



ABM Knowledgeware Limited

Frontrunners in e-Government in India

20th Annual Report
2012-2013

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
www.abmindia.com

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

Compliance Officer

Mrs. Sarika Ghanekar
E-mail : sarika.ghanekar@abmindia.com

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NOTICE

Notice is hereby given that the Twentieth 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 Wednesday, the 24th day of July, 2013 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, 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 Mr. Sharadchandra D. Abhyankar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Ajit C. Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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.

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

**Date: 27th May, 2013
Place: Mumbai**

**Prakash B Rane
Managing Director**

NOTES:

1. **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.**
2. **PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE HOLDING THE MEETING. A BLANK PROXY FORM IS ENCLOSED HEREWITH.**
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 187 of the Companies Act, 1956 are advised to send a duly certified copy of the Board Resolution authorizing their representative, attend and vote at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th July, 2013 to 23rd July, 2013 (both days inclusive).
5. The Dividend recommended by the Board, if declared at the AGM, will be paid to those members or their mandates whose name appears on the Register of Member of the Company as on 19th July, 2013. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.
6. Individual members who wish to nominate a person under section 109A of the Companies Act, 1956 may furnish us

required details in prescribed Form 2B.

7. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately to Company's Registrar & Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd. Further, please note that in the case of dematerialized shares any changes required in Address, Bank details, Bank Mandate, ECS Mandate etc. are to be intimated to your Depository Participant (DP) and not to Company or our Registrar.
8. Pursuant to Section 205C of the Companies Act, 1956, unclaimed/unencashed dividends are to be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed/claimed and/or misplaced the dividend are requested to write to Registrar and Share Transfer Agent of the Company for claiming the dividend.
9. Brief resume, details of shareholding and other Directorship of Non-Executive Directors seeking election as required under Clause 49 of the Listing Agreement are provided in Corporate Governance Report on Page No. 12.
10. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company, in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form, to enable the Company to serve documents in electronic form.
11. Members are requested to bring their copies of Annual Report, Notice and Attendance slip duly completed and signed at the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at Meeting.
12. 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.
13. 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.
14. Members seeking any information with regard to accounts are requested to write to atleast seven days before the Meeting to facilitate keeping the information ready.

DIRECTORS' REPORT

**To the Members of
ABM Knowledgeware Limited**

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS :

	(Amount in ₹)	
	Year ended 31.03.2013	Year ended 31.03.2012
Gross Income	754,395,241	1,030,029,121
Less: Service Tax	64,939,189	90,314,082
Gross Income (net of Service Tax)	689,456,052	939,715,039
Less: Total expenditure	500,467,030	709,922,799
Gross Profit before Depreciation & Taxation	188,989,022	229,792,240
Less: Depreciation	3482,387	2,998,297
Net Profit before Tax	185,506,635	226,793,943
Less: Provision for Taxation	59,883,715	74,749,905
Net Profit After Tax	125,622,920	152,044,038

2. OPERATIONS OF THE COMPANY :

The revenues of the Company have dropped compared to last year. Last year's gross revenues of ₹ 103 Crores included execution of a single order of approximately ₹ 32 Crores. That is one of the reasons for the drop in revenues. However the drop in profitability is lesser compared to the proportion of drop in the revenues due to efficient operations, coupled with effective and cost control measures.

3. DIVIDEND :

Keeping in view the performance of the Company and other relevant considerations, your Directors recommend payment of dividend @15% on the paid up capital of the Company absorbing an amount of ₹ 1,74,35,293/- including dividend tax of ₹ 24,33,643/- for the year ended 31st March, 2013. The dividend, if approved by the shareholders, will be paid to those members, whose names appear on the Register of Members as on the book closure date.

4. LISTING FEES :

Your Company's shares are listed in The Bombay Stock Exchange Limited, Mumbai and the Annual Listing fees for the year under review have been paid.

5. CORPORATE GOVERNANCE :

The Company has in practice a comprehensive system of Corporate Governance. A separate Report on Corporate Governance forms part of the Annual Report. A certificate of Company's Statutory Auditors regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

6. PUBLIC DEPOSITS :

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

7. DIRECTORS :

Dr. Ajit C Kulkarni and Mr. Sharadchandra D. Abhyankar, Directors of the Company, are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A brief profile of the Directors retiring by rotation and seeking re-election, to be provided as per Clause 49 of the Listing Agreement, is given in the Corporate Governance Report.

8. AUDITORS :

M/s. S. P. Sule & Associates, Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Statutory Auditors. The Audit Committee of the Board has recommended their re-appointment as Auditors for the year 2013-14. 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 :

We have relied extensively on the reports published by NASSCOM while elaborating some of the following sections.

A. Industry Structure and Development :

E-governance is being increasingly viewed as an enabler and facilitator of 'good governance', where the scope of good governance includes attributes such as a service-centric approach, citizen-centricity, anytime, anywhere delivery of services, integrated delivery of services, focus on outcomes, accountability, promoting right to information, inclusion of disadvantaged communities and a focus on awareness and communications.

The Indian Government has been leveraging solutions and services from the IT industry to transform the manner in which it renders services. Deep focus on the eGovernance domain and a partnership approach, have enabled the various IT companies like ABM to contribute significantly to the success stories in eGovernance. The Department of Information Technology, Government of India has helped in giving a fillip to eGovernance initiatives, through its National eGovernance Programme (NeGP) and several Mission Mode Projects, both at the Centre and the States.

At the heart of India's National eGovernance strategy lies the NeGP, which has a vision of taking public services closer to the common man both in urban and rural India at affordable costs. NeGP is a multi-stakeholder programme which primarily focuses on making critical public services and information available, empowering the citizen at the grass roots level and promoting rural entrepreneurship. It marks a paradigm shift from a government-centric and process-centric, to a citizen-centric approach. In order to realise the vision of the NeGP, to make government services available to citizens on an anytime, anywhere basis, the Union and State Governments have made significant strides to build the core e Infrastructure that supports such offerings. From State Wide Area Networks (SWANs), State Data Centres (SDCs), State Service Delivery Gateways (SSDGs) and one-stop-service access points, the Common Services Centres (CSCs) State Governments across India have made rapid progress.

The competition scenario has not undergone significant changes and more or less remains unchanged. Some national players coupled with some regional player still form part of the vendor ecosystem competing in this space.

B. Existing Opportunities and Outlook :

The growing maturity and evolution of eGovernance rollouts in India has meant that, from the earlier focus on hardware-centric procurement, most projects are now moving to defining services and outcomes. Most Project DPRs, RFPs and Services Agreements and Contracts are demonstrating a fundamental shift in the way Government is procuring IT and IT services. Hardware and even application development are now being considered more as building blocks towards an end outcome rather than as key requirements. The

relationship between the Government, the buyer and industry, the service provider, is moving towards a more strategic relationship over a 5-7 year term. This has been the direction for some of the larger Mission Mode NeGP Projects both at the Centre and States and eGovernance Infrastructure Projects like SWAN, SDC.

Recognising that NeGP is a multi-stakeholder environment and ownership of design, implementation of projects rests with Ministries and States, Government is urging these ministries and departments to choose technologies that are best suited to meet their requirements, while ensuring that these applications are interoperable. To realise this, the Government of India has also set up an institutional mechanism to evolve/adopt standards for eGovernance.

Government is also looking at building internal capacities for project management and implementation. It is now focusing on not only training and sensitizing its employees but also tapping the talent pool from the private sector under an ambitious capacity building programme in the National eGovernance Division (NeGD).

