



## ABM KNOWLEDGEWARE LIMITED

CMMI Level 3 | ISO 9001 : 2008 | ISO 27001 : 2005 Compliant Software & Services Company

**Registered Office :** ABM House, Plot No. 268, Linking Road, Bandra (West), Mumbai - 400 050, INDIA  
Tel.: +91 22 4290 9700 Fax : +91 22 4290 9701 www.abmindia.com CIN - L67190MH1993PLC113638

**Ref: ABM/HO/CSD/BSE/AGM/1420**

**Date: 18/09/2014**

To,  
The Listing Department,  
The Bombay Stock Exchange Limited,  
1<sup>ST</sup> Floor, P.J. Tower,  
Dalal Street, Fort,  
Mumbai 400 001.

**Company Code: ABMKNOWLEDGE: 531161**

**Sub: Rectification of a typographical error on Pg. 25 of 21<sup>st</sup> Annual Report**

Dear Sirs,

We wish to inform you that the 21<sup>st</sup> Annual General Meeting of our Company was held today dated 18<sup>th</sup> September 2014 at 10.30 a.m.

During the AGM, it has been brought to our notice that on page No.25 of the Annual Report i.e. Cash Flow Statement under the main heading "Cash Flow from Operating activities", the **Net Cash Flow from Operating Activities** for year 2013-2014 has inadvertently been printed as **(71,767,788)** which actually should be **71, 767,788** i.e. the brackets are printed erroneously due to an oversight. We have noted the error and rectified the same. We deeply regret for this typographical error that has taken place in the Annual Report.

Accordingly, we enclose herewith a scanned copy of the duly corrected Cash Flow Statement (pg. 25) of our 21<sup>st</sup> Annual Report 2013-14 and Form A for your information with a request to incorporate the changes in your record and upload this corrected annual report on your website.

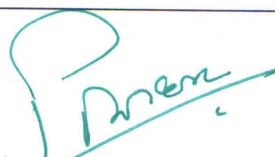


Kindly acknowledge the receipt.

Thanking you,

Yours sincerely  
**For ABM Knowledgeware Limited**

**(Sarika Ghanekar)**  
Company Secretary

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

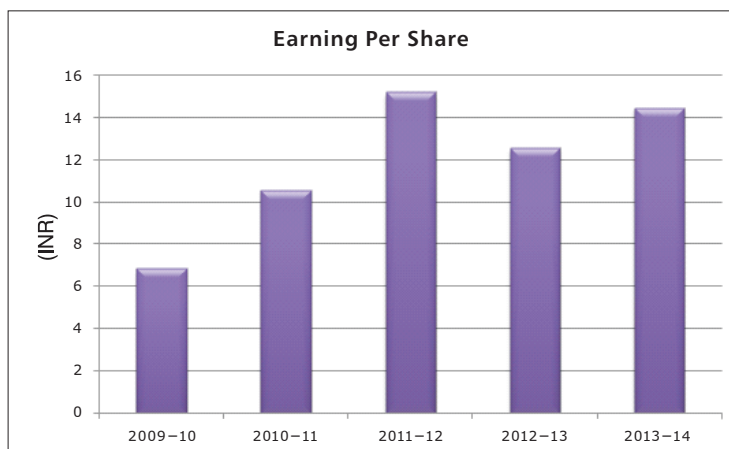
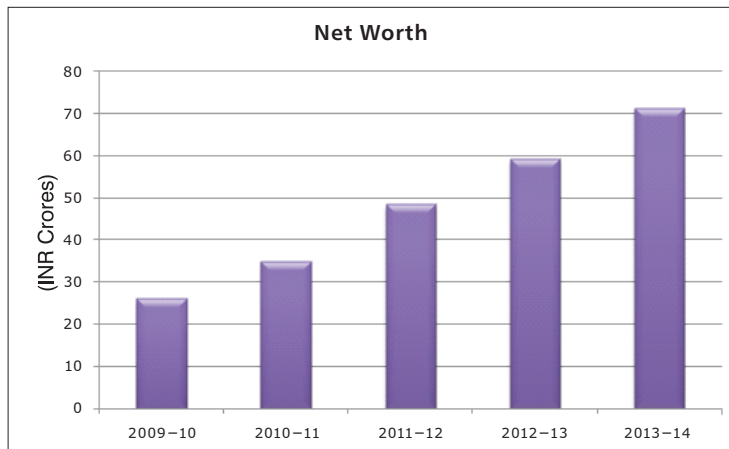
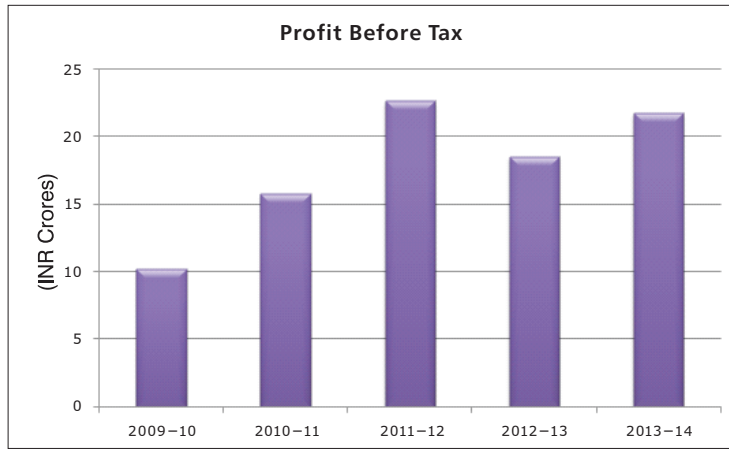
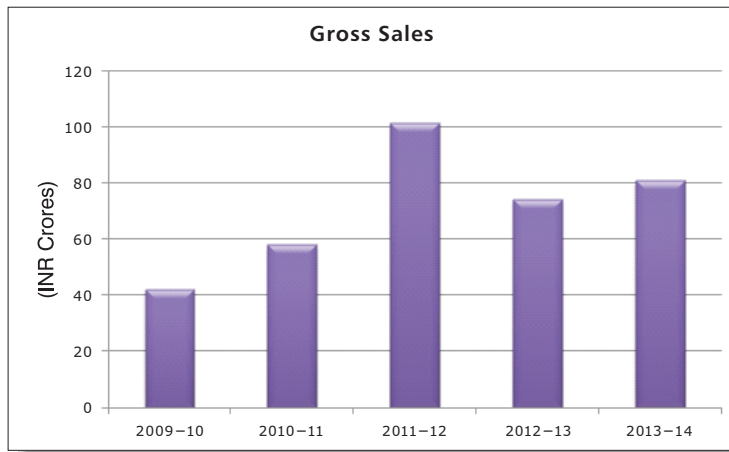
1.	<b>Name of the Company</b>	ABM Knowledgeware Ltd
2.	<b>Annual financial statement for the year ended</b>	31 <sup>st</sup> March, 2014
3.	<b>Type of Audit observation</b>	Un-qualified
4.	<b>Frequency of observation</b>	Not Applicable
5.	<b>To be signed by-</b> <ul style="list-style-type: none"> <li>• <b>CEO/ CFO/Managing Director</b></li> <li>• <b>Auditor of the Company</b></li> <li>• <b>Audit Committee Chairman</b></li> </ul>	 (Prakash B Rane)   (Milind Garud)   (M. N. Ahmed)



**ABM Knowledgeware Limited**

*Frontrunners in e-Government in India*

**21st Annual Report**  
**2013-2014**





**BOARD OF DIRECTORS**

**PRAKASH B. RANE** (Managing Director)

**SUPRIYA P. RANE**

**M. N. AHMED**

**DR. AJIT C. KULKARNI**

**SHARADCHANDRA D. ABHYANKAR**

**Registered Office**

ABM House, Plot No. 268, Linking Road, Bandra (West), Mumbai- 400 050.

Tel.: +91 22 42909700 • Fax: +91 22 42909701

CIN: L67190MH1993PLC113638 • 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

**Company Secretary**

Sarika Ghanekar

E-mail : sarika.ghanekar@abmindia.com

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**NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of the Members of **ABM KNOWLEDGEWARE LIMITED** will be held on Thursday, the 18<sup>th</sup> day of September, 2014 at 10.30 a.m. at 1<sup>st</sup> Floor, Dadar Bhagini Samaj, 3<sup>rd</sup> Lane, Hindu Colony, Dadar (E), Mumbai- 400 014 to transact the following business:

**AS ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014, Profit & Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Supriya P. Rane, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. Borkar & Muzumdar, Chartered Accountants, as Statutory Auditors of the Company in place of M/s. S. P. Sule & Associates, the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting, until the conclusion of twenty seventh Annual General Meeting, subject to ratification at every Annual General Meeting and to fix their remuneration.

