

ABACUS COMPUTERS LIMITED

Board of Directors

| | |
|-------------------------|--|
| Mr. Santosh Karambelkar | Chairman and Managing Director |
| Mr. Nitin Kedia | Independent and Non-Executive Director |
| Mr. Umesh Ghelani | Independent and Non-Executive Director |

Auditors

M/s. J H Ghumara & Co.,
Chartered Accountants
B/14, Jessika, Natakwala Lane,
S.V. Road, Borivali (W),
Mumbai – 400 092

Registered Office

816, Dalamal Tower,
Nariman Point,
Mumbai - 400021

ABACUS COMPUTERS LIMITED

NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that Annual General Meeting of the Company will be held at 816, Dalamal Tower, Nariman Point, Mumbai – 400021 on 30th September, 2010 at 11.30 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as 31st March, 2010 and profit & loss account of the company for the year ended on 31st March, 2010 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Nitin Kedia who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors of the Company from the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

For & on behalf of the Board of Director

Date: 24/06/2010

Place: Mumbai

Sd/-
(Santosh Karambelkar)
Director

Sd/-
(Umesh Ghelani)
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from 18th September, 2010 to 30th September, 2010 (both days inclusive).
3. The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
4. As a matter of convenience the shareholders are requested to inform their queries if any, the company in advance so as to enable the company to properly reply the same at the time of meeting.

For & on behalf of the Board of Director

Date: 24/06/2010

Place: Mumbai

Sd/-
(Santosh Karambelkar)
Director

Sd/-
(Umesh Ghelani)
Director

ABACUS COMPUTERS LIMITED

DIRECTORS' REPORT

To,
The Members

The Directors' present the Annual report on the business and operations of your Company for the year 2009-2010.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

The Company has incurred loss of Rs. 3,61,97,792/- during the financial year 2009-10. However, the Company incurred loss. Directors have started to explore various other opportunities to improve the working results in future.

PARTICULARS OF EMPLOYEES:

No employee of the Company was in receipt of remuneration above the limit specified under Section 217(2A) of the Companies Act, 1956 as amended from time to time.

DIRECTORS:

Mr. Nitin Kedia, Directors of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer them for re-appointment.

RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts.

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, 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 the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under rule 3 of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

ABACUS COMPUTERS LIMITED

APPOINTMENT OF AUDITORS:

M/s. J H Ghumara & Co., Chartered Accountants, Mumbai the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company for the next year till the conclusion of next Annual General Meeting of the Company.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review. Your Company is listed with the Bombay Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

REPORT ON CORPORATE GOVERNANCE:

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

SEGMENT:

Your Company is engaged in a single segment only.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

For & on behalf of the Board of Director

Date: 24/06/2010

Place: Mumbai

**Sd/-
(Santosh Karambelkar)
Director**

**Sd/-
(Umesh Ghelani)
Director**

ABACUS COMPUTERS LIMITED

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

A. Mandatory Requirements

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

1. COMPANY'S PHILOSOPHY

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors as on date of Report:

The Board of Directors as at 31st March, 2010 comprises of three non-executive directors. The Chairman is a non-executive director.

Name of Director

Category

| | |
|-------------------------|--|
| Mr. Santosh Karambelkar | Chairman & Managing Director |
| Mr. Nitin Kedia | Independent and Non-Executive Director |
| Mr. Umesh Ghelani | Independent and Non-Executive Director |

2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Board Meetings and Attendance Record of Directors:

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to

ABACUS COMPUTERS LIMITED

the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year under review, the Board met 9 times on the following dates:

14/04/2009 25/04/2009 03/07/2009 17/07/2009 16/07/2009 19/10/2009
24/10/2009 20/01/2010 28/01/2010

Extra Ordinary General Meeting:

No Extra Ordinary General Meeting held during the year under review.

Postal Ballot Resolution:

No postal ballot resolution was passed during the year under review.

Attendance of Directors at Meetings of Board of Directors and last AGM:

| Name of Director | Category of Directorship | No. of other Directorship | No. of Board Meeting attended |
|-------------------------|--|---------------------------|-------------------------------|
| Mr. Santosh Karambelkar | Chairman & Managing Director | N.A | |
| Mr. Nitin Kedia | Independent and Non-Executive Director | N.A | |
| Mr. Umesh Ghelani | Executive Director | N.A | |

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

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Nitin Kedia retires by rotation at the ensuing Annual General Meeting and offers them for re-appointment.

