



15th Annual Report
2008-09



Technology Partner



RAM INFORMATICS LIMITED

**CORPORATE INFORMATION****BOARD OF DIRECTORS:**

Mr. P.S. Raman	-	Executive Chairman
Mr. R. Jagadeeswara Rao	-	Executive Director
Mr. P.S. Venkateswaran	-	Director
Mr. K. Kumar Raja	-	Director
Mr. P.R. Balasubramanian	-	Director
Mr. G. Hara gopal	-	Director
Dr. S.K. Mathur	-	Director
Dr. Khushwant Singh	-	Director

COMMITTEES OF THE BOARD:**Audit Committee:**

Mr. P.R. Balasubramanian	-	Chairman
Mr. G. Haragopal	-	Member
Dr. S.K. Mathur	-	Member

Shareholders/Investor**Grievance Committee:**

Mr. K. Kumar Raja	-	Chairman
Mr. P.S. Raman	-	Member
Mr. R. Jagadeeswara Rao	-	Member

Compliance Officer:

Mr. Shailesh Baheti	-	Company Secretary
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Auditors:

J B Reddy & Co.
206, II Floor
Srinilaya Estates
Ameerpet
Hyderabad 500 073

Bankers:

Canara Bank
Overseas Branch
5-9-22/1/4C & 4D
Damayanthi Chambers
Adarshnagar Main Road
Hyderabad 500 063

Registered office & Software**Development Centre:**

SVR Towers
8-2-1/B/1, Srinagar Colony Road
Punjagutta, Hyderabad 500 082

URL:

www.raminfo.com

Email ID for Investor related matters:

compliance@raminfohyd.com

U.S. Branch:

36, Mill Plain Road
Suite 410, Danbury
Connecticut 06811.

U.S. Subsidiary:

Aravali Technologies Inc.,
1175, Saratoga Avenue, Suite 7
San Jose, California 95129.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RAM INFORMATICS LIMITED WILL BE HELD ON MONDAY, THE 16TH DAY OF NOVEMBER, 2009 AT 10.00 A.M. AT KAMAT LINGAPUR HOTEL, CHIKOTI GARDENS, BEGUMPET, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2009 and Balance Sheet as at that date together with the Report of the Directors and the Auditors.
2. To appoint a director in place of Mr. P.R. Balasubramanian, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Kurminaidu Kumar Raja, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT M/s. S.S. Kothari & Co., Chartered Accountants be and are hereby appointed as the Statutory Auditors of the company for the financial year 2009-10, in place of M/s. J.B.Reddy & Co., Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration and on terms & conditions as may be fixed by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(A) of the Companies Act, 1956 and all other applicable provisions (including any Statutory modification(s), re-enactment thereof, for the time being in force) and pursuant to relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations 2009 ("Regulations") as in force and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI"), the

applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary shares (Through Depository Receipts Mechanism) Scheme, 1993 and enabling provisions of Memorandum and Articles of Association of the company and the listing agreement entered into by the company with the Stock Exchanges where the shares of the company are listed and subject to requisite approvals, consents, permissions and/or sanction of SEBI, the stock exchanges, Reserve Bank of India ("RBI"), and all other authorities as may be required, whether in India or outside India, (hereafter collectively referred to as "Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permissions, and/or sanction (hereafter referred to as "Requisite Approvals"), which may be agreed to by the Board of Directors of the company (hereafter referred to as the 'Board' which term shall be deemed to include any committee thereof which the Board may have constituted or hereafter constitute to exercise its powers including the power conferred by this resolution), the consent of the members of the company be and is hereby accorded to the Board at their absolute discretion to create, offer, issue and allot in one or more tranches, in the course of Domestic/International offering to Domestic/Foreign Investors/Institutional investors/ Foreign Institutional Investors, trusts, mutual funds, banks, financial institutions, insurance companies, pension funds, retail public or otherwise, whether members of the company or not, such number of American Depository Receipts (ADRs), Global Depository Receipts (GDRs), Qualified Institutional Placements (QIPs), Foreign Currency Convertibles Bonds (FCCBs), with or without Green Shoe Options, Equity Shares (through Depository Receipts Mechanism or directly to investors) and/or any financial instruments convertible into equity shares or otherwise, in registered or bearer form and/or any securities convertible into equity shares, securities, linked to equity shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to equity shares (all of which are hereafter collectively referred to as "Securities") or any combination of securities secured or unsecured, whether listed on any stock

exchange in India or any international stock exchange outside India, through public issue(s) of prospectus, private placement(s) or a combination thereof, as the Board in its sole discretion may at any time or times hereafter decide, for an amount not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only) or equivalent in any other foreign currency, inclusive of such premium as may be decided from time to time."

"RESOLVED FURTHER THAT in case of any equity linked issue/offering, including, without limitation, ADRs/GDRs/QIPs/FCCBs, and such other securities convertible into equity shares, consent of the members of the company be and is hereby accorded to the Board to issue and allot such securities for an amount not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only) or equivalent in any other foreign currency, as may be required to be issued and allotted upon conversion, redemption or cancellation of any such securities referred to above or as may be in accordance with the terms of issue/offering in respect of such securities and such equity shares shall rank *pari passu* with the existing equity shares of the company in all respects except provided otherwise under the terms of issue/offering and in the offer document and/or prospectus and/or offer letter and/or offering circulars and/or listing particulars."

"RESOLVED FURTHER THAT the company and/or any entity, agency or body authorized and/or appointed by the Board, may issue depository receipts representing the underlying securities issued by the company in negotiable, registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulation (including listing on one or more stock exchange(s) in or outside India) and under the forms and practice prevalent in the international market."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the consent of the members of the company be and is hereby accorded to the Board, to determine in consultation with the lead managers, underwriters, advisors and/or other persons as appointed for the purpose, the form, term and timing of the issue(s)/offering(s) including the investors

to whom the securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion, listing on one or more stock exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters, as the Board in its absolute discretion deem fit and accept any modifications in the proposal as may be required by the authorities in such issues in India and/or abroad."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the aforesaid securities and listing thereof with the stock exchanges where the Company's shares are listed or proposed to be listed and to resolve and settle all the questions and difficulties that may arise in the proposed issue, offer and allotments of any of the aforesaid securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being require to seek any further consent or approval of members or otherwise to the end and intend that they shall be deemed to have given their approval thereto expressly by the authority of this resolution".

For and on behalf of the board

Date: 25/09/2009
Place: Hyderabad

P.S. Raman
Executive Chairman

NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the company. In order to be effective, the duly filled in proxy form must be received by the company not less than 48 hours before the meeting.
2. Members/proxies should bring duly filled in attendance slips sent herewith for attending the meeting.
3. A brief profile of each of the directors proposed to be appointed/reappointed is mentioned elsewhere in the Report on Corporate Governance.
4. The register of members and the share transfer books of the company will remain closed from Wednesday, 11th November 2009 to Monday, 16th November 2009 (both days inclusive).
5. Members holding shares in physical form are requested to advise any change of address immediately to the company's registrar and share transfer agents. Members holding shares in electronic form must send the advice about change in address to their respective depository participant.
6. Members desirous of obtaining any information concerning the Accounts and Operations of the company are requested to send their queries to the company at least seven days before the date of the meeting, so that the information required by them may be made available at the AGM.
7. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Share Transfer Agents at the following Address:

M/s. Sathguru Management Consultants Private Limited
Plot no. 15, Hindi Nagar, Punjagutta, Hyderabad – 500034.
Tel.: 040-23356507, 23350586, 23356975
Fax: 040-23354042
Email id: sfa@sathguru.com

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of Companies Act, 1956)

Item No. 5

To augment the funding needs of the company for (I) Acquisitions (II) Capital Expenditure (III) New Software development (IV) New IT Infra Contracts (V) Working Capital and general corporate requirement, your company is proposing to issue, ADRs, GDRs, FCCBs and such other securities convertible into equity share or a combination thereof and for the purpose seek your approval to the resolution proposed.

For the above purpose, your company plan to raise upto Rs. 200 Crores or its equivalent in any other foreign currency through a combination of equity/quasi instruments and therefore proposes issue of ADRs, GDRs, QIPs, FCCBs and such other securities convertible into equity share or a combination thereof. The actual composition of various instrument will be decided by the company in consultation with the Merchant bankers/Investment Bankers and as per the requirement of the funds from time to time and such offer shall be made to any person, including Domestic/ Foreign Investors/Foreign Institutional Investors, Qualified Institutional Buyer, Trusts, mutual funds, banks, Insurance Companies, Pension Funds, retail public, whether members of the company or not, at a price which shall not be lower than the price as prescribed under applicable guidelines, if any.

Accordingly, the consent of the members is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of Companies Act, 1956, and SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009, and in term of the provisions of the listing agreements, to issue and allot equity shares as stated in the Special Resolution.

Your directors therefore, recommend the resolution for your approval.

The relevant books and documents are available for inspection during business hours of the company till the date of meeting.

None of the directors of the company are interested in the above resolution.

For and on behalf of the board

Date: 25/09/2009
Place: Hyderabad

P.S. Raman
Executive Chairman

DIRECTORS' REPORT

Dear Shareholders

Your directors take pleasure in presenting the Fifteenth Annual Report of the company and the Audited accounts for the financial year ended 31st March 2009 together with Auditors' Report thereon.

FINANCIAL RESULTS

The performance of your company for the year under review is summarized below:

Particulars (stand alone)	(Rs. In thousands)	
	2008-09	2007-08
Gross revenue & other income	90455	128717
Profit before interest, depreciation & taxes	16047	41456
Interest	2826	3278
Depreciation & amortization	7035	6079
Profit before tax	6186	32099
Profit after tax	429	30500

On a consolidated basis (including US subsidiary's results), your Company achieved revenue of Rs. 1137.15 lacs and PAT of Rs. 2.53 lacs for the year ended 31st March 2009 as compared to revenue of Rs. 1637.76 lacs and PAT of Rs. 268.89 lacs for the previous year.

DIVIDEND:

Though the Company has earned a net profit of Rs. 4.29 lacs for the current financial year, no dividend has been recommended for the year, in view of the net accumulated loss position as at 31st March 2009.

PERFORMANCE OF THE COMPANY:

Your company's gross revenue declined to Rs. 904.55 lacs for the year ended 31st March 2009 compared to Rs. 1287.17 lacs in the previous year. The consolidated revenue for the year-end stood at Rs. 1137.15 lacs against Rs. 1637.76 lacs in the previous year. The domestic sales revenue dropped by 27% while the exports revenue dropped by 52%. The net profit after tax came down to Rs. 4.29 lacs (Stand alone) and consolidated at Rs. 2.53 lacs.

US SUBSIDIARY:

Aravali Technologies Inc., your company's US subsidiary, registered revenues of US \$ 0.51 million for the year ended 31st December 2008 against US \$ 0.96 million for the previous year. There is a net loss of US \$ 44,694 for the year 2008 against a net loss of US \$ 83,023 in the previous year. Year 2008 happened to be a very difficult year with recessionary tendencies across various industries and the resultant decline in the number of new clients as well as orders. There was also a write-off of USD 20,000 pertaining to development costs deferred in the past years. There was a vast reduction in the number of billable employees. The Company is in the process of finalizing new contracts awaiting budget clearances. The Company expects the recessionary tendencies to continue for atleast another year whereas the forecast of recovery varies from year 2010 to 2012. Your Company's revenue and margins are expected to be under further pressure during the year 2009.

