000
Commission payable to Managing Director	3,248,000	1,900,000

2. Contingent Liabilities in respect of :- i) Claims against the company not acknowledged as debts amounting to Rs. 22.27 lacs (previous year Rs. 22.27 Lacs) in respect of which the company has made deposits of Rs. 22.27 lacs as per the Court Order. ii) Bank guarantees Rs 3061.49 Lacs (previous year Rs 290.95 Lacs).
3. Capital Commitments :- Estimated amount of contracts remaining to be executed on Capital Account (net of advance) and not provided for: Rs 827.18 lacs. (previous. year Nil)
4. Expenditure in Foreign currency: - Travelling expenses Rs.4,00,196/- (previous year Nil)
5. The Company has paid dividend in respect of shares held by Non-Residents. The Total amount remittable in this respect is given herein below:

	2010-11 (Final Dividend)	2009-10 (Final Dividend)
a) Number of Non Resident Shareholders	22	16
b) Number of Equity Shares held by them	10,49,778	1,346,003
c) (i) Amount of Dividend Paid (Gross)	Rs. 10,49,778	Rs. 1,346,003
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	2009-10	2008-09
6. Auditor's Remuneration (including service tax)	Year ended On 31.03.2011 (Rs.)	Year ended On 31.03.2010 (Rs.)
Audit Fees:	99,270	99,270
Tax Audit Fees:	49,635	49,635
Fees for other Services	110,853	102,580
	259,758	251,485

7. Deferred Tax liability of Rs.3,540,323/- (P.Y.Rs.3,532,284/-) represent timing difference on account of depreciation.
8. The Company's business activity comprises of single business segment i.e. Software and Services and geographical segment i.e. India.
9. Related party disclosure in accordance with the Accounting Standard 18 "Related Party Disclosures". The details and transactions with related party are as under. .

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	For the Year 2010-2011 (Rs.)	For the Previous Year 2009-2010 (Rs.)
Prakash.B.Rane	Managing Director (Key Management Personnel)	Remuneration	7,916,000	5,231,200
Supriya P. Rane	Director (Wife of Mr.Prakash B. Rane)	Sitting Fees	96,000	1,08,000
Sharadchandra Abhyankar	Additional Director	Legal Fees	1,650,643	Nil

Amount outstanding payable to Mr. Prakash B. Rane as on 31.03.2011 Rs.32.48 Lacs & 31.03.2010 was Rs 19 Lacs

10. Earning per share calculated and disclosed in accordance with Accounting Standard (AS20) "Earning Per Share"

Particulars	31/03/2011	31/03/2010
Profit after Tax less Preference Dividend if any (Rs.) (A)	105,672,125	68,736,363
Weighted Average Number of Equity Shares (B)	10,001,100	10,001,100
Basic Earning Per Share (A/B) (Rs.)	10.57	6.87

Diluted Earning Per Share is same as above since there are no potential Equity Shares.

11. Employee Benefits

- (a) Provident Fund – Defined Contribution Plan

All Employees are entitled to Provident Fund benefits. Amount Debited to Profit & Loss Account Rs. 6,260,832.00 during the year.

- (b) Gratuity defined Benefit Plan – Provision made as per actuarial Valuation.

SI No.	Particulars	Non-Funded Gratuity (Rs.)	
		F.Y. 2010-2011	F.Y. 2009-2010
I	Expenses recognised in the statement of Profit and Loss Account /IEDC for the year ended 31st March, 2011		
	1 Current Service Cost	1,062,036	763,803
	2 Interest Cost	172,438	124,653
	3 Expected return on plan assets	(162,924)	(58,198)
	4 Past Service Cost (Vested Benefit) recognized	455,585	Nil
	5 Actuarial (Gains) / Losses	(938,411)	(272,633)
	6 Expenses recognized in Profit and Loss account	588,724	557,625
II	Net Asset / (Liability) recognised in the Balance Sheet as at 31st March, 2011		
	1 Present value of Defined Benefit obligation	2,860,759	2,155,472
	2 Fair Value of Plan Assets	3,303,732	2,036,546
	4 Net Asset / (Liability) as at March 31,2011	442,973	(118,926)
III	Change in Obligation during the year ended March 31, 2011		
	1 Present value of Defined Benefit obligation at the beginning of the year	2,155,472	1,558,159
	2 Current Service Cost	1,062,036	763,803
	3 Interest Cost	172,438	124,653
	4 Settlement Cost	-	-
	5 Past Service Cost	455,585	-
	6 Employee Contribution	-	-
	7 Actuarial (Gains) / Losses	(920,451)	(242,123)
	8 Benefit Payments	(64,321)	(49,020)
	9 Present Value of Defined benefit obligation at the end of the year	2,860,759	2,155,472
IV	Change in Assets during the year ended March 31,2011		
	1 Plan Assets at the beginning of the year	2,036,546	727,474
	2 Assets acquired on amalgamation in pervious year	-	-
	3 Settlements	-	-
	4 Expected return on Plan Assets	162,924	58,198
	5 Contribution by employer	1,150,623	1,269,384
	6 Actual Benefit Paid	(64,321)	(49,020)
	7 Actuarial (Gains) / Losses	17,960	30,510
	8 Plan Assets at the end of the year	3,303,732	2,036,546
	9 Actual Return on Plan Assets	180,884	88,708
(c)	Actuarial Assumptions		
	(i) Discount Rate	8.25 %	8 %
	(ii) Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	(iii) Turnover Rate	1%	1%
	(iv) Future Salary increase	5%	5%

12. No information is available with the Company in respect of dues to micro small and medium enterprise.

13. There are no dues to be credited to Investor Education and Protection Fund.

14. Previous years figures are regrouped and rearranged wherever necessary to conform to the current years presentation. Schedule 'A' to 'K' form an integral part of the Balance Sheet & Profit and Loss account and have been duly authenticated.