**AS SPECIAL BUSINESS :**

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Ajit C. Kulkarni (DIN 00084744), who was appointed as a Non- Executive Director liable to retire by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sharadchandra D. Abhyankar (DIN 00108866), who was appointed as a Non-Executive Director liable to retire by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.”

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 5 and 6 of the Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. 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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 13<sup>th</sup> September, 2014 to 17<sup>th</sup> September, 2014 (both days inclusive).
6. 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 12<sup>th</sup> September, 2014; in respect of shares held in dematerialized form, the dividend will be paid to those shareholders whose names are furnished by Central Depository Services (India) Limited and National Securities Depository Limited as beneficial owners as on that date.
7. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately to Company's Registrar & Share 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, Nomination, ECS Mandate etc. are to be intimated to your Depository Participant (DP) and not to Company or our Registrar.
8. The Company has received a notice from a member signifying his intention of proposing the appointment of M/s. Borkar & Muzumdar, Chartered Accountants, as Statutory Auditors of the Company in the ensuing Annual General Meeting. The Audit Committee also recommends the appointment of M/s. Borkar & Muzumdar.
9. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company's Registrar & Share Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd. / Depositories.
11. Pursuant to Sections 205A and 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.
12. 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.
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 desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
15. Information required under Clause 49 IV G of the Listing Agreement relating to Corporate Governance with respect to the Director being appointed and Director retiring by rotation and being eligible, seeking re-appointment, is as under:

I.

<b>Particulars</b>	<b>Mrs. Supriya P.Rane</b>
Date of Birth	19/04/1969
Date of Appointment	27/04/2000
Qualification	BE (Electronics), Postgraduate Diploma in System Management
Expertise in specific functional areas	Systems and Processes
Other Directorships	Nil
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil
No. of Shares held in the Company	12,27,000 Equity shares of ₹ 10/- each.

II.

<b>Particulars</b>	<b>Dr. Ajit C. Kulkarni</b>
Date of Birth	30/06/1950
Date of Appointment	30/08/2001
Qualification	M.D., Leningrad, Russia
Expertise in specific functional areas	Worked as Commissioned Officer in Indian Navy, Experienced in Administration, Offshore Oil industry, Disaster Management / Incident Command System.
Other Directorships	Vardaan Projects Ltd.
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil
No. of Shares held in the Company	19,450 Equity shares of ₹ 10/- each.

III.

<b>Particulars</b>	<b>Mr. Sharadchandra D. Abhyankar</b>
Date of Birth	09/10/1965
Date of Appointment	28/10/2010
Qualification	B.A. (Economics & Commerce), LL.M; Solicitor
Expertise in specific functional areas	Various branches of law including Corporate laws, Securities laws, Project Finance, Telecom Regulations, Constitutional litigations and International Commercial arbitrations
Other Directorships	1. Ashoka Buildcon Ltd. 2. Shree Dhootpapeshwar Ltd. 3. Vatit Consultant Pvt. Ltd.
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Ashoka Buildcon Ltd.
No. of Shares held in the Company	Nil

By Order of the Board of Directors

**Sarika Ghanekar**  
Company Secretary

Mumbai, July, 7, 2014  
Corporate Identification Number (CIN) : L67190MH1993PLC113638

**Registered Office:**

ABM House, Plot No. 268, Linking Road, Bandra (W), Mumbai- 400 050.  
Tel: 91 22 42909700 Fax: 91 22 42909701  
E-mail: [egovernance@abmindia.com](mailto:egovernance@abmindia.com), Website: [www.abmindia.com](http://www.abmindia.com)



**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)****ITEM NO. 5 & 6 – Appointment of Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar as Independent Directors.**

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 (“the Act”) and the amended Listing Agreement.

It is proposed to appoint Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar for the office of Directors of the Company.

The Company has also received declarations from Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar are independent of the management.

Brief resume of Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the notice of the Annual General Meeting and Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Dr. Ajit C. Kulkarni & Mr. Sharadchandra D. Abhyankar as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at Item Nos. 5 and 6 for approval of the Members.

By Order of the Board of Directors

**Sarika Ghanekar**  
Company Secretary

Mumbai, July, 7, 2014  
Corporate Identification Number (CIN) : L67190MH1993PLC113638

**Registered Office:**

ABM House, Plot No. 268, Linking Road, Bandra (W), Mumbai- 400 050.  
Tel: 91 22 42909700 Fax: 91 22 42909701  
E-mail: egovernance@abmindia.com, Website: www.abmindia.com

## DIRECTORS' REPORT

To the Members of  
**ABM Knowledgeware Limited**

Your Company's Directors are pleased to present the 21<sup>st</sup> Annual Report of the Company, along with the Audited Accounts, for the Financial Year ended 31<sup>st</sup> March, 2014.

### 1. FINANCIAL RESULTS :

The highlights of financial performance of your Company are as follows:

	(Amount in ₹ )	
	Year ended 31.03.2014	Year ended 31.03.2013
Gross Income	824,050,188	754,395,241
Less: Service Tax	69,340,134	64,939,189
Gross Income (net of Service Tax)	754,710,054	689,456,052
Less: Total expenditure	530,055,933	500,467,030
Gross Profit before Depreciation & Taxation	224,654,121	188,989,022
Less: Depreciation	6,903,733	3,482,387
Net Profit before Tax	217,750,388	185,506,635
Less: Provision for Taxation	72,912,959	59,883,715
Net Profit After Tax	144,837,429	125,622,920

### 2. OPERATIONS OF THE COMPANY :

The Company now operates from offices in Delhi, Patna, Mumbai and Chennai. The customers that your Company currently supports are nearing 400. Your Company has been able to retain all its important customers due to the satisfactory services offered to these customers and has won contracts to continue the post-implementation support.

### 3. DIVIDEND :

Your Directors are pleased to recommend a dividend of 20% (i.e. ₹ 2/- per Equity share) for the Financial Year ended 31<sup>st</sup> March, 2014. The dividend, if approved, at ensuing Annual General Meeting will absorb ₹ 2,34,01,574 /- including Corporate Dividend Tax of ₹ 33,99,374/-

### 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 is provided at page No.11 of this Annual Report, together with Certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited.

### 6. PUBLIC DEPOSITS :

The Company has not accepted any public deposits during the year and as such, no amount on account of principal or interest was outstanding as on date of Balance Sheet.

**7. DIRECTORS :**

The Companies Act, 2013 is a positive step towards strengthening corporate governance regime in the Country. Your Company is already in substantial compliance of most of governance requirements provided under the new law.

The Board of Directors have evaluated the criteria defined for Independent Directors, as per provisions of the Companies Act, 2013, and accordingly, Mr. M. N. Ahmed is ceased to be Independent Director of the Company but now he is only Non-Executive Director of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, your Board of Directors are seeking the appointment of Dr. Ajit C. Kulkarni and Mr. Sharadchandra D. Abhyankar as Independent Directors for 5 (five) consecutive years for a term upto the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

The Company has received requisite notices in writing from member proposing Dr. Ajit C. Kulkarni and Mr. Sharadchandra D. Abhyankar for appointment as Independent Directors.

The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both, under subsection 6 of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchange.

Mrs. Supriya P. Rane, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

A brief profile of the Directors has been given in the Report on the Corporate Governance as well as in the Explanatory Statement to the Notice of the ensuing Annual General Meeting of the Company.

**8. AUDITORS :**

M/s. S.P. Sule & Associates, Chartered Accountants, Statutory Auditors of your Company shall retire at the forthcoming Annual General Meeting. They have conveyed their intention of not seeking further appointment. The Company has received a notice from one of its member signifying intention of proposing the appointment of M/s. Borkar & Muzumdar, Chartered Accountants, as the Statutory Auditors of the Company. The Audit Committee also recommends the appointment of M/s. Borkar & Muzumdar as the Statutory Auditors of the Company. M/s. Borkar & Muzumdar, Chartered Accountants, have confirmed their willingness and eligibility under the provisions of the Companies Act, 2013 to act as Statutory Auditor of the Company, which is subject to shareholders' approval.

A Resolution proposing appointment of M/s Borkar & Muzumdar as the Statutory Auditors of the Company, pursuant to Section 139 of the Companies Act, 2013, forms the part of Notice.

The Board of Directors wishes to place on record their appreciation for the excellent services rendered by M/s. S. P. Sule & Associates as the Statutory Auditors of the Company. M/s. S. P. Sule & Associates, during their association with the Company, have maintained highest level of professional standards and transparency, throughout.