EXPORTS:

During the year under review, the export revenues achieved by the parent company was Rs 42.27 lacs as compared to Rs 88.47 lacs in the previous year. On a consolidated basis, the exports revenue dropped to Rs. 276.14 lacs for the year ending March 31, 2009 from Rs. 451.81 lacs in the previous year.

DOMESTIC MARKET:

Your company consolidated its position in e-governance space with the experiences of various projects extended through out. Additional services for Bangalore Metro Transport Corporation, itickets, Karnataka State Road Transport Corporation, railway tickets booking through internet and flight tickets booking were added to Bangalore One Project. The total number of centres operating currently is 52, inclusive of 34 mini centres. The Social Benefit Management System (SBMS) in Andhra Pradesh went live during the year. Your company was awarded the contract for application support and also technical support contract for three departments in 23 districts was signed off. In Vizag Bus Pass Project, volume increase is expected due to bulk processing of applications in the centres as against offline processing earlier.

Your company faced implementation difficulties in e-suidha project in Uttar Pradesh on account of delays in formalities by the user department and due to delayed receipt of receivables. The much awaited Common Service Centre (CSC) Project launch is getting delayed due to government clearances/formalities. Your company has tied up with a hardware major to participate in Andhra Pradesh Districts' e-seva project and has also been shortlisted for providing software services in districts. The opportunities visible earlier in states of Maharashtra and Uttar Pradesh for CSCs do not exist currently. Your company will be contributor of service in Karnataka One Project as the tender for seven more cities is expected to be finalised during the third quarter of the financial year.

PRODUCTS DIVISION: BANKING

Implementation of the first core banking solution order from Naga Sahakari Bank, Uttar Pradesh, was commenced during the year. Additional order covering five branches was received. During the first quarter of the current financial year, some more orders for core banking system (CBS) were finalised. Greater opportunities for CBS solutions exist in the District Co-operative Banks (DCBs) as per NABARD's policies to adopt the centralized solutions. The company has plans to launch "Smartmicrofin" solutions as Software as Services (SAS) model to microfinance institutions including the Primary Agricultural Co-operative Societies (PACS).

Migration of e-smart banker product from Asp.net to Vb.net is nearing completion. This will enhance the security features of the product and enable additional delivery channel possibilities like SMS banking, Mobile banking, etc.

QUALITY:

Your company continues to lay emphasis on high-level quality processes to deliver solutions to clients exceeding their expectations. Sophisticated quality management systems and processes are in place and strictly adhered to. Your company

is ISO 9001 and ISO 27001 certified with mature processes in place.

PARTICULARS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956:

Pursuant to the provisions of Section 212 of the Companies Act, 1956, documents in respect of subsidiary viz. Balance Sheet, Profit & Loss account, Directors' Report and Auditors' Report are required to be attached to the Balance Sheet of the holding company. An application was made to the Government of India seeking partial exemption from the provisions of Section 212 of the Companies Act, 1956. The Government of India, Ministry of Corporate Affairs, vide its letter no. 47/641/2009 CL-III dt. 26-08-2009 has granted exemption from the provisions of Section 212(1) of the Companies Act, 1956. Accordingly the Annual Report does not contain the financial statements of its subsidiary M/s. Aravali Technologies Inc., US. However, the Company will make available the audited annual accounts and related detailed information to the investors upon request at any point of time. These documents are also available for inspection at the registered office of the Company during business hours.

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 in respect of the wholly owned subsidiary is annexed.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA):

The directors confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The directors had 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 and of the profit or loss of the company for that period;
- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The directors had prepared the annual accounts on a going concern basis.

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

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Act read with rule 2 of Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out in **Annexure-A** to this Report.

MANAGEMENT DISCUSSION & ANALYSIS:

Pursuant to clause 49 of the listing agreement, a report on Management Discussion and Analysis for the year under review is set out as **Annexure-B** to and forms part of this report.

REPORT ON CORPORATE GOVERNANCE:

The Securities and Exchange Board of India (SEBI), has prescribed certain corporate governance standards vide clause 49 of the listing agreement. Your Directors re-affirm their commitment to these standards and a detailed report on *Corporate Governance* along with a certificate from statutory auditors on its compliance is given as an **Annexure-C** to this report.

CEO'S DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

Declaration as required under clause 49(1)(D)(ii) of the listing agreement with regard to compliance with the code of conduct of the company is set out as **Annexure-D** to this report.

PARTICULARS OF EMPLOYEES - PURSUANT TO SEC. 217(2A) OF THE COMPANIES ACT, 1956:

There are no employees in India whose remuneration during the year is Rs. 2,00,000 per month or Rs. 24,00,000 per annum as per the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

STOCK EXCHANGE LISTING:

The Equity Shares of the company are listed on the Bombay Stock Exchange Limited. The listing fee for the year 2009-10 has been paid to the Bombay Stock Exchange Ltd. The Company has also paid custodial fee for the year 2009-10 to both the depositories viz. NSDL and CDSL on the basis of number of beneficial folios maintained by them as on 31st March 2009.

FIXED DEPOSITS:

Your company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as of the balance sheet for the year ended 31st March 2009.

AUDITORS:

The term of Statutory Auditors M/s. J.B.Reddy & Co., Chartered Accountants comes to an end with the conclusion of ensuing Annual General Meeting. The Company has received a declaration from the auditors stating their unwillingness for reappointment as statutory auditors for the financial year 2009-10.

Further M/s. S.S. Kothari & Co., Chartered Accountants, have given their consent to act as Statutory Auditors of the Company for the financial year 2009-10 and given a certificate to the effect that, if appointed as Statutory Auditors of the Company, such appointment would be within the limits specified under section 224(1B) of the Companies Act 1956. The Audit Committee and Board of Directors recommend the appointment of M/s. S.S. Kothari & Co., Chartered Accountants, as the Statutory Auditors of the company.

CHANGES IN DIRECTORS AND IN KEY OFFICIALS:

In accordance with the Articles of Association and pursuant to the provisions of Companies Act 1956, Mr. P.R. Balasubramanian

and Mr. Kurminaidu Kumar Raja retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

A brief resume of the above directors with the nature of expertise in specific functional areas, details of other directorships and memberships on committees of board as required under Clause 49 of the listing agreement are given at appropriate section in Report on Corporate Governance attached to this report.

During the year Mr. Shailesh Baheti is appointed as Company Secretary in place of Mr. Venkatesh Puranik.

EXTENSION OF TIME FOR CONVENING ANNUAL GENERAL MEETING:

The company has applied to the Registrar of Companies, Andhra Pradesh, for extension of time for convening the Annual General Meeting for the year 2008-09 by three months. The Registrar of Companies granted the said extension for a period of two months.

REPLY TO THE AUDITORS' QUALIFICATIONS:

The Auditors, in point no. ix in the Annexure to their report have stated that the company is not regular in depositing the Provident fund, Employees State Insurance, Income tax and Service tax dues.

Your Directors would like to submit that the company faced severe liquidity pressure on account of large overdues from government contracts and due to severe economic downturn affecting business, resulting in delays in depositing the said dues. Efforts are made to clear the same. The management is planning to strengthen the financial position by way of long-term fund mobilization including strategic investment.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for the continued co-operation and support by the Banks, Government authorities, Business Partners, Customers and other Stakeholders. Your Directors wish to place on record their sincere appreciation for the dedicated contribution made by all the Executives, Staff members of the Company in the achievements of the Company during the year under review..

By order of the Board
For **RAM INFORMATICS LIMITED**

Place : Hyderabad
Dated : 25/09/2009

P.S. Raman
Executive Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as required under 217(1)(e) of the Companies Act, 1956 read with rule 2 of Companies (disclosure of particulars in the report of board of directors) Rules, 1988 are as under:

1. Conservation of Energy.

The operations of your company do not consume high levels of energy. However, adequate steps have been taken to conserve energy wherever possible.

2. Technology Absorption.

The company trains its software engineers on a regular basis on latest trends and technologies in software methodologies, software engineering, software development and CASE tools. The

techniques thus absorbed are used to expedite the process of software development as well as the quality of the products developed.

3. Foreign Exchange Earnings and Outgo

	(in Rs.)
Foreign Exchange Earnings	42,26,852
Foreign Exchange Outgo :	
- Postage & Telegram	10,947
- Others	3,38,128

For and on behalf of the Board

Place : Hyderabad
Date : 25/09/2009

P S Raman
Executive Chairman

ANNEXURE -B

MANAGEMENT DISCUSSION & ANALYSIS

i. Industry structure and development:

The Indian IT- BPO Sector reported revenues of USD 58.8 billion in the year 2008-09 as against USD 52 billion in financial year 2007-08 with overall growth of 13%, as per the annual survey on the performance of the Industry by NASSCOM. The export revenues registered a growth of 16.3% and touched total revenue of USD 46.3 billion. The domestic revenue in the year under review grew to INR 570 billion from INR 470 billion in the year 2007-08. IT Services within the export segment clocked revenues of USD 26.5 billion. The industry managed to grow over 16% and retained its position as a strategic global outsourcing destination.

As per the reports the domestic market provided opportunities for large transformation deals in telecom and e governance. The industry managed to maintain a decent growth in spite of severe economic downturn in key markets, with increase in fixed price contracts, end-to-end transformational deals and shift from on-site to offshore.

The report indicates a trend of lower growth rate at 4-7% for exports in the financial year 2009-10 and 15-18% growth rate for domestic. Customers are expected to remain cautious and analysts continue downgrade IT spending in the year 2009. It also estimates stability in core market viz. North America in the BFSI vertical.

ii. Opportunities, Threats, Risks and Concerns

The Company, having specialized in e governance solutions sees more opportunities in this domain after the Government of India started placing more emphasis to implement various mission critical applications of large scale. Plan by Grameena Banks to change over to core banking solutions is another great opportunity for the company with its stable e-bankers suite of products. Aligning capabilities with a stronger technology partner to undertake larger projects has become the priority of the Company to achieve growth.

Working capital and cash flow inadequacy coupled with the smallness in size has been consistently becoming the primary concerns in addressing the business of larger scale. Tougher economic environment as well as ever-increasing competition from the big players in domestic market are the challenges the Company is facing.

iii. Risk assessment and control

Suitable policies and procedures are in place to assess the risks in projects and all the operational activities.

The executive management closely monitors the assessment and applies effective control in implementation of such policies with the help of operations in charge.

iv. Internal control systems and their adequacy

The company has installed suitable internal control system and ensures implementation of the defined policies effectively, devised for the purpose. Compliance of the regulations and laws, as applicable, is strictly monitored. The control systems have been reviewed to make sure that proper reporting of financial transactions is done and the assets of the company are safeguarded.

v. Financial performance

The parent company's gross revenue declined to Rs. 904.55 lacs for the year ended 31st March 2009 compared to Rs. 1287.17 lacs in the previous year due to the major drop in e-seva project revenue and in the off-shore billing. The consolidated revenue for the year-end stood at Rs. 1137.15 lacs against Rs. 1637.76 lacs in the previous year due to the above stated reasons and reduction in consulting income of the subsidiary in USA wherein recessionary trend set in. These factors had a direct impact in the net profit after tax, which dropped significantly to Rs. 4.29 lacs (Stand alone) and consolidated at Rs. 2.53 lacs.