More recently, to ensure ubiquitous access to public services, the Government has been planning for a legal framework mandating delivery of all public services electronically by a fixed date. Once the electronic delivery of services bill is enacted, eGovernance projects will receive a greater fillip, and we can expect a vast improvement in Government functioning and citizen services.

C. Business Threats :

The reality today is that several projects and their execution are facing challenges. Some projects have failed or been shelved because of flaws at different stages, their conceptualisation, scope definition, vendor selection and poor execution due to shortcomings both on the Government and the implementing vendor's side. Issues related to Public Procurement of IT projects (eGovernance projects) are a cause for concern for both buyers (i.e. Government Departments) and potential bidders.

Scandals and Scrutiny are demotivating eGov champions to undertake new projects. This in turn is slowing down the finalization of projects or initiation of new ambitious projects.

NASSCOM identified 170 unique issues related to procurement of IT services. The research showed that the challenges were focused around the following issues:

- Project execution, project conceptualisation and scope of work.
- Contracts, T&C.
- Absence of a project champion of issues.
- Delays in deliverables from the Government.
- Delays in timely sign offs to vendors by departments.
- Project bids incorporating many non-IT items that increased project cost.
- Absence of counter guarantees in SLAs, to deal with defaults by the Government and Government agencies.
- Government expectation is that industry changes its focus from product orientation to citizen service delivery in Governance projects.
- The feeling among policymakers is that industry is still oriented towards the supply of IT goods and services and the service orientation which is at the core of all eGovernance services is lacking.

D. Business Strategies and Planning:

Your company has been focusing on the strategy of building long term relationships with customers by giving reliable and effective services to them and by demonstrating full commitment. Another strategy is to try and win projects in areas which have potential to replicate the same across other states in India. This strategy will continue as a prime strategy.

Company's office in Delhi has been able to cover important states in north India and build useful sales prospects in areas of Company's strength.

Company has plans to enter into newer domains like Tourism and Financial sectors in the eGovernance domain and hopes to achieve some breakthroughs in current year.

E. Human Resource Management :

At ABM we believe in building an organization having Human Resource with world class capabilities and high performance culture. We further believe that human resource happens through structured approaches for employee engagement, resourcing, performance and competency based development. The functioning and activities were further aligned to Company's ongoing success and enabled the Company to deliver superior performance, year after year. Leadership development is one of the key initiatives of the Company. We seek to create an environment of transparency, fairness and mutual respect wherein the aspirations of every employee in particular and the goal of the enterprise in general are aligned to achieve mutual benefit on a long term continual basis.

The Company continued to provide internal platforms to the employees to engage with higher management, share views and have an open dialogue on organizational matters including its policies and practices. This individual relations-environment for the company remained highly cordial and conducive for achieving organization's objectives. With flexible policies, emphasis on employee satisfaction and building better relationships with customers are given prime importance. To keep up the morale of the employees, end number of motivational and welfare measures already exist in the Company. We have, in vogue, a week's induction schedule for new joiners on senior position, covering existing projects and various departments of the Company as well.

F. Discussion on financial performance with respect to the operational performance:

(Amount in ₹)

	Year ended 31.03.2013	Year ended 31.03.2012
Gross Income	754,395,241	1,030,029,121
Less: service Tax	64,939,189	90,314,082
Gross Income(net of Service Tax)	689,456,052	939,715,039
Less: Total expenditure	500,467,030	709,922,799
Gross profit before Depreciation & Taxation	188,989,022	229,792,240

The revenues of the Company have reduced but the profitability has not been affected in same proportion due to efficient operations.

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, 2013 is as follows:

Name of the Employee	Mr. Prakash B Rane
Age	47 years
Designation	Managing Director
Gross Remuneration	* ₹ 105.88 Lacs
Qualification	B.Tech., M.M.S.
Date of Commencement of the employment	27 th April, 2000
Number of years Experience	20 years
Previous Employment	Advent Business Machines Pvt. Ltd

***Note:** Gross Remuneration includes salary (excluding Employer's share of PF Contribution) and commission for the year ended on 31st March, 2013.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, your Directors 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 that no material departures have been made from the same ;
- b) we 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, 2013 and of the Profit or Loss of the Company for that period;
- c) we 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) we have prepared the Annual Accounts on a going concern basis.

13. ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank all the stakeholders including Shareholders, Financial Institutions, Banks, Customers, Regulatory and Government Authorities for their continued support and cooperation extended to the Company.

Your Directors wish to place on record their appreciation for the invaluable contribution made and excellent co-operation extended by the employees at all levels, who through their competence and hard work, have enabled your Company achieve good performance year after year and look forward to their support in the future as well.

For and on behalf of the Board

Date: 27th May, 2013

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. Company is putting in efforts to make its flagship solutions cloud ready and acquire technologies to leverage Cloud Computing in an efficient manner. Efforts are also invested in building mobility solutions around company's flagship products.

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 has not been any export turnover during this financial year.

REPORT ON CORPORATE GOVERNANCE

We, at ABM, feel proud to belong to a Company whose visionary founders had laid its strong foundation on exemplary Good Governance since its inception in 1992 and maintaining consistency, as an integral principle of the business, throughout. The philosophy of exemplary Corporate Governance practice is founded upon and structured on a rich legacy of principles and practices that predicated dealings with stakeholders based on strong emphasis of fairness, transparency, accountability and ethical behavior – the basic tenets of healthy Corporate Governance. The Philosophy of innovative Corporate Governance practice lies at the foundation of ABM's business ethos. Our stupendous business principle is an extension of our healthy corporate values and reflects our continued commitment to ethical business practices and regulatory compliance.

The corporate governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. Board of Directors, the senior management, employees etc. We have adequate system of proper control and check in place to ensure that the executive decision should result in optimum growth and development thereby benefitting all the stakeholders.

Your Company has complied with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.

A report on implementation of Corporate Governance by the Company as per the Listing Agreement is given below:

I. BOARD OF DIRECTORS

The Company's Directors are committed to ethical, lawful conduct of business; personally possess and practice highest professional ethics, integrity and values enabling them to provide adequate leadership and guidance to tune the affairs of the Company in the right direction. The Board's prime concentration is on strategy, policy and control, delegation of power and specifying approvals that remain in the Board's domain besides review of corporate performance and reporting to shareholders.

The Board of Directors of the Company is constituted in such a way that it conforms to the provisions of the Companies Act, 1956 and the conditions of the Listing Agreement. The composition of the Board ensures a judicious mix of Executive and Non-executive Directors as well as the combination of Independent and Non-Independent Directors. The Independent Directors play an important role in deliberations and decision-making at the Board Meetings and bring to the Company wide experiences in their respective fields. They also contribute in significant measures to Board Committees.

During the year under review, five Board Meetings were held on 25th April, 2012, 19th May, 2012, 13th August, 2012, 9th November, 2012, and 5th February, 2013. The previous Annual General Meeting (AGM) of the Company held on 25th July, 2012 was attended by all the Directors.

Position of Board of Directors as on 31st March, 2013:

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	5	8
Dr. Ajit C Kulkarni	Non – Executive	Independent	5	Nil
Mr. Sharadchandra Abhyankar	Non – Executive	Independent	5	6

To ensure participation of all Directors at the Board Meetings, the dates of the Board Meetings are determined and intimated to all Directors well in advance. A detailed Agenda folder, alongwith necessary supporting papers are sent to all Directors in advance of Board Meetings and to the Director concerned in advance of the Committee Meetings. Minimum of four meetings of the Board of Directors are held each year, one Meeting is held in each quarter and the gap between any two meetings does not exceed to four months as prescribed under clause 49 of the Listing Agreement.