Profile of Mr. Nitin Kedia Director being appointed u/s 255, 257 of the Companies Act, 1956

| | |
|-------------------------------------|-----------------|
| Name | Mr. Nitin Kedia |
| Date of Birth | 12/04/1963 |
| Date of Appointment | 27/04/2001 |
| No. of shares held in the company | Nil |
| No. of warrants held in the company | Nil |
| Directorship in other company | Nil |

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2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31st March, 2010 and the same is reproduced herein below :

| Sr. No | Name of Director | No of Directorship in other Public Companies | No. of Committee s positions held as Chairman on other public Companies | No. of Committees positions held as member in other public Company |
|--------|-------------------------|--|---|--|
| 1. | Mr. Santosh Karambelkar | -- | -- | -- |
| 2. | Mr. Nitin Kedia | -- | -- | -- |
| 3. | Mr. Umesh Ghelani | -- | -- | -- |

3. COMMITTEE OF BOARD

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956 as below.

a. Composition:

As on 31.03.2010, the Audit Committee comprised of three Directors namely:

| | | |
|-------------------------|----------|--------------------------------------|
| Mr. Nitin Kedia | Chairman | Independent & Non-Executive Director |
| Mr. Umesh Ghelani | Member | Independent & Non-Executive Director |
| Mr. Santosh Karambelkar | Member | Executive Director |

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

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The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

Brief description of terms of reference:

A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.

C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement.
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management

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- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee were held during Financial Year 2009-10 The dates on which the said meetings were held as follows:

| | | | |
|------------|------------|------------|------------|
| 25/04/2009 | 03/07/2009 | 24/10/2009 | 28/01/2010 |
|------------|------------|------------|------------|

3.2 Remuneration Committee:

The remuneration committee of the Company comprises of Mr. Nitin Kedia as a Chairman and Mr. Santosh Karambelkar and Mr. Umesh Ghelani as Members for the Committee.

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director etc.

There was no meeting of Remuneration Committee during the Financial Year 2009-10.

3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

| Sr. No. | Name | Position |
|---------|-------------------------|----------|
| 1 | Mr. Nitin Kedia | Chairman |
| 2 | Mr. Umesh Ghelani | Member |
| 3 | Mr. Santosh Karambelkar | Member |

Mr. Nitin Kedia as Chairman and Non Executive Director of the company was heading the committee and Mr. Santosh Karamberkar was designated as the Compliance officer of the Company.

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations

The members of Committee meet 4 times in the following year:

| | | | |
|------------|------------|------------|------------|
| 14/04/2009 | 17/07/2009 | 19/10/2009 | 20/01/2010 |
|------------|------------|------------|------------|

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The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2010 is given below :

Complaints Status: 01.04.2009 to 31.03.2010

- Number of complaints received so far : Nil
- Number of complaints solved : Nil
- Number of pending complaints : Nil

4. GENERAL BOARD MEETING:

a. Location and time where last three AGMs were held:

| Year of AGM | Date of the AGM | Time | Place of AGM Held |
|-------------|-----------------|-------|--|
| 2007 | 28/09/2007 | 11:30 | 816, Dalamal Tower, Nariman Point, Mumbai - 400021 |
| 2008 | 29/09/2008 | 11:30 | 816, Dalamal Tower, Nariman Point, Mumbai - 400021 |
| 2009 | 30/09/2009 | 11:30 | 816, Dalamal Tower, Nariman Point, Mumbai - 400021 |

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

2009

No special resolution passed in the year under review.

2008

No special resolution passed in the year under review.

2007

No special resolution passed in the year under review.

EXTRA ORDINARY GENERAL MEETING DURING THE YEAR 2009-10

No Extra Ordinary General Meeting held during the financial year under review.