Deferred Tax:

During the year the company recorded deferred tax asset of Rs. 125.65 lacs as against Rs 154.58 lacs in the previous year, representing timing differences arising out of depreciation on fixed assets, provision for doubtful debts and others.

Expenditure:

The Company achieved a reduction in employee costs by 31% in the parent company, to Rs. 401.50 lacs from Rs. 581.52 lacs in the previous year. A sum of Rs. 47.82 lacs was incurred by the parent company as professional charges for the services rendered by another software company in the execution of the project.

The provision for doubtful debts net off write off, stood at Rs. 70.93 lacs as against Rs. 363.04 lacs in the previous year. There has been reduction in finance charges from Rs. 33.37 lacs to Rs. 29.47 lacs due to repayment of part of the inter-corporate loans. There has been no significant capital expenditure for the year.

At the consolidated level, the employee costs dropped to Rs. 570.46 lacs from Rs. 733.54 lacs in the previous year. Third party consulting expenses in the subsidiary

was lesser at Rs. 67.65 lacs against Rs. 211.33 lacs in the previous year.

Secured loans:

During the year term loan dues decreased due to repayments. The overdraft facility remained fully utilized and the outstanding as at year-end was Rs. 104 lacs including interest charges. The total secured loans were at Rs. 177.96 lacs compared to Rs. 185.27 lacs in the year 2007-08.

Unsecured loans:

There was a net reduction in the inter-corporate loan by Rs. 5.00 lacs and increase in interest free loan from Directors by Rs. 7.80 lacs. The total unsecured loans as of 31st March, 2009 was Rs. 55.70 lacs as against 52.90 lacs in the previous year.

Fixed Assets:

The company has purchased fixed assets worth of Rs. 8.60 lacs only as upgrades. However, the depreciation for the year 2008-09 increased to Rs. 69.85 lacs from Rs. 60.29 lacs in the previous year.

Sundry Debtors:

The sundry debtors, net of provision for doubtful debts, increased to Rs. 337.56 lacs while the total provision made for the year was Rs. 48.75 lacs as against Rs. 40.57 lacs in previous year. The year witnessed increased delays in collection, most of which are from government contracts.

vi. Human resources development

The Company continued to focus on skill upgradation of its employees. Employees were given opportunity to build new skills and competencies with suitable training programmes in technology related issues. Capacity enhancement was achieved by rotating them between projects and by providing more means of knowledge sharing.

vii. Working capital needs

With the increased collection cycle of receivables and decreased earnings, the Company has faced difficulties in managing its working capital needs during the year. This resulted in delayed payments of payroll, arrears of statutory dues and other vendor payments significantly.

Increase in bank borrowings was not feasible due to inadequacy of securities. This necessitated funds to be brought in by the Directors as interest free loans to meet up certain critical payments partly. The company is exploring options to raise capital through strategic tie up with technology companies with a synergy match.

viii. Outlook

The Government of India's mega plan of implementing various e-governance projects of large size across the country has opened up greater opportunities for solution providers like our company, which is pioneer in e-governance solutions development. The e-governance market grew by 18% last year and is the highest growing vertical in the domestic IT market. However, several operational, economic, planning and implementation issues are becoming challenges, which need to ironed out. Competition from large players is also a major concern. The Company is reasonably hopeful of getting its due share in this line of business with the support of suitable technology partners.

While the 2009 outlook for global technology related spending is affected by the recessionary environment, a rebound is expected from 2010 onwards.

Cautionary statement:

Some of the statements contained in this report may be forward looking statements within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Factors that could make significant difference to the company's operations include economic conditions, government regulations etc. on which the company does not have any direct control.

ANNEXURE – C**REPORT ON CORPORATE GOVERNANCE**

Pursuant to clause 49 of listing agreement with Bombay Stock Exchange Limited, compliance with the requirements of corporate governance is set out below:

1. Company Philosophy on Code of Governance:

Your company believes that sound governance practices and responsible corporate behavior contribute to superior long-term performance of the company. Corporate governance practice embodies the dual goals of protecting the interests of all stakeholders while respecting the duty of the board and senior management to oversee the affairs of a company, ensure accountability, inculcate integrity and promote long-term growth and profitability. Your company is committed to adhere to good corporate governance principles as embodied in its governance policy.

**ANNUAL REPORT 2008-2009****2. Board of Directors:**

The present board consists of 8 directors and the composition and category of directors on the Board of the company are as under:

Name	Category	Designation	No. of Board meetings held during the last financial year	No. of meetings attended	No. of other directorships	Attendance at the last AGM
Mr P S Raman	Promoter & Executive Director	Executive Chairman	5	5	1*	Yes
Mr R Jagadeeswara Rao	Promoter & Executive Director	Executive Director	5	5	1*	Yes
Mr P S Venkateswaran	Promoter & Non-Executive Director	Director	5	3	-	No
Mr K Kumar Raja	Promoter & Non-Executive Director	Director	5	3	3	Yes
Mr P R Balasubramanian	Non-Executive Independent Director	Director	5	3	1	Yes
Mr G Haragopal	Non-Executive Independent Director	Director	5	4	-	No
Dr. S K Mathur	Non-Executive Independent Director	Director	5	2	-	No
Dr. Khushwant Singh	Non-Executive Independent Director	Director	5	3	-	No

* Includes the directorship held in Aravali Technologies Inc., the wholly owned subsidiary of the company.

During the financial year 2008-09 the Board has met 5 times. The maximum time gap between any two meetings was not more than four months. The dates of the Board Meetings held were: 16th April 2008, 30th June 2008, 31st July 2008, 31st October 2008, and 31st January 2009.

Details of the Directors seeking re-appointment at the ensuing Annual General Meeting:

The following are the details of the directors retiring by rotation at the ensuing Annual General Meeting, as required under Clause 49 of the Listing Agreement:

Mr. P.R. Balasubramanian

Mr Balasubramanian is a science graduate and a Chartered Accountant. He brings with him rich experience ranging from financial management, business process re-engineering and general management in various industries for over 28 years, including 17 years of experience in IT Industry. His expertise lies in evaluating business proposals in acquisitions and mergers, handling IPOs, setting up and managing of start-ups etc. His professional career spans over 25 years with experience in companies like Larsen & Toubro Ltd, NCR Corporation (a US based multi-national computer giant), OHI Telecommunications LLC., Muscat (a multinational communication company), Hexaware Technologies Ltd., (a leading global software development and services company).

Mr. K. Kumar Raja

Mr K.Kumar Raja holds a Bachelors degree in Engineering and Masters degree in Business Administration. He is also a Chartered Engineer and a Member of the Institute of Engineers, India.

He is the Managing Director of Kumar Raja Projects (Pvt) Ltd., Visakhapatnam undertaking turnkey projects in Electrical, Mechanical and Civil engineering fields for both Government and private sector. He is well experienced in project / general management and in IT enabled services business.

Shares held by Non-executive Directors:

The shares held by non-executive directors as on 31st March 2009:

Name of the non-executive director	No. of shares
Mr. P.S. Venkateswaran	352,200
Mr. P.R. Balasubramanian	Nil
Mr. K. Kumar Raja	220,000
Mr. G. Haragopal	Nil
Mr. S.K. Mathur	Nil
Dr. Khushwant Singh	Nil

Remuneration to the directors:

The Company pays a sitting fee of Rs. 1500/- for attending each Board or Committee meetings to the Non-executive Directors

Particulars	Executive Chairman (Rs.)	Executive Director (Rs.)
Salary & other Allowances(Rs.)	11,40,000	11,40,000
Perquisites(Rs.)	1,72,000	1,72,000
Total(Rs.)	13,12,000	13,12,000

Information available to the Board:

The Board has unlimited access to the information. The information regularly supplied to the Board includes:

- ◆ Quarterly results of the company and its business segment
- ◆ Minutes of the meeting of the Audit committee and other committees of the Board.
- ◆ Information on recruitment and remuneration of senior officers.
- ◆ Show cause, demand, prosecution notices and penalty notices which are materially important.
- ◆ Significant Capital investment proposals.
- ◆ Strategic and business plans.
- ◆ Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- ◆ Details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement.
- ◆ Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholders services such as non-payment of dividend and delay in share transfers.
- ◆ Quarterly report on compliance of various laws.
- ◆ Transaction that involve substantial payment towards goodwill, brand equity, or intellectual property.
- ◆ Significant development in human resource front.

Code of Conduct

The Board has laid down a code of conduct for all Board Members and Senior Management of the company. The code of conduct is available on the website of the company. All the board Members and Senior Management have affirmed compliance with the Code of Conduct.

3. Committees of the Board:

The company has the following committees of the board:

Audit Committee:

The Board of the company has constituted an Audit Committee comprising of three non- executive independent directors namely Mr. P.R. Balasubramanian, Mr. S.K. Mathur and Mr. G. Haragopal. The Committee is Chaired by Mr. P.R. Balasubramanian. The constitution of audit committee fulfils the requirements of Sec. 292A of the Companies Act, 1956 and also the Listing Agreement requirements.

The meetings of the committee were attended by the Executive Chairman and Executive Director of the company. The Company Secretary has acted as Secretary at the committee meetings.

Attendance at the meetings of Audit Committee:

Name of the Director	Designation	No. of meetings held	No. of meetings attended
Mr. P.R. Balasubramanian	Chairman	5	5
Mr. G. Haragopal	Member	5	4
Mr. S.K. Mathur	Member	5	5

Terms of reference:

- ◆ To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ◆ To recommend the appointment and removal of external auditors, fixation of audit fee and approval of payment for any other services.
- ◆ To review the annual financial statements before submission to the board focusing on any changes in accounting policies and practices, major accounting entries, qualifications in the audit report, significant adjustments arising out of audit, compliance with accounting standards, compliance with stock exchange and legal requirements concerning financial statements and any related party transactions.

Shareholders' / Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee is constituted with 3 non-executive Directors chaired by Mr. K. Kumar Raja. The committee is constituted to look into the redressal of the shareholders'/investors' complaints/grievances like transfer of shares, non-receipt of share certificates/duplicate share certificates, non-registration of change of names/addresses etc.

Company secretary of the company acted as the secretary of the committee and compliance officer. The company has received and resolved the complaints received during the year and there were no complaints pending unresolved at the end of the year.

Pursuant to the provisions of revised clause 47(f) of the Listing Agreement, the company has created/dedicated an exclusive email ID compliance@raminfohyd.com for the redressal of investors complaints and related matters.

4. General Body Meetings:

a. The details of date, location and time of the last three Annual General Meetings held are as under:

Financial year	Date	Time	Venue
2005-06	29 th September, 2006	10.00 A.M.	Aditya Park Inn, Aditya Trade Centre, Ameerpet, Hyderabad – 38.
2006-07	28 th September, 2007	10.00 A.M.	Aditya Park Inn, Aditya Trade Centre, Ameerpet, Hyderabad – 38.
2007-08	27 th September, 2008	10.00 A.M.	Kamat Lingapur Hotel, Chikoti Gardens, Begumpet, Hyderabad – 16.

The Company passed no special resolutions in the previous three AGMs held at the above dates. During the year ended 31st march, 2009 no special resolution was passed by the company through postal ballot.

Disclosures:

- There are no materially significant related party transactions that may have potential conflict with the interests of the company at large.
- The company does not have a Whistler Blower Policy, but however, no person is denied access to audit committee.
- The company has complied with the mandatory requirements of clause 49 and not adopted all the non-mandatory requirements.
- Applications were filed in 2007 under section 621A of the Companies Act, 1956, for compounding of the offences related to years 2003-05 for contravention of section 217(1)(A), 217(3) and 212(2) of the Act. These were compounded and fees paid vide the order dt. 31st August, 2009 by the Company Law Board, Chennai.