CODE OF CONDUCT

The Board of Directors has an important role in ensuring good corporate governance and had laid down the Code of Conduct for Directors and Senior Management of the Company. The code is intended to serve as a basis for the ethical decision making in conduct of professional work. The Code of Conduct enjoins that each individual in organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. All Board Members and Designated Senior Management personnel affirm compliance with the Code of Conduct, annually. A declaration signed by Managing Director to this effect is annexed to this report.

II. COMMITTEES OF DIRECTORS

A) AUDIT COMMITTEE:

The objective of Audit Committee is to keep a vigil and oversight on management's financial reporting process with a view to ensure timely and transparent disclosures in the financial statements. The power, terms of reference and regulations of the Committee, have been fixed by the Board as per the provisions of Section 292 A of Companies Act, 1956 read with the requirements of Clause 49 of the Listing Agreement.

The role of the Audit Committee includes overseeing and monitoring the financial reporting system within the Company and considering audited and un-audited financial results, as may be applicable, for the relevant quarters and year before being adopted by the Board. The Committee also focused its attention on topics such as review of internal audit reports, legal compliances, major accounting policies and practices, internal control system, compliance with accounting standards and risk management.

The Audit Committee comprises of 3 Directors, all Non-Executive Directors, out of which 2 are Independent Directors. All the members of the Audit Committee are financially literate and possess requisite accounting or financial management expertise. The Committee meets once in every quarter to carry out its business. During the financial year 2012-2013, the Committee met four times on 19th May, 2012, 13th August, 2012, 9th November, 2012 and 5th February, 2013.

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	4
Dr. Ajit C Kulkarni, Member	Independent and Non-Executive Director	4

The minutes of the meetings of the Audit Committee were placed and approved by the Board.

B) SHAREHOLDERS GRIEVANCES & SHARE TRANSFER COMMITTEE:

The Committee ensures cordial investor relation and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders' complaints pertaining to share transfer, non-receipt of annual reports, non-receipt of dividend and other allied complaints.

The Committee performs the following functions:

- Transfer / Transmission of Shares
- Split-up / Sub-division and Consolidation of Shares
- Dematerialization / Rematerialization of Shares

- Issue of new and duplicate share certificates
- To look into redressal of shareholders' and investors' complaints
- Any allied matters out of, and incidental to, these functions and not herein above specifically provided for.

The Shareholders Grievances & Share Transfer Committee consisting of following Directors met four times on 16th April, 2012, 17th July, 2012, 15th October, 2012 and 14th January, 2013. The attendance of the Members of Shareholders Grievances & Share Transfer Committee was as under:

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

The Committee is authorized to approve transfer and transmission of shares of the Company. None of the Complaint is pending during the year under review. Share Transfer in physical form are registered, if documents are clear in all respect and duly transferred share certificates are returned to the registered holders within maximum time limit. During the year, 10 transfer deeds were lodged.

M/s. Universal Capital Securities Pvt. Ltd. is the Registrar and Share Transfer Agent of the Company. All grievances can be addressed to the Registrar and Share Transfer Agent at 21, Shakeel Niwas, Mahakali Caves Road, Andheri (E), Mumbai 400 093. Contact Number: 28207203-05 / 28257641.

The Company has been taking all steps to ensure that shareholders related activities are given top priority and matters are attended to immediately.

C) REMUNERATION COMMITTEE:

The Remuneration Committee recommends to the Board of Directors regarding the remuneration payable to the Executive Directors and Senior Executives. The objectives of the Company's remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organization, rewards merits and protect organizational stability.

The remuneration Committee comprised of three Directors viz..Dr. Ajit C. Kulkarni (Chairman), Mr. M. N. Ahmed and Mrs. Supriya P Rane. Two of these Directors are Independent Directors. During the year under review, two Remuneration Committee Meetings were held on 14th May, 2012 and 18th March, 2013 which were attended by all the members.

The Non-Executive Directors are remunerated by way of commission and sitting fees for attending each Board of Directors Meeting and Committee Meetings. The aggregate commission payable to the Non-Executive Directors is up to one percent of net profit of the Company in such proportion and manner as fixed by the Board of Directors.

Details of remuneration to the Directors for the year ended 31st March, 2013:

Name of the Director	Status	Salary & Perquisites (₹)	Commission (₹)	Sitting Fees (₹)
Mr. Prakash B Rane	Managing Director	42,00,000	63,88,898	Nil
Mrs. Supriya P Rane	Director	Nil	16,94,224	92,000
Mr. M. N. Ahmed	Director	Nil	2,11,778	92,000
Dr. Ajit C Kulkarni	Director	Nil	1,05,889	44,000
Mr. Sharadchandra Abhyankar	Director	Nil	1,05,889	20,000
Total (₹)		42,00,000	85,06,678	2,48,000

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 20th Annual General Meeting are given below:

1)	Name	Sharadchandra D. Abhyankar.
	Age	47 yrs.
	Qualification	B.A (Economics & Commerce), LLM; Solicitor
	Experience	Mr. Sharadchandra Abyankar is a Solicitor and Advocate by profession. He is a Member of The Bombay Incorporated Law Society and has been a Registered Patent and Trade Mark Attorney. He has professional expertise of more than 24 years in various branches of law including corporate laws, securities law, project finance, telecom regulations, constitutional litigation and international commercial arbitrations. He has authored several articles on various legal subjects in Indian and International journals and is a Guest Faculty at numerous seminars for professionals.
	Other Directorships	<ol style="list-style-type: none"> 1. Ashoka Buildcon Ltd 2. Shree Dhootpapeshwar Ltd 3. Visen Industries Ltd 4. Vatit Consultants Pvt. Ltd 5. Khaitan & Co (Partner) 6. Khaitan & Co LLP.
	Shareholding in the Company	Nil
2)	Name	Dr. Ajit C. Kulkarni.
	Age	63 years
	Qualification	M.D., Leningard, Russia.
	Experience	Dr. Ajit Kulkarni is a widely travelled professional and has developed valuable contacts in the corporate world and multinational companies over the period of 33 years of his active career in various capacities. He provides guidance to the Company in the matter related to his expertise, while contributing to the growth of the Company. He is also a Member of Audit and Remuneration Committees of the Company.
	Other Directorships	Nil
	Shareholding in the Company	19,400 equity shares of Rs. 10/- each.

Code for prevention of insider-trading practices:

In compliance with the Securities Exchange Board of India (SEBI) regulation on prevention of insider trading, the Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its Management and Staff. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of ABM, and cautioning them of the consequences of violation. All the Board of Directors and designated employees have confirmed compliance with the code.

Whistle Blower Policy:

ABM has established a mechanism called "Whistle Blower Policy" through which employees, consultants, clients and business associates may report unethical business practices at work place without fear of reprisal. Audit Committee

periodically reviews the existence and functioning of this mechanism. It is also confirmed that no personnel has been denied access to Audit Committee. Anyone can email any wrongdoing to the Audit Committee through email addressed to egovernance@abmindia.com.

Certification by Chief Executive Officer:

The Chief Executive Officer certification of the financial statements and the cash flow statement for the year is annexed 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:

20th Annual General Meeting

- Date : 24th July, 2013
- Time : 10.00 a.m.
- Venue : 1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E),
Mumbai- 400 014
- Date of Book Closure : 20th July, 2013 to 23rd July, 2013 (both days inclusive)
- Dividend Payment Date : On or before August 23, 2013
(Subject to shareholders' approval)

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 & Share Transfer Agents: M/s. Universal Capital Securities Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai- 400 093. Contact Number: 28207203-05/28257641.