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

Business environment in last 2-3 years in this industry has been challenging. Several new initiatives as well as ongoing projects have been affected due to the anxiety in decision makers as a result of excessive public scrutiny of even bonafide decisions. This has affected sentiments of several e-Governance companies. The PPP projects have not met with unqualified success. The procurement processes have come under pressure due to complexity associated with knowledge based offerings.

The new Government has laid substantial emphasis on Digital Nation and thereby opening of doors for renewed hopes. Various focus areas have been outlined by the new Government which, if indeed move from drawing table to execution stage, can help the e-Governance industry in a big way. Initiatives like “Smart City” can directly benefit your Company as we have a leadership position on space of e-Municipality in the country.

**B. Existing Opportunities and Outlook :**

It has been noticed that some IT companies which entered into this space without requisite commitment and competence could not sustain in the industry for long. That has helped to some extent as customers have started realizing the value of competent IT companies like ABM. The trend of unrealistically aggressive cost bidding may also slowly be arrested as the real efforts and costs associated with executing successful e-Governance projects are becoming evident to Buyers as well as Bidders. Your company is carefully analyzing the changing landscape of the industry and re-strategizing to ensure maximum returns on the investment made so far in this space.

**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 conceptualization, 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 (e-Governance projects) are a cause for concern for both buyers (i.e. Government Departments) and potential bidders.

The following elaboration of issues, related to procurement of IT services, as identified by NASSCOM remain almost unchanged:

- Project execution, project conceptualization and scope of work need much more clarity and practical approach
- Ambiguous and one sided Contracts, T&C.
- Absence of a Project Champion.
- 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 e-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 e-Governance 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. Another strategy is to try and win projects in areas which have potential to replicate the same across other states in India. This will continue as a prime strategy.

Company's office in Delhi has been able to cover important states in north India and has acquired customers in important states in the region for geographical expansion of e-Municipality offerings. Company has acquired a Product (Government Resource Planning-GRP) which can help in widening the base of govt. customers beyond e-Municipality.

Company has entered into newer domains like Tourism and Financial sectors in the e-Governance domain and hopes to build further on these breakthroughs in coming years.

**E. Human Resource Management :**

Your Company recognizes male and female paradigm, who can devise a simple, respectful and conducive corporate work environment for their respective teams, which inspires others to emulate them. ABM is an equal opportunity employer and strives to attract the best available talent to provide a competitive edge to the organization, thereby ensuring diversity in its workforce. Your Company has effectively responded to business challenges through manpower engagement strategies involving cross functional teams, aimed at expanding the market and customer reach, has been a significant milestone in this direction.

In order to develop its human resources for harnessing their potential to the fullest and for according ample opportunity for realizing individual as well as organizational goals, your Company has been making sustained efforts through various training and development activities with focus on preservation of skills, in specialized/advanced skills and technology through association with premier institutes.

Our Employees instilled by our cordial and healthy work culture and possessing diverse talents and backgrounds, are the key to the Company's continued success. As we go forward, we will continue to strengthen our culture of respecting and understanding diversity. The deep trust and commitment of our workforce drives our continuous efforts to lead change and innovation.

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

	(Amount in ₹)	
	Year ended 31.03.2014	Year ended 31.03.2013
Gross Income	824,050,188	754,395,241
Less: Service Tax	69,340,134	64,939,189
Gross Income (net of Service Tax)	754,710,054	689,456,052
Less: Total expenditure	530,055,933	500,467,030
Gross Profit before Depreciation & Taxation	224,654,121	188,989,022

The revenues of the Company have increased, compared to last year. Gross revenue has increased by around 9% whereas the profitability has gone up by around 15%. This is a result of better utilization of the resources in particular and sustained efficiency of operations in general.

**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 31<sup>st</sup> March, 2014 is as follows:

Name of the Employee	Mr. Prakash B. Rane
Age	48 years
Designation	Managing Director
Gross Remuneration	*₹116.49 Lacs
Qualification	B.Tech., M.M.S.
Date of Commencement of the employment	27 <sup>th</sup> April, 2000
Number of years Experience	21 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 31<sup>st</sup> March, 2014.



**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 for the financial year ended 31<sup>st</sup> March, 2014, all applicable accounting standards 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 31<sup>st</sup> March, 2014 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 :**

The Board of Directors of your Company take this opportunity to thank the customers, shareholders, suppliers, bankers, business partner associates, financial institutions, RBI, SEBI, BSE, all Regulatory Authorities, Central and State Governments for their consistent co-operation, support and valuable guidance to the Company.

Your Directors wishes to place on record their deep sense of appreciation of the good work done by all employees of the Company, as a result of which your Company continues to be frontrunner in the IT Services industry in India.

**For and on behalf of the Board**

**Date: 7<sup>th</sup> July, 2014**  
**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 domestic market and hence, has not done any export turnover during this financial year.

## REPORT ON CORPORATE GOVERNANCE

At ABM, it is our constant endeavor to maintain the best, ethically driven, strong, fair and transparent Corporate Governance systems and practices, in conformity with best known standards. ABM believes that an effective, well informed and independent Board is a pre-requisite for strong and effective corporate governance which is vital to gain and retain the trust and confidence of our stakeholders. ABM has fully complied with the provisions of Corporate Governance guidelines as laid down in Clause 49 of the Listing Agreement with Stock Exchange. ABM appreciates that Corporate governance is a yardstick for constantly improving sustainable value creation and is an upward moving target thereby conducting its business with high standards of legal, statutory and regulatory compliances.

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and social expectations. The entire governance structure is closely supervised by the Board of Directors, who oversee management activities and ensures their effectiveness in delivering member value. To implement this, ABM has always strived to promote an informed Board that functions independently.

ABM has an adequate system of internal control to ensure that the resources of the Company are used efficiently, effectively and with utmost transparency. All assets are safeguarded and protected against any possible loss from unauthorized use or disposition and the transactions are appropriately authorized, recorded and reported accurately. Financial and MIS data are reliable for preparing financial information and other data and for maintaining accountability of assets of the Company. The internal control is supplemented by extensive statutory program of internal audits, periodical review by management, documented policies, guidelines and procedures.

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

### I. BOARD OF DIRECTORS

The primary responsibility of the Board is to protect the interest of shareholders. To fulfill this role, the Board has overall responsibility for developing and approving the Company's corporate strategy and monitoring implementation of strategy, monitoring senior executives' performance and approving the Company's risk and audit framework.

The Company has built an effective Board by bringing together the right combination of individuals with diversified skill and experience and by promoting the right dynamic among these individuals. 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. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board, thereby ensuring the best interest of stakeholders and the Company.

During the year under review, five Board Meetings were held on 18<sup>th</sup> April, 2013, 27<sup>th</sup> May, 2013, 7<sup>th</sup> August, 2013, 11<sup>th</sup> November, 2013, and 7<sup>th</sup> February, 2014. The previous Annual General Meeting (AGM) of the Company held on 24<sup>th</sup> July, 2013 was attended by all the Directors.

The Composition of Board of Directors as on 31<sup>st</sup> March, 2014:

Name of the Directors	Executive / Non- Executive	Promoter / Independent	Number of Board Meeting attended	Other Directorship
Mr. Prakash B. Rane	Executive-Managing Director	Promoter	5	1
Mrs. Supriya P. Rane	Non- Executive	Promoter	5	Nil
Mr. M. N. Ahmed	Non- Executive	Independent	4	5
Dr. Ajit C. Kulkarni	Non- Executive	Independent	5	1
Mr. Sharadchandra D. Abhyankar	Non- Executive	Independent	4	3

A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company and also of major events / items. Additional meetings of the Board are held, when deemed necessary, to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

## CODE OF CONDUCT

The Company has laid down a code of conduct for all Board Members and Senior Management of the Company with an aim to ensure effective and best business practices and strict adherence to the legal requirements as well. The Code of Conduct has been posted on the Company's website [www.abmindia.com](http://www.abmindia.com). All Board Members and Designated Senior Management personnel affirm compliance with the Code of Conduct on an annual basis. A declaration to this effect has been given by Managing Director which is annexed to this report.

## II. COMMITTEES OF DIRECTORS

### A) AUDIT COMMITTEE :

The Audit Committee in today's scenario is regarded as the fulcrum of the Board of Directors. The Audit Committee reviews the periodical financial results with the Management and recommends to the Board its approval. The Committee also provides assistance to the Board of Directors in the oversight of the financial reporting, Internal Controls, Internal Audit & Statutory Audit and performance of Compliance function. Terms of reference of this Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement & Section 292A of the Companies Act, 1956.

As on 31<sup>st</sup> March, 2014 the Audit Committee comprised of 3 Directors, all Non-Executive 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 2013-2014, the Committee met four times on 27<sup>th</sup> May, 2013, 7<sup>th</sup> August, 2013, 11<sup>th</sup> November, 2013 and 7<sup>th</sup> February, 2014.