Means of Communication:

Financial results of the Company (quarterly and annual) are normally published in 'Financial Express' and 'Andhra Prabha' and also been displayed on the Company's website www.raminfo.com. Press releases made by the company from time to time are also displayed on the website. Apart from the above, the financial and other details are also placed on the SEBI's website through Electronic Data Information Filing and Retrieval System (EDIFAR).

Additional shareholder information:

a. 15th Annual General Meeting:

Date	Time	Venue
16 th November, 2009	10.00 A.M.	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Garden, Begumpet, Hyderabad – 16.

b. Financial calendar for the year 2009-10 (tentative)

Accounting year	1 st April 2009 - 31 st March 2010
First quarter details	July 2009
Second quarter details	October 2009
Third Quarter details	January 2010
Fourth quarter details	April 2010 / June 2010

c. Date of book closure : 11th November 2009-16th November 2009 (both days inclusive)

- d. **Listing on Stock Exchanges:** Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 023
- e. **Stock code:** 530951 (Scrip id: RAMINFO)
ISIN No. INE357B01014
Scrip Name : RAM INFORMATICS

f. **Market price data:**

The monthly high and low of stock prices of the Company during each month in the last financial year:

Month & Year	BSE (in Rs.)		SENSEX	
	High	Low	High	Low
April - 2008	16.75	12.15	17,480.74	15,297.96
May - 2008	21.45	14.55	17,735.70	16,196.02
June - 2008	16.95	13.35	16,632.72	13,405.54
July - 2008	13.50	10.70	15,130.09	12,514.02
August - 2008	14.95	11.70	15,579.78	14,002.43
September - 2008	15.00	9.50	15,107.01	12,153.55
October - 2008	12.00	4.88	13,203.86	7,697.39
November - 2008	7.73	5.00	10,945.41	8,316.39
December - 2008	7.35	5.00	10,188.54	8,467.43
January - 2009	9.80	4.51	10,469.72	8,631.60
February - 2009	5.98	4.10	9,724.87	8,619.22
March - 2009	5.59	4.00	10,127.09	8,047.17

g. **Share transfer system:**

Shares lodged for physical transfer are registered within a period of 10 days, if the documents are clear in all respects. M/s. Sathguru Management Consultants Private Limited is the common share transfer agent for both physical and dematerialized mode.

h. **Registrar and Share Transfer Agents:**

M/s. Sathguru Management Consultants Private Limited
Plot no. 15, Hindi Nagar, Punjagutta, Hyderabad – 500034.
Tel.: 040-23356507, 23350586, 23356975, Fax: 040-23354042
Email id: sta@sathguru.com

i. **Distribution of shareholding:**

Distribution of shareholding as on 31st March 2009 is as under:

Category (No. of shares)	No. of shareholders		No. of shares		% to total shareholding	
	Physical (A)	Demat (B)	Physical (A)	Demat (B)	Physical (A)	Demat (B)
1 - 500	1716	5711	248483	1112519	2.21	9.91
501 - 1000	70	797	58900	702383	0.52	6.25
1001 - 2000	21	430	29800	685454	0.27	6.09
2001 - 3000	29	125	74900	330943	0.67	2.94
3001 - 4000	5	68	17700	247753	0.16	2.20
4001 - 5000	7	68	33900	327373	0.30	2.91
5001 - 10000	2	81	11500	617916	0.10	5.50
10001 - above	2	89	470000	6271876	4.18	55.79
	1852	7369	945183	10296217	8.41	91.59
Grand Total (A+B)	9221		11241400		100	

j. Shareholding Pattern as on 31st March, 2009

Category of Shareholders	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialised form	Total Shareholding as a % of total No. of shares	
				As a % (A+B)	As a % (A+B+C)
(A) Shareholding of Promoter and Promoter Group					
(1) Indian					
Individuals / Hindu undivided Family	21	2,326,347	2,106,247	20.69	20.69
Sub Total	21	2,326,347	2,106,247	20.69	20.69
(2) Foreign					
Total shareholding of Promoter and Promoter Group (A)	21	2,326,347	2,106,247	20.69	20.69
(B) Public Shareholding					
(1) Instructions					
Mutual Funds / UTI	5	6,500	-	0.06	0.06
Foreign Institutional Investors	2	3,500	-	0.03	0.03
Sub Total	7	10,000	-	0.09	0.09
(2) Non-Institutions					
Bodies Corporate	206	1,992,749	1,976,749	17.73	17.73
Individuals					
Individual shareholders holding nominal share capital upto Rs. 1 Lakh	8,847	4,127,858	3,700,475	36.72	36.72
Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	50	1,682,569	1,682,569	14.97	14.97
Any Others (Specify)					
NRIs / OCBs	90	1,101,877	830,177	9.80	9.80
Sub Total	9,193	8,905,053	8,189,970	79.22	79.22
Total Public Shareholding (B)	9,200	8,915,053	8,189,970	79.31	79.31
Total (A)+(B)	9,221	11,241,400	10,296,217	100.00	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-
Total (A)+(B)+(C)	9,221	11,241,400	10,296,217	100.00	100.00

k. Dematerialization of shares and liquidity:

As on 31st March 2009, 91.59% of the total shares representing 10296217 shares were held in dematerialized form and the balance 8.41% in physical form representing 945183 shares.

l. Outstanding ADRs/ GDRs/warrants or any convertible instruments, conversion date and likely impact on equity:

The company has not issued any ADRs /GDRs and there are no warrants / instruments pending conversion.

m. Address for correspondence:

Ram Informatics Limited

SVR TOWERS,
8-2-1/B/1, Srinagar Colony Road,
Punjagutta,
Hyderabad – 500 082.

U.S. Branch:

36, Mill Plain Road,
Suite 410, Danbury,
Connecticut – 06811

U.S. Subsidiary:

Aravali Technologies Inc.,
1175, Saratoga avenue, Suite 7,
San Jose, California – 95129



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
RAM INFORMATICS LIMITED

We have examined the compliance of conditions of corporate governance by Ram Informatics Limited (the company), for the year ended 31st march 2009 as stipulated in clause 49 of the listing agreement of the company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the guidance note on certification of corporate governance and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement and no investor grievance is pending for a period exceeding one month against the company as per the record maintained by the company.

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

For J.B.Reddy & Co.,
Chartered Accountants

(A.V.REDDY)
Partner
M.No.: 23983

Place: Hyderabad
Date: 25/09/2009

Annexure-D

CEO'S DECLARATION

I hereby confirm that:

As provided under clause 49(l)(D) of Listing Agreement, the Board of directors and senior management personnel have complied with the code of conduct & ethics for the financial year ended 31st March, 2009.

For **RAM INFORMATICS LIMITED**

Place: Hyderabad
Date: 25/09/2009

P.S. Raman
Executive Chairman

CEO AND CFO CERTIFICATION

We, P.S. Raman (CEO) and K.V. Subba Rao (CFO) of Ram Informatics Limited to the best of our knowledge and belief certify that:

1. We have reviewed the balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statements for the year ended March 31, 2009.
2. To the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Company's auditors and the Audit committee of the Company that during the year:
 - (i) There are no significant changes in internal control over financial reporting;
 - (ii) There are no significant changes in accounting policies; and
 - (iii) There are no frauds, whether or not material that involves management or other employees having significant role in the company's internal control system over financial reporting.

Date: 25/09/2009

Place: Hyderabad

P.S.Raman
Chief Executive Officer

K.V. Subba Rao
Chief Financial Officer



AUDITORS' REPORT

To
The Members of
RAM INFORMATICS LIMITED

We have audited the attached Balance Sheet of **RAM INFORMATICS LIMITED**, as at March 31, 2009 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
- (c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the company;

- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, in our opinion, none of the Directors are disqualified from being appointed as Director under Section 274(1)(g) of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes on accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affair of the Company as at 31st March, 2009;
 - ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For J.B.REDDY & Co.,
Chartered Accountants

(A.V.Reddy)
Partner
M.No:23983

Place : Hyderabad
Date : 30.06.2009

ANNEXURE TO THE AUDITORS' REPORT

(This is the Annexure referred to in our Report of even date)

In terms of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our acknowledge and belief, we state as under:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All the fixed assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- c. There was no disposal of substantial fixed assets during the Year.
- ii) a. The Management has conducted physical verification of inventory at reasonable intervals during the year.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) a. The Company has not granted any loans, Secured or Unsecured, to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. The Company had taken interest free loans from two parties covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of loans obtained from such parties was Rs.45,70,000/-.

In our opinion, the terms and conditions on which loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the Interest of the company.

The company is regular in repaying the principal amounts as stipulated.

There is no overdue amount of loans taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion, there are adequate internal control procedures commensurate with size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of services. During the course of our audit no major weaknesses have been noticed in internal controls in these areas.
- v) During the financial year there were no contracts or arrangements referred to in section 301 of the Act, which needs to be entered in the Register maintained under that section.
- vi) The Company has not accepted any deposits from the public.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956 for any of its products.
- ix) a. The Company is regular in depositing with appropriate authorities the undisputed statutory dues including Sales Tax, Wealth Tax,

Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it. But the company is not regular in depositing the Provident Fund, Employees' State Insurance, Income Tax and Service Tax dues.

- b. According to the information and explanations given to us excepting an amount of Rs.81,64,677/- representing Provident Fund, Employees' State Insurance, Income Tax and Service Tax dues, there were no other undisputed statutory dues outstanding, at the year end for a period of more than six months from the date they became payable.
- c. According to the records of the Company and on the basis of the information and explanations given to us, there are no dues of Sales-tax, Income-tax, Custom Duty, Wealth tax, Excise Duty, Service Tax, Cess which have not been deposited on account of any dispute.
- x) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
- xii) The Company has not granted any loans or advance on the basis of security by the way of pledge of shares, debentures or 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 4 (xiii) of the order are not applicable.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, term loans were applied for the purpose for which the said loans were obtained.
- xvii) The funds raised on short-term basis have not been used for long-term investment and whereas part of long-term funds were used for working capital requirement of the Company.
- xviii) The company has not made, during the year, 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 debentures and hence creation of securities or charge for debentures does not arise.
- xx) The Company has not raised any money by way of public issue. Hence other matters specified in the clause are not applicable to the company.
- xxi) As per the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

For J.B.REDDY & Co.,
Chartered Accountants

(A.V.Reddy)