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
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 a Managing Director of the Company and revision of his remuneration.
18 th AGM on 25.08.2011	3.00 p.m.	Dadar Bhagini Samaj, 1 st Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	1) Special Resolution passed for appointment of Mr. Sharadchandra Abhyankar as a Director of the Company, liable to retire by rotation. 2) Special Resolution passed for approval for payment of commission to Non- Executive Directors not exceeding 1% of the net profit of the Company.
19 th AGM on 25.07.2012	10.00 a.m.	Dadar Bhagini Samaj, 1 st Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	Special Resolution passed for partial modification of resolution passed at 17 th Annual General Meeting for the re-appointment of Mr. Prakash B. Rane as a 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 2013-2014

(Tentative and subject to change)

● **Financial Results for the:**

Quarter ending 30th June, 2013

Quarter ending 30th September, 2013

Quarter ending 31st December, 2013

Within 45 days of end of respective quarter

● **Year ending 31st March, 2014**

By 30th May, 2014

● **Annual General Meeting 2013-2014**

By September, 2014

IV. OTHER DISCLOSURES:

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

There were no materially significant related party transactions that would have potential conflicts with the interests of the Company at large. Transactions with Related Party have been disclosed in Note. No. 26 of the Notes on Financial Statements in the Annual Report.

There has not been any non-compliance by the Company and there are no penalties or stricture imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

Risk Management:

The Company laid down Risk Assessment and Minimization procedure and same is periodically reviewed by the Board. Further, the Company has adequate internal control system to identify the risk at appropriate time and to ensure that the effective management controls the risk in properly defined framework.

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 2012-2013 are given below:

Month	High	Low	Close	Volume (Number)
April 2012	90.00	75.00	77.80	37,764
May 2012	83.95	64.20	72.60	41,223
June 2012	84.00	65.00	72.00	23,152
July 2012	82.95	65.10	65.10	32,305
August 2012	71.50	51.20	53.55	81,381
September 2012	62.70	50.25	54.25	60,157
October 2012	59.50	49.00	53.75	25,753
November 2012	58.45	50.00	51.20	30,499
December 2012	57.00	47.00	52.50	35,811
January 2013	65.40	51.35	57.25	68,215
February 2013	59.00	40.15	43.45	47,682
March 2013	45.50	36.10	36.60	48,674

Share Transfer System:

Shares lodged in physical form with the Company or its Registrar & Share Transfer Agent are processed and generally returned, duly transferred within 15 days of receipt, if documents are in order. During the year 2012-2013, 50800 shares in physical form were transferred. The transfer applications are approved periodically by the Share Transfer Committee of the Company.

In respect of shares held in dematerialized mode, the transfer takes place instantaneously between transferor and transferee at the depository participant(s) through electronic debit/credit of the accounts are involved.

As per Listing Agreement, a certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

Shareholding Pattern and Distribution of Shares - as at 31st March, 2013:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING				
Category	No. of Shares	% To the Total Paid up Capital	Category of Shares	Shareholders		Respective Shareholding	
				Total	%	Total	%
Promoters	6493900	64.93	1-500	1948	79.608	347775	3.477
NRIs/OCBs	1141385	11.41	501-1000	220	8.991	174736	1.747
Indian Public	1561319	15.61	1001-2000	117	4.781	176120	1.761
Bodies Corporate	528157	5.28	2001-3000	47	1.921	117686	1.177
Others:			3001-4000	29	1.185	102843	1.028
• Directors & their Relatives	40750	0.41	4001-5000	20	0.817	95000	0.950
• Clearing Members/ Foreign Nationals / Mutual Funds	8421	0.09	5001-10000	35	1.430	272631	2.726
• Institutions (Foreign Institutional Investors)	227168	2.27	10001-Above	31	1.267	8714309	87.134
Total	10001100	100.00		2447	100.00	10001100	100.00

Dematerialization of Shares:

During the year under review, 85,39,188 equity shares being 85.38% of the total equity share capital of the Company were held in dematerialized form with 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. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is ISIN INE850B01018.

Means of Communication:

- The quarterly and half yearly results are published in *Navshakti* (in Marathi) and *Free Press Journal* (in English) within 48 hours from the date of declaration. These are not sent individually to the Shareholders.
- The Company's results and official news releases are displayed on the Company's website i.e. www.abmindia.com.
- The Company has designated the email-id egovernance@abmindia.com for redressal of the investor grievances.
- The Company has been complying with SEBI Regulations for filing of its financial results, corporate announcements, shareholding pattern and outcome of AGM under the Corp filing system (Corporate Filing and Dissemination System). These are available on the website www.corpfiling.co.in.



20TH ANNUAL REPORT 2012-2013

- e) The Company has started online submission of various filing with BSE Portal (BSE Corporate Compliance and Listing Centre) i.e. on <http://listing.bseindia.com>.
- f) The Management Discussion & Analysis Report has been attached to the Directors' Report and forms part of this Annual Report.

The Company at present has not adopted the Non-mandatory requirements as mentioned in the Annexure I D of clause 49 of the Listing Agreement, except formation of Remuneration Committee and Whistle Blower Policy.

For and on behalf of the Board

Date: 27th May, 2013

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, 2013 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: 27th May, 2013

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 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange 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.:110543W**

**Milind Garud
Partner**

Date: 27th May, 2013

Place : Mumbai

Membership. No.: 048065

Independent Auditors' Report**To The Members of****ABM Knowledgeware Ltd****Report on the Financial Statements**

We have audited the accompanying financial statements of ABM Knowledgeware Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according

to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S. P. Sule & Associates
Chartered Accountants
Registration No.:110543W**

**Milind Garud
Partner
Membership No. 048065**

Date : 27th, May 2013

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 on the basis of available information.
 - b) No physical verification of fixed assets was carried out during the year.
 - c) In our opinion, the company has not disposed a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- ii. Inventory:
 - a) Physical verification of inventory has been conducted by the management at reasonable intervals.
 - b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of company and the nature of its business.
 - c) The company is maintaining proper record of inventory. No material discrepancies were noticed on such physical verification.
- 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. In respect of the contract or arrangements referred to in Section 301 of the Companies Act, 1956: As explained to us and based on the information & explanations provided by the management, we are of the opinion that there were no transactions during the year that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- 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..
- viii. The Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956.
- ix. In respect of 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, 2013 for a period of more than six months from the date on which they became payable.
 - x. According to the records 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 and on overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
 - 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.:110543W**

**Milind Garud
Partner
M. No.: 048065**

**Date : 27th May, 2013
Place : Mumbai**



BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

	Note	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	1	102,415,000	102,415,000
Reserves and surplus	2	<u>489,940,543</u>	<u>381,752,916</u>
		592,355,543	484,167,916
Non-current liabilities			
Deferred tax liabilities (net)		2,647,863	3,260,765
Current liabilities			
Trade payables	3	65,372,618	92,245,795
Other current liabilities	4	19,526,868	20,139,002
Short-term provisions	5	<u>19,695,168</u>	<u>19,209,457</u>
		104,594,654	131,594,254
TOTAL		<u>699,598,060</u>	<u>619,022,935</u>
ASSETS			
Non-current assets			
Fixed assets	6	-	-
Tangible assets	6	242,367,071	23,946,541
Intangible assets	6	20	20
Non-current investments	7	17,500	17,500
Long-term loans and advances	8	<u>26,278,647</u>	<u>242,099,570</u>
		268,663,238	266,063,631
Current assets			
Current investments	9	29,379,633	-
Inventories		6,473,904	-
Trade receivables	10	247,878,058	203,626,395
Cash and cash equivalents	11	120,935,172	144,244,136
Short-term loans and advances	12	24,809,709	3,664,700
Other current assets	13	<u>1,458,346</u>	<u>1,424,073</u>
		430,934,822	352,959,304
TOTAL		<u>699,598,060</u>	<u>619,022,935</u>
Significant Accounting Policies			
Notes on Financial Statements	1 to 28		