Following are the details regarding the Composition and attendance of the Committee as on 31<sup>st</sup> March, 2014:

Name	Categories of Director	No. of Committee meetings attended
Mr. M. N. Ahmed, Chairman	Independent and Non-Executive Director	3
Mrs. Supriya P. Rane, Member	Promoter and Non-Executive Director	4
Dr. Ajit C. Kulkarni, Member	Independent and Non-Executive Director	4

Brief terms of references of Audit Committee are as follows:

- To oversee the Company's financial reporting process, internal control systems,
- Reviewing the accounting policies and practices,
- Ensuring that financial statements are correct, sufficient and credible,
- Reviewing with management the annual financial statements for submission to the Board,
- Reviewing the internal audit observations and action taken thereon,
- Ensuring compliance with Stock Exchange and other legal requirements,
- Recommending the appointment and removal of independent auditors, fixation of audit fee and also approval for payment for any other services.

The Company Secretary acts as the Secretary to the Committee. The Minutes of each Audit Committee Meeting are placed and confirmed in the next Meeting of the Board.

**B) SHAREHOLDERS GRIEVANCES & SHARE TRANSFER COMMITTEE :**

The Shareholders Grievances & Share Transfer Committee is formed as per the requirement to look into redressing of investors complaint like delay in transfer of shares, Demat, Remat, non-receipt of declared dividends, non-receipt of Annual Reports etc. and such other related work as may be assigned by the Board, from time to time. During the year under review, none of the complaint is pending.

The Committee comprised of two Non-Executive Directors of the Board. During the year, the Committee met four times on 15<sup>th</sup> April, 2013, 15<sup>th</sup> July, 2013, 22<sup>nd</sup> October, 2013 and 21<sup>st</sup> January, 2014. The attendance of the Members of Shareholders Grievances & Share Transfer Committee was as under:

Name	Status	No. of total 4 meetings the attended is
Mr. M. N. Ahmed, Chairman	Non-Executive Director, Independent	4
Mrs. Supriya P. Rane	Non-Executive Director, Promoter	4

The Committee *inter alia* considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard. The Committee is authorized to sign, seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed.

The Committee oversees the performance of Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services. The Committee meets at regular intervals to approve the share transfers and other related matters.

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.

**C) REMUNERATION COMMITTEE :**

The main object of Remuneration Committee is to identify persons who are qualified to become Directors and who may be appointed in Senior Management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board. The Committee reviews the remuneration package payable to Executive Director and recommends to the Board the same and acts in terms of reference of the Board, from time to time.

As on 31<sup>st</sup> March, 2014, the Remuneration Committee comprised of three Directors viz. Dr. Ajit C. Kulkarni (Chairman), Mr. M. N. Ahmed and Mrs. Supriya P. Rane. During the year under review, one Remuneration Committee Meeting was held on 24<sup>th</sup> May, 2013 which was attended by all the members.

Besides sitting fees, the Non-Executive Directors are also entitled to commission, out of the profits of the Company, at a rate not exceeding 1% of the net profits per annum of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, as approved by the Board and within the overall limits prescribed by the Companies Act, 1956.

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

Name of the Director	Status	Salary & Perquisites(₹)	Commission (₹)	Sitting Fees (₹)
Mr. Prakash B. Rane	Managing Director	42,00,000	74,48,963	Nil
Mrs. Supriya P. Rane	Director	Nil	16,30,855	88,000
Mr. M. N. Ahmed	Director	Nil	3,49,470	80,000
Dr. Ajit C. Kulkarni	Director	Nil	1,74,734	40,000
Mr. Sharadchandra D. Abhyankar	Director	Nil	1,74,734	16,000
<b>Total (₹)</b>		<b>42,00,000</b>	<b>97,78,756</b>	<b>2,24,000</b>

#### Directors :

Detailed profile of Directors who are seeking appointment as Independent Directors under Companies Act, 2013 and Director retiring by rotation and being eligible, seeking re-appointment, is as below. The same has also been covered under Explanatory Statement to the Notice which is forming part of the Annual Report of the Company.

**Dr. Ajit C. Kulkarni :** Dr. Ajit C. Kulkarni is an Independent Director of the Company. He joined the Board of Directors of the Company in August, 2001. He is widely travelled professional and has developed valuable contacts in the corporate world and multinational companies over the period of 35 years of his active career in various capacities. He was working as Commissioned Officer in Indian Navy for 12 years. He has about 30 years of experience in Offshore Oil Industry. He has been a member of Board of a Corporate Hospital. He has an experience in Disaster Management and Incident Command System. He provides guidance to the Company based on his wide international exposure, while contributing to the growth of the Company.

**Mr. Sharadchandra D. Abhyankar :** Mr. Sharadchandra D. Abhyankar is an Independent Director of the Company. He joined the Board of Directors of the Company in October, 2010. Mr. Sharadchandra D. Abhyankar 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 25 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.

He is also involved in facilitating different government agencies in framing policies and regulations such as the State Education Board in Maharashtra, Department of Telecommunications, ICASA- the Telecom Regulator in Republic of South Africa. He is member of the Advisory Committee and Drafting Committee of the NSE Centre for Excellence in Corporate Governance.

**Mrs. Supriya P. Rane :** Mrs. Supriya P. Rane is a Promoter and Non-Executive Director of the Company. She has been associated with the Company from its inception. She is an Electronic Engineer with a Post Graduate Diploma in System Management. She has considerable management experience, particularly in systems and processes. She provides advice and guidance to the Company for its overall growth to make it a dynamic and progressive organization. The Company has been benefited from her rich experience.

#### Code for prevention of insider-trading practices :

In terms of Securities and Exchange Board of India (Insider Trading) Regulations, the Company has formulated a comprehensive Code for prevention of Insider Trading to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. In line with the requirement of the said code, the trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. Notice of the closure of trading window was issued to all employees well in advance.



**Whistle Blower Policy :**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct. The Company has adopted a "Whistle Blower Policy" to provide a framework to promote responsible and secure whistle blowing. It protects employees who raise a concern about serious irregularities with the Company. The Company has provided dedicated email address [whistleblower@abmindia.com](mailto:whistleblower@abmindia.com) for reporting such concerns. Alternatively, employees can also send written communications to Company. Audit Committee periodically reviews the existence and functioning of this mechanism. The employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company [www.abmindia.com](http://www.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. 20. The said certificate is signed by Mr. Prakash B. Rane, Managing Director of the Company.

**III. SHAREHOLDERS' INFORMATION :****a) General Information:****21<sup>st</sup> Annual General Meeting**

Date	: 18 <sup>th</sup> September, 2014
Time	: 10.30 a.m.
Venue	: 1 <sup>st</sup> Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai- 400 014
Date of Book Closure	: 13 <sup>th</sup> September, 2014 to 17 <sup>th</sup> September, 2014 (both days inclusive)
Dividend Payment Date	: On or before October 17, 2014 (Subject to shareholders' approval)
Corporate Identity Number (CIN) of the Company	: L67190MH1993PLC113638

**b) Address for Correspondence :****Registered Office of the Company :**

Shareholder can correspond at the Registered Office of the Company at Mumbai i.e. ABM House, Plot No. 268, Linking Road, Bandra (West), Mumbai- 400 050.

**c) Share Transfer Agent :**

Registrar & Share Transfer Agents : M/s. Universal Capital Securities Private Limited, 21, Shakeel 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
18 <sup>th</sup> AGM on 25.08.2011	3.00 p.m.	Dadar Bhagini Samaj, 1 <sup>st</sup> Floor, Hindu Colony, Dadar (E), Mumbai- 400 014.	1) Special Resolution passed for appointment of Mr. Sharadchandra D. 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 <sup>th</sup> AGM on 25.07.2012	10.00 a.m.	Dadar Bhagini Samaj, 1 <sup>st</sup> Floor, Hindu Colony, Dadar (E), Mumbai- 400 014.	Special Resolution passed for partial modification of resolution passed at 17 <sup>th</sup> Annual General Meeting for the re-appointment of Mr. Prakash B. Rane as Managing Director of the Company and revision of his remuneration.
20 <sup>th</sup> AGM on 24.07.2013	10.00 a.m.	Dadar Bhagini Samaj, 1 <sup>st</sup> Floor, Hindu Colony, Dadar (E), Mumbai- 400 014.	-

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 2014-2015  
(Tentative and subject to change)**

- **Financial Results for the:**  
 Quarter ending 30<sup>th</sup> June, 2014  
 Quarter ending 30<sup>th</sup> September, 2014                      Within 45 days of end of respective quarter  
 Quarter ending 31<sup>st</sup> December, 2014
- **Year ending 31<sup>st</sup> March, 2015**                                      By 30<sup>th</sup> May, 2015
- **Annual General Meeting 2014-2015**                              By September, 2015

**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. 28 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 Board is responsible for ensuring existence of adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Board oversees the establishment and implementation of risk management. The Audit and Risk Committee is delegated the function and responsibility to establish, implement and maintain risk management systems and frameworks. The Company's senior management are delegated the tasks of management of operational risk and implementation of risk management strategies.