Partner

M.No:23983

Place : Hyderabad

Date : 30.06.2009

BALANCE SHEET AS ON 31.03. 2009

	SCHEDULE	AS AT 31-03-2009 (Rs.)	AS AT 31-03-2008 (Rs.)
SOURCES OF FUNDS			
1 SHARE HOLDERS FUNDS			
Share Capital	A	11,24,14,000	11,24,14,000
Reserves & Surplus	B	48,84,39,702	48,84,39,702
2 LOAN FUNDS			
Secured Loans	C	1,77,96,300	1,85,27,426
Unsecured Loans	D	55,70,000	52,90,000
		<u>62,42,20,002</u>	<u>62,46,71,128</u>
APPLICATION OF FUNDS			
1 Fixed Assets	E		
Gross Block		20,21,80,691	20,13,20,194
Less: Depreciation		<u>16,56,87,960</u>	<u>15,87,02,809</u>
Net Block		3,64,92,731	4,26,17,385
2 INVESTMENTS	F	31,79,64,746	31,79,64,746
3 CURRENT ASSETS, LOANS AND ADVANCES	G	24,69,96,139	23,00,52,916
Less: CURRENT LIABILITIES AND PROVISIONS	H	<u>3,94,46,782</u>	<u>3,15,48,941</u>
Net Current Assets		20,75,49,357	19,85,03,975
4 Deferred Tax Asset (Net)		1,25,64,681	1,54,57,763
5 MISCELLANEOUS EXPENDITURE (to the extent not written off or Adjusted)	I	50,000	1,00,000
6 Profit and Loss Account		4,95,98,487	5,00,27,259
		<u>62,42,20,002</u>	<u>62,46,71,128</u>
NOTES TO ACCOUNTS	O		

As per our report of even date

For and on behalf of the Board

For J.B.Reddy & Co.
Chartered Accountants

P.S. Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

(A.V.Reddy)
Partner

Shailesh Baheti
Company Secretary

Place: Hyderabad
Date : 30.06.2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

Schedule	For the Year Ended 31-03-2009 (Rs.)	For the Year Ended 31-03-2008 (Rs.)
INCOME		
Software Sales/Services		
Exports	42,26,852	88,46,991
Domestic	8,45,33,068	11,60,73,345
Training Income	15,68,191	25,21,555
Other Income	1,27,252	12,74,716
	<u>9,04,55,363</u>	<u>12,87,16,607</u>
Increase / (Decrease) in Stocks	(1,12,30,860)	83,87,047
Total	<u>7,92,24,503</u>	<u>13,71,03,654</u>
EXPENDITURE		
Cost of Software packages sold	—	1,30,00,000
Salaries, wages and benefits to employees	4,01,50,916	5,81,52,852
Operating, Administration and Other Expenses	2,30,26,518	2,44,94,449
Interest and Finance Charges	28,25,881	32,77,914
Preliminary and Share Issue expenses written off	50,000	50,000
Depreciation	69,85,151	60,29,111
Total	<u>7,30,38,466</u>	<u>10,50,04,326</u>
Profit for the year	61,86,037	3,20,99,328
Less: Prior year adjustment	26,66,375	12,614
Profit before Tax	35,19,662	3,20,86,714
Less: Provision for Tax :		
- Income Tax	10,05,328	40,30,129
- MAT Credit	(10,05,328)	(40,30,129)
- Fringe Benefit Tax	1,97,808	2,49,729
- Deferred Tax	28,93,082	13,36,595
Profit / (Loss) after tax	4,28,772	3,05,00,390
Loss brought forward from earlier year	(5,00,27,259)	(8,05,27,649)
Balance Carried to Balance Sheet	<u>(4,95,98,487)</u>	<u>(5,00,27,259)</u>

As per our report of even date

For and on behalf of the Board

For J.B.Reddy & Co.
Chartered Accountants

P.S. Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

(A.V.Reddy)
Partner

Shailesh Baheti
Company Secretary

Place: Hyderabad
Date : 30.06.2009



SCHEDULES TO BALANCE SHEET

	AS AT 31-03-2009 (Rs.)	AS AT 31-03-2008 (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED CAPITAL		
15000000 Equity Shares of Rs.10/- each.	<u>15,00,00,000</u>	<u>15,00,00,000</u>
ISSUED, SUBSCRIBED & PAIDUP CAPITAL		
1,12,41,400 equity shares		
of Rs.10/- each Issued Subscribed, and Paid up in full.	11,24,14,000	11,24,14,000
(Including 10,00,000 shares of Rs.10/- each at premium Rs.240/- each issued for consideration other than cash to acquire 100% stake in M/s.Aravali Technologies Inc., USA)		
Total	<u><u>11,24,14,000</u></u>	<u><u>11,24,14,000</u></u>
SCHEDULE - B		
RESERVES & SURPLUS		
General Reserve	1,67,81,202	1,67,81,202
Share Premium	47,16,58,500	47,16,58,500
Total	<u><u>48,84,39,702</u></u>	<u><u>48,84,39,702</u></u>
SCHEDULE - C		
SECURED LOANS		
Term Loan with Canara Bank	36,40,195	44,03,809
Overdraft facility with Canara Bank	1,03,91,272	1,01,29,549
Amounts due to Companies under		
Hire Purchase agreements for purchase of Assets	37,64,833	39,94,068
	<u><u>1,77,96,300</u></u>	<u><u>1,85,27,426</u></u>
SCHEDULE - D		
UNSECURED LOANS		
From Companies	10,00,000	15,00,000
From Directors	45,70,000	37,90,000
Total	<u><u>55,70,000</u></u>	<u><u>52,90,000</u></u>



SCHEDULE - E
Fixed Assets

Sl. No.	Description	Gross Block			Depreciation			Net Block	
		COST UPTO 31-Mar-08	ADDITIONS	As at 31-Mar-09	UPTO 31-Mar-08	For the year	Up to 31-Mar-09	As at 31-Mar-09	As at 31-Mar-08
1	Plant & Machinery	15,89,46,399	4,46,045	15,93,92,444	14,26,11,259	44,11,088	14,70,22,347	1,23,70,097	1,63,35,139
2	Electrical Installations	59,11,892	-	59,11,892	24,11,588	2,80,815	26,92,403	32,19,489	35,00,304
3	Office Equipment	71,39,635	4,00,452	75,40,087	28,71,618	3,53,350	32,24,968	43,15,119	42,68,017
4	Furniture & Fixtures	1,82,64,217	14,000	1,82,64,217	84,38,101	11,56,347	95,94,448	86,83,769	98,26,116
5	Vehicles	76,65,871	-	76,65,871	19,60,200	7,28,258	26,88,458	49,77,413	57,05,671
6	Office Building	33,92,180	-	33,92,180	4,10,043	55,293	4,65,336	29,26,844	29,82,137
	TOTAL	20,13,20,194	8,60,497	20,21,80,691	15,87,02,809	69,85,151	16,56,87,960	3,64,92,731	4,26,17,385

	AS AT 31-03-2009 (Rs.)	AS AT 31-03-2008 (Rs.)
SCHEDULE - F		
INVESTMENTS :		
Long term : at Cost		
Unquoted :		
40,000 Equity shares of US \$ 1 each in Aravali Technologies Inc, USA	<u>31,79,64,746</u>	<u>31,79,64,746</u>
SCHEDULE - G		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
Accrued Interest	32,184	62,812
INVENTORIES (As Certified by Management)		
Software Products/Projects under development	4,95,28,153	6,07,59,013
SUNDRY DEBTORS (Unsecured):		
Debts outstanding for a period exceeding 6 months		
Considered good	5,06,38,117	5,14,67,920
Considered doubtful	4,11,79,414	-
Less : Debtors Written off	<u>3,40,85,965</u>	-
Considered doubtful	70,93,449	3,63,04,164
	5,77,31,566	8,77,72,084
Other debts - considered good	11,04,20,371	7,59,36,068
	16,81,51,937	16,37,08,152
Less: Provision for doubtful debts	<u>70,93,449</u>	3,63,04,164
CASH & BANK BALANCES		12,74,03,988
Cash on hand	1,27,210	1,86,865
BALANCES WITH SCHEDULED BANKS		
In Current Accounts	1,63,218	9,36,303
In Deposit Accounts	17,40,726	16,81,897
Total (A)	<u>21,26,49,979</u>	<u>19,10,30,878</u>
B) LOANS & ADVANCES		
(UNSECURED CONSIDERED GOOD)		
Deposits	46,68,668	47,78,320
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED		
Advance for Supplies, Expenses & Services	2,08,60,456	2,12,10,457
Staff advances	10,81,513	11,11,294
Pre-paid expenses	29,677	39,486
MAT Credit Entitlement	34,35,359	64,60,160
Pre-paid Taxes	42,70,487	54,22,321
Total (B)	<u>3,43,46,160</u>	<u>3,90,22,038</u>
Total (A+B)	<u>24,69,96,139</u>	<u>23,00,52,916</u>



	AS AT 31-03-2009 (Rs.)	AS AT 31-03-2008 (Rs.)
SCHEDULE - H		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Advances/Deposits from customers	-	15,99,412
Sundry Creditors		
For Expenses & Services	2,66,07,249	1,62,66,842
For Others	1,01,36,690	66,02,299
Total (A)	<u>3,67,43,939</u>	<u>2,44,68,553</u>
B) PROVISIONS		
Provision for Tax	10,05,328	40,30,129
Provision for FBT	1,97,808	2,49,729
Provision for Gratuity	14,99,707	28,00,530
Total (B)	<u>27,02,843</u>	<u>70,80,388</u>
Total (A+B)	<u>3,94,46,782</u>	<u>3,15,48,941</u>

SCHEDULE - I

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Preliminary and Share Issue Expenses	50,000	1,00,000
Total	<u>50,000</u>	<u>1,00,000</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	FOR THE YEAR ENDED 31-03-2009 (Rs.)	FOR THE YEAR ENDED 31-03-2008 (Rs.)
SCHEDULE - J		
OTHER INCOME		
Interest earned (TDS Rs. NIL : P.Y. Rs. NIL)	1,27,252	2,73,510
Excess Provision for Gratuity written back	-	4,71,644
Miscellaneous Receipts	-	5,29,562
	<u>1,27,252</u>	<u>12,74,716</u>
SCHEDULE -K		
INCREASE IN STOCKS		
Closing Stock:		
Software Products/Projects under development	4,95,28,153	6,07,59,013
	<u>4,95,28,153</u>	<u>6,07,59,013</u>
Less: Opening Stock :		
Software Products/Projects under development	6,07,59,013	5,23,71,966
	<u>6,07,59,013</u>	<u>5,23,71,966</u>
Increase / (Decrease) in Stocks	<u>(1,12,30,860)</u>	<u>83,87,047</u>
SCHEDULE - L		
SALARIES, WAGES AND BENEFITS TO EMPLOYEES		
Salaries,Wages & Allowances	3,83,77,676	5,49,11,875
Contribution to Provident fund, ESI etc.,	16,46,041	24,19,263
Gratuity	69,069	3,57,290
Staff Welfare Expenses	58,130	4,64,424
	<u>4,01,50,916</u>	<u>5,81,52,852</u>

	FOR THE YEAR ENDED 31-03-2009 (Rs.)	FOR THE YEAR ENDED 31-03-2008 (Rs.)
SCHEDULE - M		
OPERATING, ADMINISTRATION & OTHER EXPENSES		
Power & Fuel	21,30,555	29,46,996
Rent	31,24,786	36,51,059
Consumables	5,64,546	8,33,027
Postage, Telegram & Telephones	17,36,084	22,40,079
Travelling & Conveyance	14,28,209	27,17,086
Printing & Stationery	2,58,580	7,96,442
Subscriptions, Books & Periodicals	2,13,676	2,00,858
Insurance	1,65,293	2,30,401
Rates & Taxes	43,472	60,669
Advertisement	90,291	1,96,668
Legal & Professional Charges	54,89,638	15,79,763
HRD/Recruitment & Training Charges	12,000	1,31,419
Filing, Registration and License Expenses	43,780	99,456
Repairs & Maintenance		
Plant & Machinery	48,867	3,89,899
Other Assets	1,88,320	2,88,180
Vehicle Maintenance	1,69,719	3,83,985
Directors sitting fees	27,000	27,000
Payment to Auditors		
Audit Fee	3,00,000	3,00,000
Tax Audit Fee	75,000	75,000
Tax Representation Fee	75,000	75,000
Provision for doubtful debts	48,75,250	40,57,088
Other Expenses	19,66,452	32,14,374
	<u>2,30,26,518</u>	<u>2,44,94,449</u>

SCHEDULE - N

INTEREST AND FINANCE CHARGES

Interest on Term Loan	6,41,051	6,23,727
Interest on Working Capital Loans	16,56,655	15,95,046
Finance charges on HP agreement	5,28,175	4,83,285
Other Interest and Finance Charges	--	5,75,856
	<u>28,25,881</u>	<u>32,77,914</u>

SCHEDULE – O

NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES:

1.1 COST CONVENTION:

The Accounts have been prepared under the historical cost convention.