As per our Report of even date

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

Milind Garud
Partner

Mumbai
27th May, 2013

For and on behalf of the Board

PRAKASH B. RANE - Managing Director

SUPRIYA P. RANE - Director

M. N. AHMED - Director

DR.AJIT C. KULKARNI - Director

SHARADCHANDRA ABHYANKAR - Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

	Note	Year ended 31 st March, 2013	Year Ended 31 st March, 2012
1			
Revenue from Operations (Gross)	14	744,211,441	1,017,130,873
Less: Service Tax		(64,939,189)	(90,314,082)
Revenue from Operations (Net)		679,272,252	926,816,791
Other income	15	10,183,800	12,898,248
Total Revenue		689,456,052	939,715,039
2			
Expenses:			
Purchase of stock in trade		6,473,904	-
Changes in inventories (Increase)/ decrease		(6,473,904)	-
Employee Benefit Expenses	16	170,100,389	151,642,950
Operating expenses	17	281,854,750	517,115,295
Other Expenses	18	47,156,039	37,679,460
Total Expenses		499,111,178	706,437,705
3			
Earnings before exceptional items and extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1-2)		190,344,874	233,277,334
4			
Finance Cost	19	1,355,852	3,485,094
5			
Depreciation and Amortisation expenses	20	3,482,387	2,998,297
6			
Profit before Exceptional and Extraordinary items and Tax 3-4-5		185,506,635	226,793,943
7			
Exceptional Items		-	-
8			
Profit before Extraordinary items and Tax (6 +/- 7)		185,506,635	226,793,943
9			
Extraordinary items		-	-
10			
Profit before Tax (8 +/- 9)		185,506,635	226,793,943
11			
Tax expense:			
a) Current tax expense for current Year		60,496,617	72,750,000
b) Current tax expense relating to Prior years		-	2,279,463
c) Deferred Tax liability/ (asset)		(612,902)	(279,558)
12			
Profit for the year (10 +/- 11)		125,622,920	152,044,038
Earning per equity share of face value of ₹ 10 each		12.56	15.20
Basic and Diluted (in ₹)			
Significant Accounting Policies			

Notes on Financial Statements

1 to 28

As per our Report of even date

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

Chartered Accountants

Milind Garud

Partner

Mumbai

27th May, 2013

For and on behalf of the Board

PRAKASH B. RANE - Managing Director**SUPRIYA P. RANE** - Director**M. N. AHMED** - Director**DR.AJIT C. KULKARNI** - Director**SHARADCHANDRA ABHYANKAR** - Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

	2012-2013	2011-2012
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax as per Profit and loss a/c	185,506,635	226,793,943
Adjusted for:		
Net prior year adjustments	(17,260)	(125,738)
Loss on Sale/ Discard of assets	212,794	387,468
Depreciation and amortisation Expense	3,482,387	2,998,297
Net gain on Sale of Investments	-	(860,312)
Dividend Income	(1,742,665)	(3,260,237)
Interest Income	(8,432,604)	(8,705,814)
Finance Costs	1,355,852	3,485,094
Provison For doubtful Trade and Other Receivables	13,333,910	4,952,235
Operating Profit before Working Capital changes	193,699,050	225,664,937
Adjusted For:		
Trade and other Receivables	(56,917,352)	(51,359,446)
Trade and other Payables	(27,280,509)	(31,418,651)
Inventories	(6,473,904)	-
Cash generated from operations	103,027,285	142,886,840
Net Prior Year Adjustments	17,260	125,738
Taxes Paid	(61,360,484)	(86,048,143)
Net Cash flow from Operating Activities	41,684,061	56,964,435
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(222,304,989)	(3,573,317)
Sale of Fixed Assets / Transfer of Participating Interest	189,278	466,667
Purchase Of Investments	(29,379,633)	(656,775,303)
Sale of Investments	-	663,656,181
Movement in Loans and Advances	194,837,287	(44,236,956)
Interest Income	8,432,604	8,705,814
Dividend Income	1,742,665	3,260,237
Net Cash (Used in) Investing Activities	(46,482,788)	(28,496,677)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Short Term Borrowings	-	-
Dividends paid (Including Dividend distribution tax)	(17,154,384)	(17,108,425)
Finance costs	(1,355,852)	(3,485,094)
Net Cash Used in / From Financing activities	(18,510,236)	(20,593,519)
Net Increase / (Decrease) in cash and Cash equivalents	(23,308,964)	7,874,240
Opening Balance Of Cash and Cash Equivalents	144,244,136	136,369,896
Closing Balance Of Cash and Cash Equivalents	120,935,172	144,244,136

As per our Report of even date

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

 Milind Garud
Partner

 Mumbai
27th May, 2013

For and on behalf of the Board

PRAKASH B. RANE - Managing Director

SUPRIYA P. RANE - Director

M. N. AHMED - Director

DR.AJIT C. KULKARNI - Director

SHARADCHANDRA ABHYANKAR - Director

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting :

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting Standards notified under the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956.

The financial statements are prepared on accrual basis in accordance with the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the companies Act, 1956

B. Use of Estimates :

The preparation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of Assets and liabilities (including contingent Liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the period in which the results are known or materialized.

C. Inventories :

Items of inventories are measured at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase and other cost if any incurred in bringing them to their present condition.

D. Tangible Fixed assets :

Fixed Assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of the fixed assets includes interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Exchange differences arising on restatement or settlement of Long term foreign currency borrowings relating to capitalization of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond the previously assessed standards of performance.

E. Intangible Assets :

Intangible Assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those which are subsequently recoverable from the taxing authorities) and any directly attributable expenditure in making the assets ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/ completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its original assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

F. Depreciation and amortization :

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.

The estimated useful life of the Intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

G. Impairment of Assets :

An asset is treated as impaired when the carrying cost of the asset exceeds the recoverable value. An impairment loss if material is charged to the statement of profit and loss in the year in which the asset is impaired. The impairment loss is recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H. 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 and it is reasonable to expect ultimate collection. 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 and arrangement with the concerned parties, on accrual basis.

I. Foreign Currency Transaction and translations :**Initial recognition :**

Transactions in foreign currency entered into by the company and its integral foreign operations are accounted at the rate of exchange prevailing on the date of transaction or at the rates that are closely approximate the rate on the date of transaction.

Measurement of Foreign currency monetary items at the Balance Sheet :

Foreign currency monetary items (other than derivatives contract) of the company and its net investment in non-integral foreign operation outstanding on the date of Balance sheet are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items) are translated at the exchange rate prevalent on the date Balance Sheet date. Non-monetary are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charges to the statement of profit and loss.

Treatment of Exchange differences :

Exchange differences arising on settlement/restatement of short term foreign currency monetary assets and liabilities of the company and its integral foreign operations are recognized as income or expense in the statement of profit or loss. The exchange difference on restatement / resettlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in the Foreign currency translation Reserve until disposal or recovery of the net investment.

Exchange differences arising on settlement/restatement of long term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement or over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the balance sheet as "Foreign Currency monetary item translation difference account" net of the tax effect thereon.

J. Investments :

Long term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.

Cost of investments includes acquisition and other charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are classified and depreciated (where applicable) in accordance with the policy stated for Tangible fixed assets. Impairment of investment properties is determined in accordance with the policy stated for impairment of assets.