**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 2013-2014 are given below:

Month	High	Low	Close	Volume (Number)
April 2013	46.85	35.00	41.00	17,785
May 2013	43.80	33.00	35.00	11,963
June 2013	35.00	27.70	34.50	6,207
July 2013	41.00	31.10	33.75	5,376
August 2013	35.35	29.70	32.00	42,982
September 2013	35.25	30.05	31.50	28,575
October 2013	35.50	30.45	35.50	24,033
November 2013	38.75	32.70	33.00	6,564
December 2013	43.45	32.60	43.45	32,454
January 2014	58.90	41.60	50.60	58,926
February 2014	52.50	36.15	40.85	52,008
March 2014	51.15	38.55	47.45	1,75,932

**Share Transfer System :**

The Shareholders Grievances & Share Transfer Committee registers the shares received for transfers in physical form, provided the documents are complete and valid in all respects, within a period of 15 days from the date of receipt of such documents. During the year 2013-2014, 1000 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 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 31<sup>st</sup> March, 2014:**

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	1905	79.243	3141724	3.417
NRIs/OCBs	1188616	11.88	501-100	222	9.235	176365	1.763
Indian Public	1537963	15.38	1001-2000	121	5.033	180820	1.808
Bodies Corporate	485503	4.86	2001-3000	44	1.830	110451	1.104
Others:	-	-	3001-4000	29	1.206	101731	1.017
• Directors & their Relatives	40750	0.41	4001-5000	17	0.707	80884	0.809
• Clearing Members/ Foreign Nationals / Mutual Funds	27200	0.27	5001-10000	34	1.414	257598	2.576
• Institutions (Foreign Institutional Investors)	227168	2.27	10001-Above	32	1.331	8751527	87.506
<b>Total</b>	<b>10001100</b>	<b>100.00</b>		<b>2404</b>	<b>100.00</b>	<b>10001100</b>	<b>100.00</b>

**Dematerialization of Shares :**

The Shares of the Company are compulsory traded in the dematerialized form on Stock Exchange by all investors. As on 31<sup>st</sup> March, 2014, 86.40% shares of the Company are held in dematerialized form. Audit of Share Capital for reconciling total number of shares held in NSDL and CDSL and in the physical form with the issued /paid-up share capital for each of the quarters in the financial year ended March 31, 2014 was carried out by a Practicing Company Secretary and Reports on the same was placed before the Board. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is ISIN INE850B01018.

**Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF) :**

Under the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since 2006-2007 and the dates by which they can be claimed by the shareholders are given in the table below:

Financial Year	Date of Declaration	Last Date for claiming unpaid dividend (before)
2006-2007	26.09.2007	30.10.2014
2007-2008	25.09.2008	29.10.2015
2008-2009	25.08.2009	28.09.2016
2009-2010	29.07.2010	01.09.2017
2010-2011	25.08.2011	29.09.2018
2011-2012	25.07.2012	28.08.2019
2012-2013	24.07.2013	27.08.2020

Shareholders who have not encashed / claimed the dividend are requested to write to Registrar and Share Transfer Agents of the Company for claiming the dividend. Members are further requested to note that after completion of 7 years, no claim shall lie against the Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.

**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](http://www.abmindia.com).
- The Company has designated the email-id [egovernance@abmindia.com](mailto: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](http://www.corpfiling.co.in).
- 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>.
- The Management Discussion & Analysis Report has been attached to the Directors' Report and forms part of this Annual Report.

**For and on behalf of the Board**

**Date: 20<sup>th</sup> May, 2014**

**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 31<sup>st</sup> March, 2014 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: 20<sup>th</sup> May, 2014**  
**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 31<sup>st</sup> March, 2014, 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: 20<sup>th</sup> May, 2014**

**Place : Mumbai**

**Membership No.: 048065**

## Independent Auditors' Report

**To The Members of  
ABM Knowledgeware Limited  
Report on the Financial Statements**

We have audited the accompanying financial statements of ABM Knowledgeware Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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**

The Company's 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. 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 misstatement, whether due to fraud or error.

**Auditors' 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 that give a true and fair view in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit of the company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the company 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 ("the Order") 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 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

**Date: 20<sup>th</sup>, May 2014  
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) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on 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), (d), (e), (f) and (g) 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 and 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. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of the clause 4(vi) of the order are not applicable to the Company.
- 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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it 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 31<sup>st</sup> March, 2014 for a period of more than six months from the date on which they became payable.
- x. 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.
- xi. There are no loans from the bank.
- xii. 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.
- xiii. In our opinion the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/Society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. 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.
- xv. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. During the year, the Company has not taken any term loan.
- xvii. 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.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any Secured Debentures during the year.
- xx. The Company has not raised any money through public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

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

**Date: 20<sup>th</sup>, May 2014**  
**Place: Mumbai**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

(Amount in ₹)

	Note	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	1	102,415,000	102,415,000
Reserves and surplus	2	611,376,398	489,940,543
		<u>713,791,398</u>	<u>592,355,543</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)		10,060,822	2,647,863
<b>Current liabilities</b>			
Trade payables	3	156,555,156	65,372,618
Other current liabilities	4	30,091,168	19,526,868
Short-term provisions	5	23,401,574	19,695,168
		<u>210,047,898</u>	<u>104,594,654</u>
<b>TOTAL</b>		<u><u>933,900,118</u></u>	<u><u>699,598,060</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	6	-	-
Tangible assets	6	279,471,660	242,367,071
Intangible assets	6	20	20
Non-current investments	7	17,500	17,500
Long-term loans and advances	8	53,521,172	26,278,647
		<u>333,010,352</u>	<u>268,663,238</u>
<b>Current assets</b>			
Current investments	9	13,569,453	29,379,633
Inventories	10	-	6,473,904
Unbilled Revenue	11	41,000,000	-
Trade receivables	12	385,267,944	247,878,058
Cash and cash equivalents	13	150,105,494	120,935,172
Short-term loans and advances	14	9,586,199	24,809,709
Other current assets	15	1,360,676	1,458,346
		<u>600,889,766</u>	<u>430,934,822</u>
<b>TOTAL</b>		<u><u>933,900,118</u></u>	<u><u>699,598,060</u></u>
Significant Accounting Policies Notes on Financial Statements	1 to 30		

As per our Report of even date

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

**Milind Garud**  
Partner

 Mumbai  
20<sup>th</sup> May, 2014

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 D. ABHYANKAR** - Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Amount in ₹)

	Note	Year ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
1			
Revenue from Operations (Gross)	16	<b>810,024,093</b>	744,211,441
Less: Service Tax		<b>(69,340,134)</b>	(64,939,189)
Revenue from Operations (Net)		<b>740,683,959</b>	679,272,252
Other income	17	<b>14,026,095</b>	10,183,800
<b>Total Revenue</b>		<b>754,710,054</b>	689,456,052
2			
<b>Expenses:</b>			
Purchase of stock in trade		-	6,473,904
Changes in inventories (Increase)/ decrease		<b>6,473,904</b>	(6,473,904)
Employee Benefit Expenses	18	<b>171,279,426</b>	170,596,682
Operating expenses	19	<b>313,773,999</b>	281,854,750
Other Expenses	20	<b>37,094,476</b>	46,659,746
<b>Total Expenses</b>		<b>528,621,805</b>	499,111,178
3			
<b>Earnings before exceptional items and extraordinary items, interest,tax, depreciation and amortisation (EBITDA) (1-2)</b>		<b>226,088,249</b>	190,344,874
4			
Finance Cost	21	<b>1,434,128</b>	1,355,852
5			
Depreciation and Amortisation expenses	22	<b>6,903,733</b>	3,482,387
6			
<b>Profit before Exceptional and Extraordinary items and Tax 3-4-5</b>		<b>217,750,388</b>	185,506,635
7			
<b>Exceptional Items</b>		-	-
8			
<b>Profit before Extraordinary items and Tax (6 +/- 7)</b>		<b>217,750,388</b>	185,506,635
9			
Extraordinary items		-	-
10			
<b>Profit before Tax (8 +/- 9)</b>		<b>217,750,388</b>	185,506,635
11			
Tax expense:			
a) Current tax expense for curent Year		<b>65,500,000</b>	60,496,617
b) Current tax expense relating to Prior years		-	-
c) Deferred Tax liability/ (asset)		<b>7,412,959</b>	(612,902)
12			
<b>Profit for the year (10 +/- 11)</b>		<b>144,837,429</b>	125,622,920
<b>Earning per equity share of face value of ₹ 10 each</b>		<b>14.48</b>	12.56
Basic and Diluted (in ₹)			
Significant Accounting Policies			