1.2 REVENUE RECOGNITION:

All incomes and expenditure are accounted on accrual basis.

1.3 SECURED LOANS:

Overdraft facilities from Canara Bank is secured by first charge on Company's Fixed Assets excluding Vehicles and Electrical installations, hypothecation of book debts, equitable mortgage of the property (office space) owned by the Company and also guaranteed by personal guarantee of three directors.

Term Loan from Canara Bank is secured by hypothecation of assets(Computers & Equipments etc.) pertaining to "PASS Project of APSRTC" at Visakhapatnam and also guaranteed by personal guarantee of three directors.

1.4 FIXED ASSETS:

Fixed Assets have been valued at cost less depreciation.

1.5 DEPRECIATION:

Depreciation is provided on straight line method in accordance with the rates prescribed under Schedule XIV of the Companies Act, 1956.

1.6 INVESTMENTS:

Investment in subsidiary is long term in nature and is stated at cost. Business circumstances do not indicate any impairment in the value as the management is of the opinion that decline in value, if any is temporary in nature due to increased business opportunities.

1.7 INVENTORIES:

Inventories are valued at lower of cost and net realisable value. Cost is determined on First in First out basis.

1.8 FOREIGN EXCHANGE TRANSACTIONS:

Earnings in foreign currency are accounted at the rates prevailing on the day of the transaction. Differences in realisation is accounted as fluctuations in foreign currency. Sales made at overseas office and collections deposited in overseas bank accounts and also the expenditure incurred and disbursements made out of the said bank accounts of the overseas office are accounted at a rate that approximates the average monthly rate. However, current assets and current liabilities pertaining to the overseas office are translated at the exchange rate prevalent at the date of the balance sheet and the resultant difference is accounted in the profit and loss account. Fixed assets purchased at overseas office are recorded at cost, based on the exchange rate as of the date of purchase. The charge for depreciation is determined as per the company's accounting policy.

1.9 LEASES:

Leases, where the lessor retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Operating lease payments are recognised as an expense in Profit & Loss account on straight Line basis over the lease term.

1.10 RETIREMENT BENEFITS:

a) Contribution to Provident Fund is recognised as an expenditure on accrual basis.

b) The company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Gratuity plans of the entity is an unfunded plan. The company accounts for the liability for future Gratuity benefits on the basis of an independent actuarial valuation.

c) Leave encashment is not categorised as a retirement benefit as the company is in the practice of paying the leave encashment benefit every year.

1.11 DEFERRED TAXES:

Deferred Income taxes reflect the impact of timing differences between taxable and accounting incomes. Unrecognised Deferred tax assets of earlier years are reassessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax asset can be realised.

Deferred tax is measured based on the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

2. The Company is engaged in the business of development of Computer Software and rendering of Software services. The production and sales of such Software/Services is not capable of being expressed in any generic unit. The value details of Software Sales/Services is given below:

	2008-09 (Rs.)	2007-08 (Rs.)
Software products (Developed)	9,03,195	26,02,509
Software products (Traded)	--	1,42,00,000
Project and Consulting Services	8,78,56,725	10,81,17,827
Total	8,87,59,920	12,49,20,336

3. Managerial Remuneration

	2008-09 (Rs.)	2007-08 (Rs.)
EXECUTIVE CHAIRMAN		
Salary and allowances	11,40,000	11,40,000
Perquisites	1,72,000	1,72,000
Total	13,12,000	13,12,000
WHOLE TIME DIRECTOR		
Salary and allowances	11,40,000	11,40,000
Perquisites	1,72,000	1,72,000
Total	13,12,000	13,12,000

4. Disclosure as required under Accounting Standard (AS) 15:

Consequent to the application of Accounting Standard AS-15 "Employee Benefits" notified by the Companies (Accounting Standards) Rule, 2006, all employee benefits were determined in accordance with the Standard in the preparation of financial statements for the year 2008-09:

Disclosure (31-03-2009)

Profit & Loss Account	2008-09
Current Service Cost	20,583
Interest cost on benefit obligation	1,14,451
Expected return on plan assets	NIL
Net Actuarial (gain) , Loss recognised in the year	(2,91,688)
Past Services cost	2,25,723
Net Benefit espenses	69,069
Actual return on Plan Assets	
Balance Sheet	
Details of provision for Gratuity	
Change in the present value of the defined benefit obligation are as follows :	
Opening defined benefit obligation	14,30,368
Interest cost	1,14,451
Current services cost	20,583
Benefits paid	
Actuarial (gains)/Losses on obligation	(2,91,688)
Past service Cost	2,25,723
Closing defined benefit obligation	14,99,707
The Principal assumptions used in determining gratuity and post employment medical benefit obligations for the Company's plans are shown below:	
Assumptions	%
Salary Rise	12
Discount Rate	8
Attition Rate	18

5.	FOB Value of Exports (Software Services)	42,26,852	88,46,991
6.	Expenditure in Foreign Currency		
	Postage & Telegram	10,947	28,886
	Other Expenses	3,38,128	3,12,856
7.	Maximum balance in current account with First Union Bank of Connecticut, USA on 11th February '09 (on 27 th August'07 previous year)	75,960	1,02,652
8.	As at the year-end, there were no dues to SSI units.		
9.	Contingent Liabilities not provided for: Outstanding Bank guarantees 54 Lakhs (As on 31.03.2008: 30 Lakhs)		
10.	The break up of the deferred tax Assets/(Liabilities) is given below:		

	<u>2009</u>	(Amount in rupees) <u>2008</u>
Timing difference on account of		
- Depreciation	(10,42,429)	(1,75,696)
- Gratuity	5,09,750	9,51,900
- Provision for Doubtful Debts	24,11,063	1,23,39,785
- Others	1,06,86,297	23,41,774
Total	<u>1,25,64,681</u>	<u>1,54,57,763</u>

11. Segment Reporting:

The Company is predominantly into software and related service business. The Income from the training division for this financial year is very insignificant. Accordingly the total revenue is classified into one single segment.

Geographic Segment

Revenue attributable to location of customers is as follows:

Geographic location	<i>(Rs. in lakhs)</i>	
	Revenue for the year ended March 31st 2009	2008
North America	42.27	88.47
India	861.01	1185.95

12. Related Party Disclosure:

a) Related Parties: Wholly Owned Subsidiary M/s Aravali Technologies Inc., California, USA.

Members of the Board : Mr. P.S. Raman, Mr. P.S. Venkateswaran, Mr. R. Jagadeeswara Rao, Mr. K. Kumar Raja,

Mr. P.R. Balasubramanian, Mr. Haragopal, Mr. S.K. Mathur & Mr. Kushwant Singh.

Key Management Personnel: Mr. P.S. Raman, Mr. P.S. Venkateswaran, Mr. R. Jagadeeswara Rao

b) Summary of transactions with the related parties:

(Rs. in lakhs)

Nature of Transactions	Transactions for the year ended 31st March		Balance as on 31st March	
	2009	2008	2009	2008
01. Transactions with Subsidiary:				
Sales/Receivable	—	—	19.92	19.92
02. Transactions with Key Management Personnel:				
Remuneration to Key Management Personnel paid/payable	26.24	26.24	12.45	2.20

c) Loans/advances in the nature of Loans and investments in its own shares by the company, its subsidiary, associates etc:

- (i) The company has not given any loans and advances in the nature of loans to its subsidiary and/or associates.
- (ii) Investment by the loanee in the shares of the company: Not applicable.

13. There are no dues in respect of amounts mentioned under Section 205 C of the Companies Act, 1956 that are required to be credited to the Investor Education and Protection Fund as at 31st March 2009.
14. Figures for the previous year have been regrouped and reclassified wherever necessary to be in conformity with the current year figures.

As per our report of even date

For J.B. Reddy & Co.,
Chartered Accountants

(A.V.Reddy)
Partner

Place: Hyderabad
Date : 30.06.2009

For and on behalf of the Board

P.S. Raman
Executive Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

(RUPEES IN
THOUSANDS)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2009	FOR THE YEAR ENDED 31-Mar-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary items	6186	32099
Adjustments for:		
Miscellaneous expenditure written off	50	50
Depreciation	6985	6029
Provision for Doubtful debts	4875	4057
Provision for Gratuity	(1301)	(114)
Investment Income (interest)	(127)	(273)
Interest	2826	3278
Operating profit before working capital changes	19494	45126
Adjustments for:		
Trade and other receivables	(38498)	(45160)
Inventories	11230	(8387)
Trade payables	12275	11964
Cash generated from operations	4501	3543
Direct Tax paid	(4280)	(2718)
Cash flow before Extra-ordinary items	221	825
Extra-ordinary items	2666	13
NET CASH FLOW FROM OPERATING ACTIVITIES	(2445)	812
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(860)	(13010)
Interest received	127	273
Decrease in Loans and advances	5681	4988
NET CASH USED IN INVESTING ACTIVITIES	4948	(7749)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Unsecured Loan	280	2290
(Decrease) . Increase in Long Term Borrowings	(731)	7931
Interest paid	(2826)	(3278)
NET CASH FROM FINANCING ACTIVITIES	(3277)	6943
Net (Decrease) / Increase in cash and cash equivalents	(774)	6
Cash and cash equivalents as at (opening Balance)	2805	2799
Cash and cash equivalents as at (Closing Balance)	2031	2805

This is the cash flow statement referred to in our report of even date.