K. Employee Benefits :

Employee benefits include provident fund, gratuity fund, compensated absences.

Defined contribution plans :

The company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined Benefit plans :

For defined benefit plans in the form of Gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the statement of profit and loss in period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortised on straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost as reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reduction in the future contributions to the scheme.

Short term employee benefits :

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the services; the cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when the employees render the services that increase their entitlement of future compensated absences
- (b) in case of non-accumulated compensated absences, when the absences occur

Long term employee benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which he employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date.

L. Other Income :

Interest income is recognized on accrual basis. Dividend income is recognized when the right to receive it is established.

M. Segmental Reporting :

The company's business activity comprises of single business segment i.e. Software and services and geographical segment i.e. India.

N. Borrowing Cost :

The borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing cost is charged to the Statement of profit and loss.

O. Provision for Current and Deferred tax:

Provision for Current tax is made taking into consideration benefits admissible under the provisions of the Income tax Act, 1961. Deferred tax resulting from the timing difference between taxable and accounting income is accounted using the tax rates and the laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

P. Provision, Contingent Liabilities and Contingent Assets :

Provisions involving Substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the Year ended 31st March, 2013

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

Note 1 Share capital
(Amount in ₹)

	As at 31 March, 2013		As at 31 March, 2012	
	Number	Amount	Number	Amount
a) Authorised Equity Shares of ₹ 10/- each with voting rights	1,250,000	12,500,000	12,500,000	125,000,000
b) Issued Equity Shares of ₹ 10/- each with voting rights	10,350,000	103,500,000	10,350,000	103,500,000
c) Subscribed & Fully Paid up Equity Shares of ₹ 10/- each with voting rights	10,001,100	100,011,000	10,001,100	100,011,000
d) Subscribed but not fully Paid up	-	-	-	-
e) Equity Shares forfeited - Amount paid	348,900	2,404,000	348,900	2,404,000
Total	10,350,000	102,415,000	10,350,000	102,415,000

Refer Notes below (i) to (ii)

Note 1(i) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting period.

	As at 31st March, 2013	As at 31st March, 2012
a) Number	10,350,000	10,350,000
b) Amount (₹)	102,415,000	102,415,000

Note 1(ii) Details of Shares held by each shareholder holder holding more than 5% shares

	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Prakash Baburao Rane	4,771,150	47.71	4,771,150	47.71
Supriya Prakash Rane	1,227,000	12.27	1,227,000	12.27
Total	5,998,150	59.98	5,998,150	59.98

Notes on Financial Statements for the Year ended 31st March, 2013

Note 2 Reserves and Surplus

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
General reserves		
Opening Balance	14,100,000	5,500,000
Add: Additions during the year	6,500,000	8,600,000
Less: Utilised/Transferred during the year	-	-
Closing Balance	20,600,000	14,100,000
Profit and Loss Account		
Opening balance	367,652,916	241,644,171
Add: Net Profit For the current year	125,622,920	152,044,038
Less: Dividend proposed to be distributed to equity shareholders (₹ 1.5 per share)	-	-
Tax on dividend	15,001,650	15,001,650
	2,433,643	2,433,643
Less: Transferred to reserves	-	-
General Reserves	6,500,000	8,600,000
Closing Balance	469,340,543	367,652,916
Total	489,940,543	381,752,916

Note 3 Trade payables

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
(a) Other than acceptances	65372,618	92,245,795
Total	65372,618	92,245,795

The company has no information regarding amount outstanding to Micro, Small and Medium Enterprises.

Note 4 Other Current liabilities

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
(a) Unclaimed dividends	1,337,639	1,056,730
(b) Other payables		
i) Statutory remittances	9,564,694	9,645,708
ii) Others #	8,624,535	9,436,564
Total	19,526,868	20,139,002

includes salary payable, outstanding expenses

Notes on Financial Statements for the Year ended 31st March, 2013
Note 5 Short Term provisions
(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
(a) Provision for employee benefits		
(1) Provision for leave encashment	2,259,875	1,774,164
(b) Provision -Others		
(1) Provision for proposed equity dividend	15,001,650	15,001,650
(2) Provision for tax on proposed equity dividend	2,433,643	2,433,643
	17,435,293	17,435,293
Total	19,695,168	19,209,457

Notes on Financial Statements for the Year ended 31st March, 2013

Note 6 Fixed Assets

(Amount in ₹)

Particulars	Gross Block (At cost)			Depreciation/Amortisation				Net Block		
	As at 1st, April, 2012	Additions	Disposals	As at 31st March, 2013	As at 1st, April, 2012	For the Year	Eliminated on Disposal of assets	Up to 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
i) Tangible Assets										
Computers	3,537,580	141,600	-	3,679,180	1,865,126	436,108	-	2,301,234	1,377,946	1,672,454
Office Equipments	2,366,269	119,473	12,500	2,473,242	618,699	114,868	482	733,085	1,740,157	1,747,570
Furniture	7,707,856	-	-	7,707,856	4,541,573	1,024,112	-	5,565,685	2,142,171	3,166,283
Motor Car	3,865,034	1,809,672	824,284	4,850,422	630,468	441,564	434,230	637,802	4,212,620	3,234,566
Office Premises #	18,120,027	220,234,244	-	238,354,271	3,994,359	1,465,735	-	5,460,094	232,894,177	14,125,668
Total (i)	35,596,766	222,304,989	836,784	257,064,971	11,650,225	3,482,387	434,712	14,697,900	242,367,071	23,946,541
ii) Intangible Assets										
Software products	2,812,716	-	-	2,812,716	2,812,696	-	-	2,812,696	20	20
Grand Total (i+ii)	38,409,482	222,304,989	836,784	259,877,687	14,462,921	3,482,387	434,712	17,510,596	242,367,091	23,946,561
Previous year	36,503,597	3,573,317	1,667,432	38,409,482	12,277,919	2,998,297	813,295	14,462,921	23,946,561	24,225,678

Registration pending for one premises

Notes on Financial Statements for the Year ended 31st March, 2013
Note 7 Non-Current Investments

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Other Investments		
(a) Investment in Equity instruments (quoted)		
(i) Of other entities		
500 shares of Canara Bank (Face Value of ₹10/- each fully paid)	17,500	17,500
(aggregate Market Value ₹ 2,36,825 as on 31.3.2012)		
(aggregate market value ₹ 1,92,025 as on 31.3.2013)		
Total	17,500	17,500

Note 8 Long Term Loans & Advances

(Amount in ₹)

Particulars	As at 31 March, 2013	As at 31 March, 2012
a. Capital Advances		
Unsecured, considered good	-	219,475,957
b. Security Deposits #		
Unsecured, considered good	5,669,446	2,236,413
c. Loans and advances to Employees		
Unsecured, considered good	9,500	17,500
d. Advance income tax(Net of provisions)	16,085,325	15,221,458
(As at 31st march 2012 ₹ 7,27,50,000/-)		
(As at 31st march 2013 ₹ 6,04,96,617/-)		
Unsecured considered good.		
e. Balances with government Authorities		
Unsecured considered good		
(i) Vat refund receivable	540,000	535,307
(ii) service tax credit receivable	3,200,680	3,523,414
(iii) Vat credit receivable	323,696	-
f. Other loans and advances		
(i) Considered good	450,000	1,089,521
(ii) Considered doubtful	627,857	33,336
	1,077,857	1,122,857
Less: Provision for doubtful receivables	627,857	33,336
	450,000	1,089,521
Total	26,278,647	242,099,570

Includes deposits towards telephone and electricity, earnest money deposits against tenders.