Notes on Financial Statements

1 to 30

As per our Report of even date

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

**Milind Garud**  
Partner

 Mumbai  
20<sup>th</sup> May, 2014

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 D. ABHYANKAR** - Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Amount in ₹)

	2013-2014	2012-2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net profit before tax as per Profit and loss a/c</b>	<b>217,750,388</b>	185,506,635
Adjusted for:		
Net prior year adjustments	(1,098,474)	(17,260)
Loss on Sale/ Discard of assets	-	212,794
Depreciation and amortisation Expense	6,903,733	3,482,387
Net gain on Sale of Investments	-	-
Dividend Income	(4,287,456)	(1,742,665)
Interest Income	(9,727,044)	(8,432,604)
Finance Costs	1,434,128	1,355,852
Provision For doubtful Trade and Other Receivables	1,496,728	13,333,910
<b>Operating Profit before Working Capital changes</b>	<b>212,472,003</b>	193,699,050
Adjusted For:		
Trade and other Receivables	(179,686,614)	(56,917,352)
Trade and other Payables	99,214,041	(27,280,509)
Inventories	6,473,904	(6,473,904)
<b>Cash generated from operations</b>	<b>138,473,334</b>	103,027,285
Net Prior Year Adjustments	1,098,474	17,260
Taxes Paid	(67,804,020)	(61,360,484)
<b>Net Cash flow from Operating Activities</b>	<b>71,767,788</b>	41,684,061
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(44,008,321)	(222,304,989)
Sale of Fixed Assets / Transfer of Participating Interest	-	189,278
Purchase Of Investments	(321,263,534)	(29,379,633)
Sale of Investments	337,073,714	-
Movement in Loans and Advances	(9,817,325)	194,837,287
Interest Income	9,727,044	8,432,604
Dividend Income	4,287,456	1,742,665
<b>Net Cash (Used in) Investing Activities</b>	<b>(24,000,966)</b>	(46,482,788)
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Short Term Borrowings	-	-
Dividends paid (Including Dividend distribution tax)	(17,162,372)	(17,154,384)
Finance costs	(1,434,128)	(1,355,852)
<b>Net Cash Used in / From Financing activities</b>	<b>(18,596,500)</b>	(18,510,236)
<b>Net Increase / (Decrease) in cash and Cash equivalents</b>	<b>29,170,322</b>	(23,308,964)
<b>Opening Balance Of Cash and Cash Equivalents</b>	<b>120,935,172</b>	144,244,136
<b>Closing Balance Of Cash and Cash Equivalents</b>	<b>150,105,494</b>	120,935,172

As per our Report of even date

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

 Milind Garud  
 Partner

 Mumbai  
 20<sup>th</sup> May, 2014

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 D. ABHYANKAR** - Director



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## **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. Even in case of additional efforts incurred on contracts, 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 claims are recognized if there is certainty of realization.
- 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 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.

**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.

**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 31<sup>ST</sup> March, 2014**

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 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	Amount	Number	Amount
<b>a) Authorised</b> Equity Shares of ₹ 10/- each with voting rights	<b>12,500,000</b>	<b>125,000,000</b>	12,500,000	125,000,000
<b>b) Issued</b> Equity Shares of ₹ 10/- each with voting rights	<b>10,350,000</b>	<b>103,500,000</b>	10,350,000	103,500,000
<b>c) Subscribed &amp; Fully Paid up</b> Equity Shares of ₹ 10/- each with voting rights	<b>10,001,100</b>	<b>100,011,000</b>	10,001,100	100,011,000
<b>d) Subscribed but not Fully Paid up</b>	-	-	-	-
<b>e) Equity Shares of ₹ 10/- each with voting rights amount paid up</b>	<b>348,900</b>	<b>2,404,000</b>	348,900	2,404,000
<b>Total</b>	<b>10,350,000</b>	<b>102,415,000</b>	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 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a) Number	<b>10,350,000</b>	10,350,000
b) Amount (₹)	<b>102,415,000</b>	102,415,000

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

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Prakash Baburao Rane	<b>4,771,150</b>	<b>47.71</b>	4,771,150	47.71
Supriya Prakash Rane	<b>1,227,000</b>	<b>12.27</b>	1,227,000	12.27
<b>Total</b>	<b>5,998,150</b>	<b>59.98</b>	5,998,150	59.98

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014**
**Note 2 Reserves and Surplus**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b><u>General reserves</u></b>		
Opening Balance	20,600,000	14,100,000
Add: Additions during the year	11,000,000	6,500,000
Less: Utilised/Transferred during the year	-	-
Closing Balance	31,600,000	20,600,000
<b><u>Profit and Loss Account</u></b>		
Opening balance	469,340,543	367,652,916
Add: Net Profit For the current year	144,837,429	125,622,920
Less: Dividend proposed to be distributed to equity shareholders (₹ 2 per share)	-	-
Tax on dividend	20,002,200	15,001,650
Less: Transferred to reserves	3,399,374	2,433,643
General Reserves	-	-
Closing Balance	11,000,000	6,500,000
	579,776,398	469,340,543
<b>Total</b>	<b>611,376,398</b>	<b>489,940,543</b>

**Note 3 Trade payables**
**( Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(a) Other than acceptances	156,555,156	65,372,618
<b>Total</b>	<b>156,555,156</b>	<b>65,372,618</b>

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

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014**
**Note 4 Other Current liabilities**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(a) Unclaimed dividends	1,610,561	1,337,639
(b) Other payables		
i) Statutory remittances	8,199,438	9,564,694
ii) Others #	20,281,169	8,624,535
<b>Total</b>	<b>30,091,168</b>	<b>19,526,868</b>

# includes salary payable, outstanding expenses

**Note 5 Short Term provisions**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(a) Provision for employee benefits		
(1) Provision for leave encashment	-	2,259,875
(b) Provision - Others		
(1) Provision for proposed equity dividend	20,002,200	15,001,650
(2) Provision for tax on proposed equity dividend	3,399,374	2,433,643
	23,401,574	17,435,293
<b>Total</b>	<b>23,401,574</b>	<b>19,695,168</b>



### Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014

#### Note 6 Fixed Assets

( Amount in ₹ )

Particulars	Gross Block (At cost)			Depreciation / Amortisation			Net Block			
	As at 1 <sup>st</sup> , April, 2013	Additions	Disposals	As at 31 <sup>st</sup> , March, 2014	As at 1 <sup>st</sup> , April, 2013	For the year	Eliminated on Disposal of assets	Up to 31 <sup>st</sup> , March, 2014	As at 31 <sup>st</sup> , March, 2014	As at 31 <sup>st</sup> March, 2013
<b>i) Tangible Assets</b>										
Computers	3,679,180	751,866	-	4,431,046	2,301,234	472,643	-	2,773,877	1,657,170	1,377,946
Office Equipments	2,473,242	8,814,626	-	11,287,868	733,085	418,553	-	1,151,638	10,136,230	1,740,157
Furniture	7,707,856	6,561,964	-	14,269,820	5,565,685	1,325,430	-	6,891,115	7,378,705	2,142,171
Motor Car	4,850,422	-	-	4,850,422	637,802	460,790	-	1,098,592	3,751,830	4,212,620
Office Premises #	238,354,271	27,879,865	-	266,234,136	5,460,094	4,226,317	-	9,686,411	256,547,725	232,894,177
<b>Total</b>	<b>257,064,971</b>	<b>44,008,321</b>	<b>-</b>	<b>301,073,292</b>	<b>14,697,900</b>	<b>6,903,733</b>	<b>-</b>	<b>2,1601,633</b>	<b>279,471,660</b>	<b>242,367,071</b>
<b>ii) Intangible Assets</b>										
Software products	2,812,716	-	-	2,812,716	2,812,696	-	-	2,812,696	20	20
<b>Grand Total ( i+ii )</b>	<b>259,877,687</b>	<b>44,008,321</b>	<b>-</b>	<b>303,886,008</b>	<b>17,510,596</b>	<b>6,903,733</b>	<b>-</b>	<b>24,414,329</b>	<b>279,471,680</b>	<b>242,367,091</b>
Previous year	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