For J.B. Reddy & Co.,
Chartered Accountants

For and on behalf of the Board

(A.V.Reddy)
Partner

P.S. Raman
Executive Chairman

Place: Hyderabad
Date : 30.06.2009

Balance Sheet Abstract and Company's General Business Profile

I Registration			
Registration No	<input type="text" value="17598"/>	State Code	<input type="text" value="01"/>
Balance Sheet	<input type="text" value="31 03 2009"/>		
	DD MM YYYY		
II Capital raised during the year (Amount in Rs. Thousands)			
Public Issue	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placements	<input type="text" value="NIL"/>
III Position of mobilisation and deployment of funds (Amount in Rs. Thousands)			
Total Liabilities	<input type="text" value="624220"/>	Total Assets	<input type="text" value="624220"/>
SOURCES OF FUND			
Paid up Capital	<input type="text" value="112414"/>	Reserves & Surplus	<input type="text" value="488440"/>
Secured Loans	<input type="text" value="17796"/>	Unsecured Loans	<input type="text" value="5570"/>
APPLICATION OF FUNDS			
Fixed Assets	<input type="text" value="36493"/>	Investments	<input type="text" value="317965"/>
Net Current Assets	<input type="text" value="207549"/>	Misc. Expenditure	<input type="text" value="50"/>
Deferred Tax Asset	<input type="text" value="12565"/>		
Accumulated Losses	<input type="text" value="49598"/>		
IV Performance of the Company (Amount in Rs. Thousands)			
Turnover (Gross Revenue)	<input type="text" value="79224"/>	Total Expenditure	<input type="text" value="75705"/>
Profit before Tax	<input type="text" value="3519"/>	Profit after Tax	<input type="text" value="428"/>
Earning per share(Rs.)	<input type="text" value="0.04"/>	Dividend Rate(%)	<input type="text" value="NIL"/>
V Generic names of three principal products/services of Company (as per monetary terms)			
Item code No.(ITC Code)	<input type="text" value="85249009.10"/>		
Product Description	<input type="text" value="SOFTWARE SERVICES"/>		

ANNEXURE – D**STATEMENT PURSUANT TO SEC. 212(1)(e) OF THE COMPANIES ACT, 1956
RELATING TO THE SUBSIDIARY COMPANY**

1. Name of the subsidiary : Aravali Technologies Inc., USA
2. Financial year of the subsidiary : 1st January 2008 – 31st December 2008
3. Holding company's interest in the subsidiary
 - i. No. of shares and face value : 40000 common stock of US \$ 1 each fully paid up
 - ii. Extent of holding : 100%
4. The net aggregate amount of the subsidiary's profits / losses for the current period, so far as it concerns the members of the holding company
 - i. Dealt with / provided for in the accounts of the holding company : Nil
 - ii. Not dealt with / provided for in the accounts of the holding company : (US \$ 44,694)
5. Net aggregate amount of the profits / losses for previous financial years of the subsidiary
 - i. Dealt with / provided for in the accounts of the holding company : Nil
 - ii. Not dealt with / provided for in the accounts of the holding company : (US \$ 83,023)

For and on behalf of the Board

Place: Hyderabad
Date: 25/09/2009P.S.Raman
Executive Chairman

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
RAM Informatics Limited
Hyderabad

We have examined the attached Consolidated Balance Sheet of RAM Informatics Limited and its subsidiary Aravali Technologies Inc as at March 31st, 2009, the consolidated Profit and Loss Account for the year then ended annexed thereto and the consolidated cash flow statement for the year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the wholly owned subsidiary Aravali Technologies Inc. These financial statements have been audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary Aravali Technologies Inc, is based solely on the report of the other auditors.

We report the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of RAM Informatics Limited and its subsidiary Aravali

Technologies Inc included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of RAM Informatics Limited and its aforesaid subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of RAM Informatics Limited and its subsidiary as at March 31st, 2009.
- b) The consolidated Profit and Loss account gives a true and fair view of the consolidated results of operations of RAM Informatics Limited and its subsidiary for the year then ended.
- c) The consolidated Cash Flow Statement of the consolidated cash flows for the year ended on that date.

For J.B.REDDY & Co.,
Chartered Accountants

(A.V.Reddy)

Place : Hyderabad

Partner

Date : 30.06.2009

M.No:23983

CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2009

	SCHEDULE	AS AT 31-03-2009 (Rs.)	AS AT 31-03-2008 (Rs.)
SOURCES OF FUNDS			
1 SHARE HOLDERS FUNDS			
Share Capital	A	11,24,14,000	11,24,14,000
Reserves & Surplus	B	48,84,39,702	48,84,39,702
2 LOAN FUNDS			
Secured Loans	C	1,77,96,300	1,85,27,426
Unsecured Loans	D	55,70,000	52,90,000
		<u>62,42,20,002</u>	<u>62,46,71,128</u>
APPLICATION OF FUNDS			
1 Fixed Assets	E		
Gross Block		20,24,81,365	20,15,88,277
Less: Depreciation		<u>16,57,79,541</u>	<u>15,87,79,198</u>
Net Block		3,67,01,824	4,28,09,079
2 Goodwill		31,59,39,146	31,63,60,746
3 CURRENT ASSETS, LOANS AND ADVANCES	F	25,92,47,408	24,16,92,522
Less: CURRENT LIABILITIES AND PROVISIONS	G	<u>4,29,71,260</u>	<u>3,46,90,128</u>
Net Current Assets		21,62,76,148	20,70,02,394
4 Deferred Tax Asset (Net)		1,25,64,681	1,54,57,763
5 MISCELLANEOUS EXPENDITURE (to the extent not written off or Adjusted)	H	50,000	1,00,000
6. Profit and Loss account		4,26,88,203	4,29,41,146
		<u>62,42,20,002</u>	<u>62,46,71,128</u>
NOTES TO ACCOUNTS	N		

As per our report of even date

For and on behalf of the Board

For J.B.Reddy & Co.
Chartered AccountantsP.S. Raman
Executive ChairmanR. Jagadeeswara Rao
Executive Director(A.V.Reddy)
PartnerShailesh Baheti
Company SecretaryPlace: Hyderabad
Date : 30/06/2009



Consolidated Profit & Loss Account for the year ended 31st March 2009

	Schedule	For the Year Ended 31-03-2009 (Rs.)	For the Year Ended 31-03-008 (Rs.)
INCOME			
Software Sales/Services			
Exports		2,76,13,923	4,51,81,089
Domestic		8,45,33,068	11,60,73,345
Training Income		15,68,191	25,21,555
Other Income	I	1,27,252	12,74,716
Increase in Stocks	J	(1,12,30,860)	83,87,047
Total		10,26,11,574	17,34,37,752
EXPENDITURE			
Cost of Software packages sold			1,30,00,000
Third Party Consulting expenses		67,65,504	2,11,33,502
Salaries, wages and benefits to employees	K	5,70,46,648	7,33,54,320
Operating, Administration and Other Expenses	L	2,27,48,511	2,80,01,432
Interest and Finance Charges	M	29,47,316	33,37,463
Preliminary and Share Issue expenses written off		50,000	50,000
Depreciation		70,00,343	60,41,141
Total		9,65,58,322	14,49,17,858
Profit for the year		60,53,252	2,85,19,894
Less: Prior year adjustment		26,66,375	12,614
Profit before Tax		33,86,877	2,85,07,280
Less: Provision for tax			
- Current Tax		10,48,372	40,62,209
- MAT Credit		(10,05,328)	(40,30,129)
- Deferred Tax		28,93,082	13,36,595
- Fringe Benefit Tax		1,97,808	2,49,729
Profit after tax		2,52,943	2,68,88,876
Loss brought forward from last year		(4,29,41,146)	(6,98,30,022)
Balance Carried to Balance Sheet		(4,26,88,203)	(4,29,41,146)

As per our report of even date

For and on behalf of the Board

For J.B.Reddy & Co.
Chartered AccountantsP.S. Raman
Executive ChairmanR. Jagadeeswara Rao
Executive Director(A.V.Reddy)
PartnerShailesh Baheti
Company SecretaryPlace: Hyderabad
Date : 30/06/2009

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	AS AT 31-03-2009 (Rs.)	AS AT 31-03-2008 (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED CAPITAL		
1,50,00,000 Equity Shares of Rs.10/- each.	<u>15,00,00,000</u>	<u>15,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
1,12,41,400 equity shares of Rs.10/- each Issued Subscribed, and Paid up in full.	<u>11,24,14,000</u>	<u>11,24,14,000</u>
(Including 10,00,000 Shares of Rs. 10/- each issued at a premium of Rs. 240/- each for consideration other than cash to acquire 100% stake in M/s. Aravali Technologies Inc., USA)		
Total	<u>11,24,14,000</u>	<u>11,24,14,000</u>
SCHEDULE - B		
RESERVES & SURPLUS		
General Reserve	<u>1,67,81,202</u>	<u>1,67,81,202</u>
Share Premium	<u>47,16,58,500</u>	<u>47,16,58,500</u>
Total	<u>48,84,39,702</u>	<u>48,84,39,702</u>
SCHEDULE - C		
SECURED LOANS		
Term Loans with Canara Bank	<u>36,40,195</u>	<u>44,03,809</u>
Overdraft facility with Canara Bank	<u>1,03,91,272</u>	<u>1,01,29,549</u>
Amounts due to Companies under Hire Purchase agreements for purchase of Assets	<u>37,64,833</u>	<u>39,94,068</u>
Total	<u>1,77,96,300</u>	<u>1,85,27,426</u>
SCHEDULE - D		
UNSECURED LOANS		
From Companies	<u>10,00,000</u>	<u>15,00,000</u>
From Directors	<u>45,70,000</u>	<u>37,90,000</u>
Total	<u>55,70,000</u>	<u>52,90,000</u>



SCHEDULE - E
Fixed Assets

Sl. No.	Description	Gross Block			Depreciation			Net Block	
		AS AT: 31-Mar-08	ADDITIONS (NET)	As at 31-Mar-09	UPTO 31-Mar-08	For the year	Up to 31-Mar-09	As at 31-Mar-09	As at 31-Mar-08
1	Plant & Machinery	16,07,78,032	4,46,045	16,12,24,077	14,33,97,171	44,11,088	14,78,08,259	1,34,15,818	1,73,80,861
2	Electrical Installations	59,11,892	-	59,11,892	24,11,588	2,80,815	26,92,403	32,19,489	35,00,304
3	Office Equipment	71,39,635	4,00,452	75,40,087	28,71,618	3,53,350	32,24,968	43,15,119	42,68,017
4	Furniture & Fixtures	1,67,00,667	46,591	1,67,47,258	77,28,578	11,71,539	89,00,117	78,47,141	89,72,089
5	Vehicles	76,65,871	-	76,65,871	19,60,200	7,28,258	26,88,458	49,77,413	57,05,671
6	Office Building	33,92,180	-	33,92,180	4,10,043	55,293	4,65,336	29,26,844	29,82,137
	TOTAL	20,15,88,277	8,93,086	20,24,81,365	15,87,79,196	70,00,343	16,57,79,541	3,67,01,824	4,28,09,079

	AS AT		AS AT	
	31-03-2009		31-03-2008	
	(Rs.)		(Rs.)	
SCHEDULE - F				
CURRENT ASSETS, LOANS & ADVANCES				
A) CURRENT ASSETS				
Accrued Interest		32,184		62,812
INVENTORIES (As Certified by Management)				
Software Products/Projects under development		5,66,17,753		6,77,20,373
SUNDRY DEBTORS (Unsecured):				
Debts outstanding for a period exceeding 6 months				
Considered good		5,06,38,117		5,14,67,920
Considered doubtful	4,11,79,414			-
Less : Debtors Written off	3,40,85,965			-
Considered doubtful		70,93,449		3,63,04,164
		5,77,31,566		8,77,72,084
Other debts - considered good		11,66,90,920		8,21,05,493
		17,44,22,486		16,98,77,577
Less: Provision for doubtful debts		70,93,449	16,73,29,037	3,63,04,164
				13,35,73,413
CASH & BANK BALANCES				
Cash on hand		1,27,210		1,86,865
BALANCES WITH SCHEDULED BANKS				
In Current Accounts		1,63,218		9,36,303
In Deposit Accounts		17,40,726		16,81,897
Heritage Bank of Commerce, Sanjose, CA, USA		2,58,821		69,253
Total (A)		22,62,68,949		20,42,30,916
B) LOANS & ADVANCES				
(UNSECURED CONSIDERED GOOD)				
Deposits		49,53,872		50,04,163
ADVANCES RECOVERABLE IN CASH				
OR IN KIND OR FOR VALUE TO BE RECEIVED				
Advance for Supplies, Expenses & Services		1,92,07,551		1,94,24,182
Staff advances		10,81,513		11,11,294
Pre-paid expenses		29,677		39,486
MAT Credit Entitlement		34,35,359		64,60,160
TDS and Advance Tax		42,70,487		54,22,321
Total (B)		3,29,78,459		3,74,61,606
Total (A+B)		25,92,47,408		24,16,92,522