Notes on Financial Statements for the Year ended 31st March, 2013

Note 9 Current Investments

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Other Investments		
(A) Investments in Mutual Funds (quoted)		
(i) Reliance Liquid Fund (Market value ₹ 41,61,958)	4,158,778	-
(ii) Reliance Money Manager Fund (Market value ₹ 50,08,821.18)	5,005,057	-
(iii) HDFC Cash Management Fund (Market value ₹ 20,229,872)	20,215,798	-
Total	29,379,633	-

Note 10 Trade Receivables

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	84,887,108	73,434,178
Other Trade receivables		
Unsecured, considered good	162,990,950	130,192,217
Total	247,878,058	203,626,395

Note 11 Cash and Bank Balances

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
a) Cash and cash equivalents		
(i) Balances with Banks		
In current accounts	22,129,604	47,007,115
In Deposit accounts	77,754,147	79,722,150
(ii) Cash on hand	1,423,800	1,558,494
	101,307,551	128,287,759
b) Other bank balances		
Earmarked balances with banks #	19,627,621	15,956,377
Total	120,935,172	144,244,136

Earmarked balances with banks include deposits against bank guarantee amounting to ₹ 2,02,542/- (Previous Year ₹ 9,26,232/-) which have an original maturity of more than 12 months.

Notes on Financial Statements for the Year ended 31st March, 2013
Note 12 Short Term Loans & Advances

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
a. Security Deposits		
Unsecured, considered good	1,305,416	1,075,000
b. Capital advances		
Unsecured, considered good	20,305,139	
c. Loans and advances to Employees		
Unsecured, considered good *	772,633	1,263,993
d. Prepaid expenses -unsecured considered good	2,226,521	1,318,322
e. Other loans and advances		
Unsecured, considered good	200,000	7,385
Total	24,809,709	3,664,700

* Includes loan to employee, tour advances and petty cash advance

Note 13 Other Current assets

(Amount in ₹)

	As at 31 March, 2013	As at 31 March, 2012
Other Current Assets	1,458,346	1,424,073
Total	1,458,346	1,424,073

Note 14 Revenue from Operations

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Sale of products & Services - Gross	744,211,441	1,017,130,873
Less :Service Tax	(64,939,189)	(90,314,082)
Net Revenue from Operations	679,272,252	926,816,791

In respect of Fixed Price contract determination of profit/losses consequent to determination of revenue involves making estimates by the company, some of which are of a technical nature, concerning where relevant, the percentage of completion, costs to completion and the projections of revenue expected. Profit from these contracts are based on such estimates.

Notes on Financial Statements for the Year ended 31st March, 2013

Note 15 Other Income

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Interest Income [Refer Note 15(i)]	8,432,604	8,705,814
Dividend Income [Refer Note 15(ii)]		
from current Investments	1,737,165	3,254,738
from long term Investments	5,500	5,500
Net gain/loss on sale of investments		
- Current Investments		-
- Long term investments	-	860,312
Other non-operating income (net of expenses directly attributable to such income)	8,532	71,884
Total	10,183,800	12,898,248

Note 15 (i) Interest Income Comprises of :

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Interest on bank deposits	8,431,495	8,696,598
Other interest	1,109	9,216
Total	8,432,604	8,705,814

Note 15 (ii) Dividend Income

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
From current Investments		
Canara Robeco Indigo Qureterly	-	23,964
Reliance Money Manager Fund - Institutional	1,362,589	2,890,462
Reliance Liquid Fund -TP	158,778	-
Reliance Medium Term Fund	215,798	-
HDFC Cash management fund	-	340,312
	1,737,165	3,254,738
From long term Investments		
Shares at Canara bank	5,500	5,500
Total	5,500	5,500

Notes on Financial Statements for the Year ended 31st March, 2013
Note 16 Employee benefit expenses
(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Salaries & Wages [Note 16(i)]	152,368,279	136,106,100
Contribution to provident and other funds [Note 16(ii)]	10,427,501	8,939,482
Staff welfare Expenses	7,304,609	6,597,368
Total	170,100,389	151,642,950

Note 16 (i)
(Amount in ₹)

Salaries and Wages	As at 31st March, 2013	As at 31st March, 2012
a) Salaries and emoluments of employees	139,661,601	121,368,023
b) Directors' commission	8,506,678	10,538,077
c) Director's remuneration	4,200,000	4,200,000
Total	152,368,279	136,106,100

Note 16 (ii)
(Amount in ₹)

Contribution to provident and other funds	As at 31st March, 2013	As at 31st March, 2012
a) Contribution to provident fund	9,013,527	8,243,544
b) Gratuity fund	1,413,974	695,938
Total	10,427,501	8,939,482

Note 17 Operating expenses
(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Services charges & Project expenses	281,854,750	517,115,295
Total	281,854,750	517,115,295

Notes on Financial Statements for the Year ended 31st March, 2013

Note 18 Other expenses

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
a) Communication, Advertising & Sales Promotion		
Advertising expenses	2,722,124	2,305,219
Telephone charges	2,262,260	1,947,089
Other expenses	2,192,984	2,696,261
	<u>7,177,368</u>	<u>6,948,569</u>
b) Establishment Expenses		
Electricity charges	1,779,902	1,556,715
Legal & Professional Fees	1,786,323	2,394,894
Other Miscellaneous Expenses (incl.prior period expenses) [Refer Note 18(i) below]	4,147,341	3,725,630
Rent	6,860,696	5,409,742
Repairs & Maintenance - Bldg/others	664,797	590,726
Rates and Taxes	212,016	287,016
Travelling & conveyance	9,773,334	9,464,172
Membership & subscription	373,025	236,336
Payment To Auditors [Refer Note 18(ii) below]	348,110	348,110
Bad trade and Other receivables,Loans and Advances written off	12,739,389	4,918,899
Donation	810,000	1,329,000
Insurance Expenses	271,462	82,183
Loss on sale of Fixed Assets	212,276	387,468
	<u>39,978,671</u>	<u>30,730,891</u>
Total (a+b)	47,156,039	37,679,460

Note 18 (i) Details of Prior period items

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Prior period adjustment	(17,260)	191,076
Excess provision written back	-	(316,814)
Total	(17,260)	(125,738)

Note 18 (ii) Payment To Auditors

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
(i) Payment to Auditors Comprises of:		
As auditors: Statutory Audit	157,304	157,304
Tax Audit Fees	78,652	78,652
Fees for other services	112,154	112,154
Total	348,110	348,110

Notes on Financial Statements for the Year ended 31st March, 2013
Note 19 Finance Cost

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
a) Interest		
i) Bank Interest	191,581	40,713
ii) Interest paid for late payment of income tax	-	89,602
b) Other borrowing cost		
i) Bank Limit Charges	539,328	1,184,210
ii) Bank Gurantee Charges	624,943	2,170,569
Total	1,355,852	3,485,094

Note 20 Depreciation and Amortisation Expense

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Depreciation and Amortisation	3,482,387	2,998,297
Total	3,482,387	2,998,297

Note 21 Additional disclosure to the financial statements as per the accounting standards

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Contingent Liabilities and commitments (to the extent not provided for):		
(i) Contingent liabilities:		
(a) Claims against the company not acknowledged as debts	2,227,223	2,227,223
(b) Bank Gurantees	23,557,122	25,069,544
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- tangible Assets	-	3,000,000
- Office interior	31,323,922	-

Note 22

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Amounts remitted in foreign currency during the year on account of Dividend:		
Amount of Dividend remitted in foreign currency	1,500,000	1,500,000
Total Number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	3	3
Total number of shares held by them on which dividend was due	1,000,000	1,000,000
Year to which dividend relates	2011-12	2010-11