# Registration pending for one premises

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014**
**Note 7 Non-Current Investments**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Other Investments</b>		
(a) Investment in Equity instruments (quoted)		
(i) Of other entities		
500 shares of Canara Bank (Face Value of ₹10/- each fully paid)	<b>17,500</b>	17,500
(aggregate Market Value ₹ 1,92,025 as on 31.3.2013)		
(aggregate market value ₹ 1,32,175 as on 31.3.2014)		
<b>Total</b>	<b>17,500</b>	17,500

**Note 8 Long Term Loans & Advances**
**(Amount in ₹)**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>a. Security Deposits#</b>		
Unsecured, considered good	<b>21,798,383</b>	5,669,446
<b>b. Lones and advances to Employees</b>		
Unsecured, considered good	<b>9,500</b>	9,500
<b>c. Advance income tax (Net of provisions)</b>		
(As at 31st march 2013 ₹ 6,04,96,617/-)	<b>18,389,345</b>	16,085,325
(As at 31st march 2014 ₹ 6,55,00,000/-)		
Unsecured considered good.		
<b>d. Balances with Government Authorities</b>		
Unsecured considered good		
(i) Vat refund receivable	<b>540,000</b>	540,000
(ii) service tax credit receivable	<b>2,033,944</b>	3,200,680
(iii) Vat credit receivable	-	323,696
<b>f. Other loans and advances</b>		
(i) Considered good	<b>10,750,000</b>	450,000
(ii) Considered doubtful	<b>200,000</b>	627,857
	<b>10,950,000</b>	1,077,857
Less: Provision for doubtful receivables	<b>200,000</b>	627,857
	<b>10,750,000</b>	450,000
<b>Total</b>	<b>5,3521,172</b>	26,278,647

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

**Notes on Financial Statements for the Year ended 31<sup>ST</sup> March, 2014**
**Note 9 Current Investments**
**(Amount in ₹)**

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
<b>Other Investments</b>		
<b>(A) Investments in Mutual Funds (quoted)</b>		
(i) Reliance Liquid Fund	-	4,158,778
(ii) Reliance Money Manager Fund (Market value ₹ 1,35,69,446)	<b>13,569,453</b>	5,005,057
(iii) HDFC Cash Management Fund	-	20,215,798
<b>Total</b>	<b>13,569,453</b>	29,379,633

**Note 10 Inventories**
**(Amount in ₹)**

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
Stock-in-trade	-	6,473,904
<b>Total</b>	-	6,473,904

**Note 11 Unbilled Revenue**
**(Amount in ₹)**

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
Unbilled Revenue	<b>41,000,000</b>	-
<b>Total</b>	<b>41,000,000</b>	-

Unbilled Revenue Primarily Comprises of the Revenue recognised in relation to the efforts incurred on contracts priced on a fixed time and price basis.

**Notes on Financial Statements for the Year ended 31<sup>ST</sup> March, 2014**
**Note 12 Trade Receivables**

(Amount in ₹)

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b> Unsecured, considered good	<b>118,626,945</b>	84,887,108
<b>Other Trade receivables</b> Unsecured, considered good	<b>266,640,999</b>	162,990,950
<b>Total</b>	<b>385,267,944</b>	247,878,058

**Note 13 Cash and Bank Balances**

(Amount in ₹)

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
<b>a) Cash and cash equivalents</b>		
(i) Balances with Banks		
In current accounts	<b>22,299,140</b>	22,129,604
In Deposit accounts	<b>84,312,825</b>	77,754,147
(ii) Cash on hand	<b>1,416,134</b>	1,423,800
	<b>108,028,099</b>	101,307,551
<b>b) Other bank balances</b>		
Earmarked balances with banks #	<b>42,077,395</b>	19,627,621
<b>Total</b>	<b>150,105,494</b>	120,935,172

# Earmarked balances with banks include deposits against bank guarantee amounting to ₹ 12,824,431/- (Previous Year ₹ 202,542/-) which have an original maturity of more than 12 months.

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014**
**Note 14 Short Term Loans & Advances**

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>a. Security Deposits</b>		
Unsecured, considered good	<b>1,545,916</b>	1,305,416
<b>b. Capital Advances</b>		
Unsecured, considered good	<b>588,154</b>	20,305,139
<b>c. Loans and advances to Employees</b>		
Unsecured, considered good *	<b>723,433</b>	772,633
<b>d. Prepaid expenses - unsecured considered good</b>	<b>6,079,511</b>	2,226,521
<b>e. Other loans and advances</b>		
Unsecured, considered good	<b>649,185</b>	200,000
<b>Total</b>	<b>9,586,199</b>	24,809,709

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

**Note 15 Other Current assets**

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Other Current Assets	<b>1,360,676</b>	1,458,346
<b>Total</b>	<b>1,360,676</b>	1,458,346

**Note 16 Revenue from Operations**

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Sale of products & Services - Gross	<b>810,024,093</b>	744,211,441
Less :Service Tax	<b>(69,340,134)</b>	(64,939,189)
<b>Net Revenue from Operations</b>	<b>740,683,959</b>	679,272,252

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 31<sup>ST</sup> March, 2014**
**Note 17 Other Income**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Interest Income [Refer Note 17(i)]	9,727,044	8,432,604
Dividend Income [Refer Note 17(ii)]		
from current Investments	4,277,706	1,737,165
from long term Investments	9,750	5,500
Other non-operating income (net of expenses directly attributable to such income)	11,595	8,532
<b>Total</b>	<b>14,026,095</b>	<b>10,183,800</b>

**Note 17 (i) Interest Income Comprises of**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Interest on bank deposits	9,726,339	8,431,495
Other interest	705	1,109
<b>Total</b>	<b>9,727,044</b>	<b>8,432,604</b>

**Note 17 (ii) Dividend Income**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b><u>From current Investments</u></b>		
Reliance Money Manager Fund - Institutional	4,107,895	1,362,589
Reliance Liquid Fund -TP	24,621	158,778
Reliance Medium Term Fund	-	215,798
HDFC Cash management fund	145,190	-
	<b>4,277,706</b>	<b>1,737,165</b>
<b><u>From long term Investments</u></b>		
Shares at Canara bank	9,750	5,500
<b>Total</b>	<b>9,750</b>	<b>5,500</b>



**Notes on Financial Statements for the Year ended 31<sup>ST</sup> March, 2014**
**Note 18 Employee benefit expenses**
**( Amount in ₹ )**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Salaries & Wages [Note 18(i)]	<b>154,372,686</b>	152,368,279
Contribution to provident and other funds [Note 18(ii)]	<b>8,665,913</b>	10,427,501
Staff welfare Expenses	<b>8,240,827</b>	7,800,902
<b>Total</b>	<b>171,279,426</b>	170,596,682

**Note 18 (i)**
**( Amount in ₹ )**

<b>Salaries and Wages</b>	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a) Salaries and emoluments of employees	<b>140,393,930</b>	13,9661,601
b) Directors' commission	<b>9,778,756</b>	8,506,678
c) Director's remuneration	<b>4,200,000</b>	4,200,000
<b>Total</b>	<b>154,372,686</b>	152,368,279

**Note 18 (ii)**
**( Amount in ₹ )**

<b>Contribution to provident and other funds</b>	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a) Contribution to provident fund	<b>8,568,243</b>	9,013,527
b) Gratuity fund	<b>97,670</b>	1,413,974
<b>Total</b>	<b>8,665,913</b>	10,427,501

**Note 19 Operating expenses**
**( Amount in ₹ )**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Services charges & Project expenses	<b>313,773,999</b>	281,854,750
<b>Total</b>	<b>313,773,999</b>	281,854,750

**Notes on Financial Statements for the Year ended 31<sup>ST</sup> March, 2014**
**Note 20 Other expenses**
**(Amount in ₹)**

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
a) <b>Communication, Advertising &amp; Sales Promotion</b>		
Advertising expenses	1,412,919	2,722,124
Telephone charges	2,310,825	2,262,260
Other expenses	1,964,790	2,192,984
	<u>5,688,534</u>	<u>7,177,368</u>
b) <b>Establishment Expenses</b>		
Electricity charges	2,644,920	1,779,902
Legal & Professional Fees	3,011,601	1,786,323
Other Miscellaneous Expenses (incl.prior period expenses) [Refer Note 20(i) below ]	3,256,841	3,651,048
Rent	6,332,164	6,860,696
Repairs & Maintenance - Bldg/others	692,224	664,797
Rates and Taxes	338,386	212,016
Travelling & conveyance	11,815,481	9,773,334
Membership & subscription	371,108	373,025
Payment To Auditors [Refer Note 20(ii) below]	353,016	348,110
Bad trade and Other receivables, Loans and Advances written off	1,296,728	12,739,389
Donation	1,015,500	810,000
Insurance Expenses	277,973	271,462
Loss on sale of Fixed Assets	-	212,276
	<u>31,405,942</u>	<u>39,482,378</u>
<b>Total ( a+b)</b>	<b>37,094,476</b>	<b>46,659,746</b>