	AS AT 31-03-2009 (Rs.)	AS AT 31-03-2008 (Rs.)
SCHEDULE - G		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Advances/Deposits from customers	—	15,99,412
Sundry Creditors		
For Expenses & Services	3,00,88,683	1,93,75,949
For Others	1,01,36,690	66,02,299
Total (A)	<u>4,02,25,373</u>	<u>2,75,77,660</u>
B) PROVISIONS		
Provision for Tax	10,48,372	40,62,209
Provision for FBT	1,97,808	2,49,729
Provision for Gratuity	14,99,707	28,00,530
Total (B)	<u>27,45,887</u>	<u>71,12,468</u>
Total (A+B)	<u>4,29,71,260</u>	<u>3,46,90,128</u>

SCHEDULE - H**MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)		
Preliminary and Share Issue Expenses	50,000	1,00,000
Total	<u>50,000</u>	<u>1,00,000</u>


SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

	FOR THE YEAR ENDED 31-03-2009 (Rs.)	FOR THE YEAR ENDED 31-03-2008 (Rs.)
SCHEDULE - I		
OTHER INCOME		
Interest earned (TDS Rs. NIL : P.Y. Rs. NIL)	1,27,252	2,73,510
Excess Provision for Gratuity written back	-	4,71,644
Miscellaneous Receipts	-	5,29,562
Total	<u>1,27,252</u>	<u>12,74,716</u>
SCHEDULE - J		
INCREASE IN STOCKS		
Closing Stock:		
Software Products/Projects under development	4,95,28,153	6,07,59,013
	<u>4,95,28,153</u>	<u>6,07,59,013</u>
Less: Opening Stock :		
Software Products/Projects under development	6,07,59,013	5,23,71,966
	<u>6,07,59,013</u>	<u>5,23,71,966</u>
Increase in Stocks	<u>-1,12,30,860</u>	<u>83,87,047</u>
SCHEDULE - K		
SALARIES, WAGES AND BENEFITS TO EMPLOYEES		
Salaries,Wages & Allowances	5,33,92,436	6,78,96,615
Contribution to Provident fund, ESI etc.,	35,27,013	46,35,991
Gratuity	69,069	3,57,290
Staff Welfare Expenses	58,130	4,64,424
Total	<u>5,70,46,648</u>	<u>7,33,54,320</u>

	FOR THE YEAR ENDED 31-03-2009 (Rs.)	FOR THE YEAR ENDED 31-03-2008 (Rs.)
SCHEDULE - L		
OPERATING, ADMINISTRATION & OTHER EXPENSES		
Power & Fuel	21,30,555	29,46,996
Rent	36,49,822	40,49,492
Consumables	5,64,546	8,33,027
Postage, Telegram & Telephones	20,80,183	25,37,220
Travelling & Conveyance	15,19,918	31,28,191
Printing & Stationery	2,58,580	7,96,442
Subscriptions, Books & Periodicals	2,13,676	5,06,700
Insurance	2,62,218	3,02,420
Rates & Taxes	43,472	60,669
Advertisement	90,291	1,96,668
Legal & Professional Charges	57,51,700	22,78,305
HRD/Recruitment & Training Charges	12,000	1,31,419
Filing, Registration and License Expenses	43,780	99,456
Repairs & Maintenance		
Plant & Machinery	48,867	3,89,899
Other Assets	1,88,320	2,88,180
Vehicle Maintenance	1,69,719	3,83,985
Directors sitting fees	27,000	27,000
Payment to Auditors		
Audit Fee	3,00,000	3,00,000
Tax Audit Fee	75,000	75,000
Tax Representation Fee	75,000	75,000
Provision for doubtful debts	48,75,250	40,57,088
Other Expenses	3,68,614	45,38,275
Total	2,27,48,511	2,80,01,432

SCHEDULE - M**INTEREST AND FINANCE CHARGES**

Interest on Term Loan	6,41,051	6,23,727
Interest on Working Capital Loans	16,56,655	15,95,046
Finance charges on HP agreement	5,28,175	4,83,285
Other Interest and Finance Charges	1,21,435	6,35,405
Total	29,47,316	33,37,463

Schedule N : Notes to Consolidated Financial Statements:

1. Basis of Consolidation: The consolidated financial statements of the company together with its wholly-owned subsidiary Aravali Technology Inc., have been prepared under historical cost convention on accrual basis to comply in all material respect with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

Investment in the subsidiary has been accounted in accordance with accounting principles as defined in Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

All material inter company balances and inter company transactions resulting in unrealised profits/losses are eliminated in full in consolidation. The following are the details of the company's wholly owned subsidiary.

Name of the subsidiary	Country of incorporation	Nature of Interest	% of Interest	Accounting year
Aravali Technologies Inc	U.S.A.	Subsidiary	100%	31st December

2. Segment Reporting: The Company is predominantly into software related service business. The Income from the training division for this financial year is very insignificant of the total revenue. Accordingly the total revenue is classified into one single segment.

Geographic Segment : Revenue attributable to location of customers is as follows:

Geographic location	For the year ended 31.3.2009	For the year ended 31.3.2008
North America	276.14	451.81
India	861.01	1185.95

(Rs. in lakhs)

3. Related Party Disclosure:

a) Related parties: Wholly owned subsidiary' M/s Aravali Technologies Inc., California, USA.

Members of the Board: Mr. P.S. Raman, Mr. P.S. Venkateswaran, Mr. R. Jagadeeswara Rao, Mr. K. Kumar Raja, Mr. P.R. Balasubramanian, Mr. Haragopal, Mr. S.K. Mathur & Mr. Kushwant Singh.

Key Management Personnel: Mr. PS. Raman, Mr. PS. Venkateswaran, Mr. R. Jagadeeswara Rao

b) Summary of transactions with the related parties:

Nature of Transactions	For the year ended 31.3.2009	For the year ended 31.3.2008
Transactions with Key Management Personnel:		
Remuneration to Key Management personnel paid /payable	44.47	54.71

(Rs. in lakhs)

4. Contingent Liabilities not provided for: Outstanding Bank Guarantees Rs. 54 Lakhs (As on 31.03.2008 Rs. 30 Lakhs)
5. Figures for the previous year have been regrouped and reclassified wherever necessary to be in conformity with the current year figures.

As per our report of even date

For J.B. Reddy & Co.,
Chartered Accountants

For and on behalf of the Board

(A.V.Reddy)
Partner

P.S. Ramar
Executive Chairman

Place: Hyderabad
Date : 30.06.2009

**Consolidated Cash Flow Statement for the year ended 31st March 2009**

(RUPEES IN THOUSANDS)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-09	FOR THE YEAR ENDED 31-Mar-08
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extra-ordinary items	6,053	28,520
Adjustments for:		
Miscellaneous expenditure written off	50	50
Depreciation	7,000	6,041
Provision for doubtful debts	4,875	4,057
Provision for gratuity (net)	(1,301)	(114)
Investment Income (Interest)	(127)	(273)
Interest	2,947	3,337
Operating profit before working capital changes	19,497	41,618
Adjustments for:		
Trade and other receivables	(38,599)	(47,305)
Inventories	11,102	(5,285)
Trade payables	12,648	13,388
Cash generated from operations	4,648	2,416
Direct Taxes paid	(4,312)	(2,761)
Cash flow before Extra-ordinary items	336	(345)
Extra-ordinary items	(2,666)	(13)
NET CASH FLOW FROM OPERATING ACTIVITIES	(2,330)	(358)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(893)	(13,010)
Decrease / (Increase) in Goodwill	422	(119)
Interest received	127	273
Decrease in Loans and advances	5,488	5,867
NET CASH USED IN INVESTING ACTIVITIES	5,144	(6,989)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Unsecured Loans	280	2,290
(Decrease) / Increase in Long Term Borrowings	(731)	7,931
Interest Paid	(2,947)	(3,337)
NET CASH FROM FINANCING ACTIVITIES	(3,398)	6,884
Net Decrease in cash and cash equivalents	(584)	(463)
Cash and cash equivalents as at (opening Balance)	2,874	3,337
Cash and cash equivalents as at (Closing Balance)	2,290	2,874

This is the Cash Flow Statement referred to in our report of even date.

or J.B. Reddy & Co.,
Chartered Accountants

For and on behalf of the Board

(A.V.Reddy)
Partner

P.S. Raman
Executive Chairman

Place: Hyderabad
Date: 30.06.2009

**STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SEC. 212(8) OF COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

Particulars	For the period ended 31st March 2009 (in US \$)	For the period ended 31st March, 2009 (in Rs.)
Capital	40,000	20,25,600
Reserves	1,36,459	69,10,284
Total assets	2,85,409	1,44,53,112
Total liabilities	1,08,950	55,17,228
Details of investment	-	-
Turnover	4,61,830	2,33,87,071
Profit/(Loss) before taxation	(39,396)	(19,95,013)
Provision for taxation	850	43,044
Profit/(Loss) after taxation	(40,246)	(20,38,057)
Proposed Dividend	-	-
Country	USA	
Reporting currency	US Dollars	

(Note: The exchange rate as on 31st March 2009 – 1 US \$ = Rs. 50.64)

For and on behalf of the Board

Place: Hyderabad
Date : 30.06.2009

PS. Raman
Executive Chairman



RAM INFORMATICS LIMITED

Regd. Office : SVR Towers, 8-2-1/B/1, Srinagar Colony Road, Punjagutta, Hyderabad — 500 082.

PROXY FORM

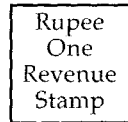
Client ID No./Regd. Folio No. _____

I/We _____
 of _____ being a member/members of
 RAM INFORMATICS LIMITED hereby appoint _____
 of _____
 failing him/her _____ of _____ as my / our proxy
 to vote for me/us on my / our behalf at the Annual General Meeting of the Company to be held on Monday the 16th
 November, 2009 at 10.00 a.m at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Garden, Begumpet, Hyderabad – 16.

Signed _____ day of _____ 2009.

Signature _____

Note : This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered office of the Company, not less than 48 hours before the meeting.



RAM INFORMATICS LIMITED

Regd. Office : SVR Towers, 8-2-1/B/1, Srinagar Colony Road, Punjagutta, Hyderabad — 500 082.

ATTENDANCE SLIP

Client ID No./Regd. Folio No. _____ No. of Shares held _____

I hereby certify that I am a registered shareholder/proxy for the registered shareholder of the Company

and hereby record my presence at the Annual General Meeting of the Company on Monday the 16th November, 2009
 at 10.00 a.m at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Garden, Begumpet, Hyderabad – 16.

Member's/ Proxy, name in
 Block Letters

Signature of Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

Book-Post

If undelivered please return to :



RAM INFORMATICS LIMITED

SVR Towers, 8-2-1/B/1, Srinagar Colony Road, Punjagutta, Hyderabad - 500 082. India.

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e-mail : corpaccounts@raminfo.com Website : www.raminfo.com

ISO 9001 & 27001 Company

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