Notes on Financial Statements for the Year ended 31st March, 2013

Note 23

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Earnings Per share		
Basic and diluted		
Net Profit for the year	125,622,920	152,044,038
less: Preference dividend and tax thereon	-	-
Net Profit for the year attributable to the Equity Share Holders	125,622,920	152,044,038
Weighted average no.of equity shares	10,001,100	10,001,100
Par Value per share	10.00	10.00
Earnings Per share from Continuing operations - Basic	12.56	15.20
Total operations		
Net Profit/ loss for the year	125,622,920	152,044,038
Less: Preference Dividend and tax thereon	-	-
Net Profit for the year for the year attributable to the equity shareholders	125,622,920	152,044,038
Weighted average no.of equity shares	10,001,100	10,001,100
Par Value per share	10.00	10.00
Earnings Per share from Continuing operations - Basic	12.56	15.20

Note 24

(Amount in ₹)

	As at 31st March, 2013	As at 31st March, 2012
Deferred tax Liability / (asset)		
Tax effect of items constituting deferred tax liability	-	-
On difference between book Balance and tax balance of fixed assets	2,647,863	3,260,765
Net Deferred Tax asset/ (liability)	2,647,863	3,260,765

Notes on Financial Statements for the Year ended 31st March, 2013
Note 25 Employee Benefit plans
Defined contribution plans

The Company makes provident fund contributions to defined contribution plans for qualifying employees. Under the scheme the company is required to contribute a special percentage of the payroll costs to fund the benefits. The company recognised ₹ 82,68,297 (year ended 31.3.2012 ₹ 75,62,435) for provident contributions in the statement of Profit & Loss.

Defined benefit plans

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Gratuity	Gratuity
Components of Employer Expense		
Current service cost	1,625,721	1,370,522
Interest cost	328,050	236,013
Expected return on plan assets	(454,379)	(272,558)
Curtailement cost / (credit):		
Settlement Cost / (credit):		
Past service cost	-	-
Actuarial losses/ (gains)	(85,418)	(638,038)
Total expense recognised in the Statement of profit /loss	1,413,974	695,938
Actual Contribution and benefit payment for the year		
Actual benefit payments	-	-
Actual contributions	1,448,247	1,677,038
Net asset / liability recognised in the balance sheet		
Present Value of defined benefit obligation	5,605,097	3,859,408
Fair value of plan assets	7,063,443	5,283,481
Funded Status [surplus / (deficit)]	1,458,346	1,424,073
Unrecognised past service costs	-	-
Net asset/(liability) recognised in the balance sheet	1,458,346	1,424,073
Change in defined benefit obligations (DBO) During the year		
Present value of DBO at beginning of the year	3,859,408	2,860,759
Current Service cost	1,625,721	1,370,522
Interest cost	328,050	236,013
Curtailement cost / (credit):	-	-
Settlement Cost / (credit):	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	(85,418)	(607,885)
Past service Cost	-	-
Benefits paid	-	-
Present value of DBO at end of the year	5,605,097	3,859,408
Change in fair Value of assets during the year		
Plan assets at the beginning of the year	3,859,408	3,303,732
Acquisitions adjustments	-	-
expected return on plan assets	454,379	272,558
Actual company contributions	1,448,247	1,677,038
Actuarial (Gains)/ losses:	24,587	30,153
Benefits Paid	-	-
Plan assets at the end of the year	7,063,443	5,283,481
Actual return on plan assets	478,966	302,711
Compositon of the Plan assets is as follows		
Government Bonds - not less than	20%	20%
PSU Bonds - not less than	40%	40%
Others - not exceeding	60%	60%
Actuarial Assumptions		
Discount Rate	8.00%	8.50%
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Expected Return on plan assets	8.70%	8.50%
Salary Escalation	5%	5%
Attrition	2%	2%

Notes on Financial Statements for the Year ended 31st March, 2013

Note 26 Related party Disclosure as per AS 18 :

(Amount in ₹)

Name of the Related party with whom Transaction have been made	Description of Relationship with the party	Nature Of Transaction	For the year 2012-2013	For the year 2011-2012
Prakash.B.Rane	Managing Director (Key Management Personnel)	Remuneration	11,056,898*	12,749,731
Supriya P. Rane	Director	Sitting Fees and commission	1,786,224	2,049,077
Sharadchandra Abhyankar	Additional Director	Legal advice Fees, Sitting Fees & commission	576,139	576,987
Ajit Kulkarni	Director	Sitting Fees commission	149,889	158,817
M. N. Ahmed	Director	Sitting Fees commission	303,778	337,635

*Note : Does not include gratuity contribution.

Note 27 The Company operates mainly in one business segment viz. software and services.

Note 28 Sundry Creditors, Debtors, Loans & Advances and Deposits are subject to confirmation and reconciliation. During the year, letters for confirmation of balances have been sent to various parties by the Company. The management, however, does not expect any material changes.

As per our Report of even date

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

Chartered Accountants

Registration No. : 110543W

Milind Garud

Partner

M. No.: 048065

Mumbai

27th May, 2013

For and on behalf of the Board

PRAKASH B. RANE - Managing Director

SUPRIYA P. RANE - Director

M. N. AHMED - Director

DR.AJIT C. KULKARNI - Director

SHARADCHANDRA ABHYANKAR - Director

ABM KNOWLEDGEWARE LIMITED

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

PROXY FORM

I /Weofbeing member/s of ABM Knowledgeware Limited, hereby appointof as my/ our Proxy to vote for me/us on my/ our behalf at the 20th 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 Wednesday, the 24th day of July, 2013 at.10.00 a.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 20th Annual General Meeting to be held at 1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai - 400 014 on Wednesday, the 24th day of July, 2013 at.10.00 a.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 a bank cancelled cheque issued by your Bank relating to your above 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/ECS.

Member's Signature

Sr. No.	Some Milestones of 2012
1.	Winner of "Maharashtra Information Technology Award 2012" in IT (e-Governance category) by Govt. of Maharashtra.
2.	Ranked 38 th by Deloitte in the Fastest Growing Technology companies in India and 351 st Fastest Growing Technology Company in Asia-Pacific Region.
3.	Achieved ISO 27001:2005 Certification.
4.	ABM's e-Gov project viz. "Implementation of Municipal Administrative Information Network (MAINet™) has won eWorld 2012 Award in "Best Government to Citizen" Initiative of the Year at e-World Forum Conference, New Delhi.



Prakash Rane, Managing Director, ABM Knowledgeware Ltd., in eWorld Forum Conference held in New Delhi where ABM was given "Best Government to Citizen" Initiative of the Year Award.



Dr. Sudhir Krishna, IAS, Secretary, Ministry of Urban Development, Govt. of India in ABM stall at Municipalika Exhibition held in New Delhi in March 2013



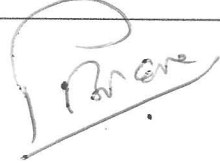


ABM KNOWLEDGEWARE LIMITED

An ISO 9001:2008 & ISO 27001:2005 Complaint Software & Services Company

Registered Office: 5, Unique Industrial Estate, Off Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025, INDIA.
Tel.: +9122-2437 4687 / 2437 9402 / 24310256 Fax: + 9122-24309953 www.abmindia.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	ABM Knowledgeware Ltd
2.	Annual financial statement for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- • CEO/ CFO/Managing Director • Auditor of the Company • Audit Committee Chairman	 (Prakash B Rane)  (Milind Garud)  (M. N. Ahmed)