As per our report of even date

For and behalf of the Board of Directors

For **S.P.Sule & Associates**

Chartered Accountants
Registration No : 114561W

PRAKASH B. RANE
Managing Director

M. N. AHMED
Director

Milind Garud

Partner
M.No.: 048065

SUPRIYA P. RANE
Director

DR.AJIT C. KULKARNI
Director

Date :30th May, 2011
Place :Mumbai

SHARADCHANDRA ABHYANKAR
Director

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. : 11-113638

State Code : 11

Balance Sheet Date : 31st March, 2011

II. Capital raised during the year (Rs. In thousand)

Public Issue N I LRights Issue N I LBonus Issue N I LPrivate Placement N I L

III. Position of Mobilisation and Deployment of Funds (Rs. In thousand)

Total Liabilities 3 5 4 3 0 7Total Assets 3 5 4 3 0 7

Sources of Funds

Paid up Capital 1 0 2 4 1 5Reserve & Surplus 2 4 7 1 4 4Secured Loans 1 2 0 8Unsecured Loans N I LDeferred Tax Liability 3 5 4 0

Application of Funds

Net Fixed Assets 1 8 3 6 1 3Investments 6 0 3 8Net Current Assets 1 6 4 6 5 6Misc. Expenditure N I LAccumulated Losses N I L

IV. Performance of Company (Rs. In thousand)

Turnover / Total Income 5 3 6 2 5 5Total Expenditure 3 7 8 0 7 5Profit / (Loss) before Tax 1 5 8 1 8 0Profit / (Loss) after Tax 1 0 5 6 7 2Earning per share (Rs) . 1 0 . 5 7Dividend Rate % 15%

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

ITC Code

Product Description

NIL

Software Development Services

8471410, 852499

Sale of Computers & Peripherals

ABM KNOWLEDGEWARE LIMITED

Registered Office: 5 unique industrial Estate, Off Veer Savarkar Marg, Prabhadevi, Mumbai 400 025.

Dear Shareholders,

Sub. : “Green Initiative” of the Ministry of Corporate Affairs (“MCA”), Government of India

Every 3000 sheets of papers cost s a tree. Realizing this truth and for maintaining the most exquisite planet of earth evergreen, the Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies. To put it precisely, MCA has issued a Circular on 21st April, 2011 stating that the service of notice/ documents by a Company to its shareholders can now be made through electronic mode.

Your company would like to support such green initiative by MCA. It proposes to send documents such as General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, etc., and all the statutory documents to the shareholders in Electronic Form, henceforth.

The annual report shall also be available on the website of the Company on the below mentioned link as and when due www.abmindia.com.

In case, if you are holding the shares in Demat form, please provide/update your email address with your Depository Participant (DP) as the Company shall pick up the data from DP for the purpose of emailing the documents. In case, shares are held in physical form, please forward your email address to green.abm@abmindia.com for receiving documents in electronic format.

Please note, as a valued shareholder, you are always entitled to request and receive, free of cost, a printed copy of the annual report of the Company and all other documents.

We are sure you would appreciate the “Green Initiative” taken by MCA. We solicit your patronage and support in helping the Company to implement this green initiative of the Government.

Thanking you,

Yours Sincerely,

For ABM Knowledgeware Ltd

(Prakash B Rane)
Managing Director

ABM KNOWLEDGEWARE LIMITED

Registered Office: 5 unique industrial Estate, Off Veer Savarkar Marg, Prabhadevi, Mumbai 400 025.

PROXY FORM

I /Weof being member/s of ABM Knowledgeware Limited, hereby appointofas my / our Proxy to vote for me/us on my/ our behalf at the 18th Annual General Meeting of the company to be held at 1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai - 400 014 on Thursday, the 25th day of August at. 3.00 p.m. and at any adjournment thereof.

No. of shares Members Folio No.

Signed this Day of

Member's Signature



ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

- A. Name of the Attending Member (In Block Letters) :
- B. Name of Proxy (In Block Letters) :
- C. No of shares: Member Folio No:

I hereby record my presence at the 18th Annual General Meeting to be held at 1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai - 400 014 on Thursday, the 25th day of August at. 3.00 p.m.

Member's/ Proxy's Signature

(To be signed at the time of handing over this slip)



BANK ACCOUNT PARTICULARS/ECS MANDATE FORM

I/We do herby authorise ABM Knowledgeware Limited to do the following acts.

- Print the following details on my/our Dividend Warrant
- Credit my/our Dividend Amount directly to my/our Bank account by ECS

(strike out whichever is not applicable) My /Our Folio No.

Particular of Bank Account DP ID No Client A/C No.

- A. Name of Bank
- B. Name of Branch
- Address for Mandates only
- C. 9-digit code number of the Bank and Branch as appearing on MICR Cheque
- D. Type of account (saving/Current/Over draft)
- E. Account No. as appearing on Cheque Book
- F. STD Code and Telephone No.

I/We shall not hold the Bank responsible if ECS could not be implemented or the bank discontinues the ECS, for any reason. Please attach the Photo copy of cheque or cancelled cheque issued by your Bank relating to your abovementioned account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in Demat form, kindly advice your Depository Participant to take note of your bank Account particular / submission of application for ECS.

Member's Signature