**Note 20 (i) Details of Prior period items**
**(Amount in ₹)**

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
Prior period adjustment	-	(17,260)
Excess provision written back	(1,098,474)	-
<b>Total</b>	<b>(1,098,474)</b>	<b>(17,260)</b>

**Note 20 (ii) Payment To Auditors**
**(Amount in ₹)**

	As at 31 <sup>ST</sup> March, 2014	As at 31 <sup>ST</sup> March, 2013
(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	117,060	112,154
<b>Total</b>	<b>353,016</b>	<b>348,110</b>

**Notes on Financial Statements for the Year ended 31<sup>ST</sup> March, 2014**
**Note 21 Finance Cost**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>a) Interest</b>		
i) Bank Interest	26,715	191,581
<b>b) Other borrowing cost</b>		
i) Bank Limit Charges	94,804	539,328
ii) Bank Gurantee Charges	1,312,609	624,943
<b>Total</b>	<b>1,434,128</b>	<b>1,355,852</b>

**Note 22 Depreciation and Amortisation Expense**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Depreciation and Amortisation	6,903,733	3,482,387
<b>Total</b>	<b>6,903,733</b>	<b>3,482,387</b>

**Note 23 Additional disclosure to the financial statements as per the accounting standards**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Contingent Liabilities and commitments (to the extend not provided for):		
<b>(I) Contingent liabilities:</b>		
(a) Claims against the company not acknowledged as debts	2,227,223	2,227,223
(b) Bank Gurantees #	109,723,021	23,557,122
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- tangible Assets	-	-
- Office interior	11,823,806	31,323,922

# Above Bank Guarantees are secured by:

- a. Hypothecation of stocks and book debts of the Company.
- b. Collateral of office premises at Prabhadevi and Chembur, Mumbai.
- c. Personal Guarantees from Directors – Mr. Prakash B. Rane and Mrs. Sypriya P. Rane

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014**
**Note 24**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Amounts remitted in foreign currency during the year on account of Dividend:</b>		
Amount of Dividend remitted in foreign currency	<b>1,500,000</b>	1,500,000
Total Number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	<b>3</b>	3
Total number of shares held by them on which dividend was due	<b>1,000,000</b>	1,000,000
Year to which dividend relates	<b>2012-13</b>	2011-12

**Note 25**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Earnings Per share</b>		
<b>Basic and diluted</b>		
Net Profit for the year	<b>144,837,429</b>	125,622,920
Less: Preference dividend and tax thereon	-	-
Net Profit for the year attributable to the Equity Shareholders	<b>144,837,429</b>	125,622,920
Weighted average no. of equity shares	<b>10,001,100</b>	1,0001,100
Par Value per share	<b>10.00</b>	10.00
Earnings Per share from Continuing operations - Basic	<b>14.48</b>	12.56
<b>Total operations</b>		
Net Profit/ loss for the year	<b>144,837,429</b>	125,622,920
Less: Preference Dividend and tax thereon	-	-
Net Profit for the year for the year attributable to the equity shareholders	<b>144,837,429</b>	125,622,920
Weighted average no. of equity shares	<b>10,001,100</b>	10,001,100
Par Value per share	<b>10.00</b>	10.00
Earnings Per share from Continuing operations - Basic	<b>14.48</b>	12.56

**Note 26**
**(Amount in ₹)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Deferred tax Liability / (asset)</b>		
Tax effect of items constituting deferred tax liability	-	-
On difference between book Balance and tax balance of fixed assets	<b>10,060,822</b>	2,647,863
<b>Net Deferred Tax asset/ (liability)</b>	<b>10,060,822</b>	2,647,863

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014**
**Note 27 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 ₹ 78,60,551 (year ended 31.3.2013 ₹ 82,68,297) for provident contributions in the statement of Profit & Loss.

**Defined benefit plans**
**(Amount in ₹)**

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	Gratuity	Gratuity
<b>Components of Employer Expense</b>		
Current service cost	1,582,464	1,625,721
Interest cost	428,478	328,050
Expected return on plan assets	(596,300)	(454,379)
Curtailement cost / (credit)		
Settlement Cost / (credit)		
Past service cost	-	-
Actuarial losses/ (gains)	(6,368)	(85,418)
Total expense recognised in the Statement of profit /loss	1,408,274	1,413,974
<b>Actual Contribution and benefit payment for the year</b>		
Actual benefit payments	-	-
Actual contributions	-	1,448,247
<b>Net asset / liability recognised in the balance sheet</b>		
Present Value of defined benefit obligation	(5,794,445)	(5,605,097)
Fair value of plan assets	7,155,121	7,063,443
Funded Status [ surplus / (deficit)]	1,360,676	1,458,346
Unrecognised past service costs	-	-
Net asset/(liability) recognised in the balance sheet	1,360,676	1,458,346
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	5,605,097	3,859,408
Current Service cost	1,582,464	1,625,721
Interest cost	428,478	328,050
Curtailement cost / (credit)	-	-
Settlement Cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	(6,368)	(85,418)
Past service cost	-	-
Benefits paid	-	-
Present value of DBO at end of the year	5,794,445	5,605,097
<b>Change in fair Value of assets during the year</b>		
Plan assets at the beginning of the year	7,063,443	3,859,408
Acquisitions adjustments	-	-
Expected return on plan assets	596,300	454,379
Actual company contributions	-	1,448,247
Actuarial (Gains)/ losses	(1,323,340)	24,587
Benefits Paid	-	-
Plan assets at the end of the year	7,155,121	7,063,443
Actual return on plan assets	589,932	478,966
<b>Compositon of the Plan assets is as follows</b>		
Government Bonds - not less than	20%	20%
PSU Bonds - not less than	40%	40%
Others - not exceeding	60%	60%
<b>Actuarial Assumptions</b>		
Discount Rate	9.20%	8.00%
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Expected Return on plan assets	8.75%	8.70%
Salary Escalation	5%	5%
Attrition	2%	2%

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2014**
**Note 28 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 2013-2014	For the year 2012-2013
Prakash B.Rane	Managing Director (Key Management Personnel)	Remuneration	<b>12,116,963</b>	11,056,898
Supriya P. Rane	Director	Sitting Fees and commission	<b>1,718,855</b>	1,786,224
Sharadchandra D. Abhyankar	Director	Sitting Fees and commission	<b>190,734</b>	125,889
Dr. Ajit C. Kulkarni	Director	Sitting Fees and commission	<b>214,734</b>	149,889
M. N. Ahmed	Director	Sitting Fees and commission	<b>429,469</b>	303,778
Khaitan & co.	Firm in which Director is Partner	Legal advice Fees	<b>911,001</b>	450,250

**Note 29** The Company operates mainly in one business segment viz. software and services.

**Note 30** Sundry Creditors, Debtors, Loans & Advances and Deposits are subject to confirmation and reconciliation if any. 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. The balances are as per records available with the company.

As per our Report of even date

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

Chartered Accountants  
Registration No. : 110543W

**Milind Garud**

Partner  
M. No.: 048065  
Mumbai  
20<sup>th</sup> May, 2014

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 D. ABHYANKAR** - Director



**ABM KNOWLEDGEWARE LIMITED**

Registered Office: ABM House, Plot No. 268, Linking Road, Bandra (W), Mumbai 400 050.

**PROXY FORM**

I /We .....of .....being member/s of ABM Knowledgeware Limited, hereby appoint .....of .....as my/ our Proxy to vote for me/us on my/ our behalf at the 21<sup>st</sup> Annual General Meeting of the Company to be held at 1<sup>st</sup> Floor, Dadar Bhagini Samaj, 3<sup>rd</sup> Lane, Hindu Colony, Dadar (E), Mumbai – 400 014 on Thursday, the 18<sup>th</sup> day of September, 2014 at 10.30 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 21<sup>st</sup> Annual General Meeting to be held at 1<sup>st</sup> Floor, Dadar Bhagini Samaj, 3<sup>rd</sup> Lane, Hindu Colony, Dadar (E), Mumbai – 400 014 on Thursday, the 18<sup>th</sup> day of September, 2014 at 10.30 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 hereby 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. ....

**Particulars 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 Particulars/ECS.

Member's Signature

# ABM Project Footprints



# ABM Knowledgware Ltd - frontrunners in e-Government in India.

Delivering approximately 1.8 crores citizen services per year, achieving leadership position in e-Government space.

ABM powers the backbone of various e-Government solutions delivering citizen services in different parts of India - establishing its leadership in:

- e-Municipality
- Water Authorities
- Government Resource Planning (GRP)