5. DISCLOSURES:

a. Materially significant related party transactions:

ABACUS COMPUTERS LIMITED

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have not been provided in Notes forming parts of Accounts.

b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

6. CEO/CFO CERTIFICATION:

(Under Clause 49(V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2009-10 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2009-10;
- Significant changes in accounting policies during the year 2009-10 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

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7. MEANS OF COMMUNICATIONS:

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc., are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

8. GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting: Date, Time and venue: 30th September, 2010, at 11.30 a.m. at the Registered Office of the Company.
- b. Financial Year: 1st April 2009 to 31st March, 2010.
- c. Financial Calendar:

1st quarterly results – last week of April, 2009.
2nd quarterly results – last week of July, 2009.
3rd quarter results – last week of October, 2009.
4th quarter results – last week of January, 2010.
- d. Date of Book Closure: 18th September, 2010 to 30th September, 2010
- e. Dividend Payment Date: N.A.
- f. Listing of Equity Shares on Stock Exchanges: The Company has paid Annual Listing Fees to the Stock Exchanges where the Company's shares are listed for the financial Year.
- g. Stock Code: BSE 508987
- h. Demat ISIN number: **INE192D01011**
- i. High / Low of Monthly Market Price of the Companies Equity Shares traded on Bombay Stock Exchange during the financial year 2009-2010 are furnished below:

The trading of equity shares of the Company was suspended during the year and hence no Market Price Data is available during the year under review.
- j. Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex: The Company has nothing to report on the matter.
- k. Registered and Transfer Agent: The Company has appointed M/s Satellite Corporate Services Private Limited as Registrar and Share Transfer Agent of the Company.

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l. Share Transfer System: Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

m. Distribution of Shareholding as on Dated 31.03.2010

| Share Holding of Nominal Value | | Share Holders | | Share Amount | |
|--------------------------------|----------|---------------|---------------|-----------------|---------------|
| Rs. | Rs. | No. | % to total | In Rs. | % to total |
| Up to | 5,000 | 6319 | 92.64 | 9850810 | 34.52 |
| 5,001 to | 10,000 | 287 | 4.21 | 2353210 | 8.25 |
| 10,001 to | 20,000 | 114 | 1.67 | 1722700 | 6.04 |
| 20,001 to | 30,000 | 30 | 0.44 | 765520 | 2.68 |
| 30,001 to | 40,000 | 11 | 0.16 | 387220 | 1.36 |
| 40,001 to | 50,000 | 20 | 0.29 | 942010 | 3.30 |
| 50,001 to | 1,00,000 | 20 | 0.29 | 1373030 | 4.81 |
| 1,00,001 & | above | 20 | 0.29 | 11143500 | 39.05 |
| Total | | 6821 | 100.00 | 28538000 | 100.00 |

n. Shareholding pattern as on 31.03.2010

| Category | No of Shares held | % of Shareholding |
|---|-------------------|-------------------|
| a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group | | |
| Companies | 611100 | 21.41 |
| b. Mutual Fund/Trust | NIL | 0.00 |
| c. Financial Institution Banks | NIL | 0.00 |
| d. Bodies Corporate | 169352 | 5.93 |
| e. Indian public | 2073348 | 72.65 |
| TOTAL | 2853800 | 100 |

Dematerialization of shares: As on 31.03.2010. Demated shares accounted for 1768202 Equity Shares of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

O. Address for communication: Abacus Computers Limited
816, Dalamal Tower, Nariman Point,
Mumbai - 400021

ABACUS COMPUTERS LIMITED

Declaration of compliance with the code of conduct

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

For & on behalf of the Board of Director

Date: 24/06/2010

Place: Mumbai

**Sd/-
(Santosh Karambelkar)
Director**

**Sd/-
(Umesh Ghelani)
Director**

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Due to the age of the Information Technology Industry and its links with the social structure, the organizational structure that has emerged is a very complex one containing within it elements of continuity with traditional structures of small scale industries, as well as those that represent a break with them evolving as a much more organized and large scale industry like your Company.

Small scale reservation has been in existence for the Components and Technology products industry when reservation was extended from small Technology sector to a large number of industries where small scale is important. Post nineties there has been a gradual de-reservation and the entire Technology sector is now 'de-licensed' and 'de-reserved', paving the way for expansion on modern lines with state-of-the-art machinery and equipment. De-reservation thus constituted a major aspect of the changed conceptualization of small scale thereby increasing the export potential of the industry as a whole.

The changing lifestyles coupled with the increasing affluence of consumers is likely to lead to enhanced demand in the domestic market and export demand is expected to grow in days to come due to improved quality and cost competitiveness. Abacus Computers Limited being an established player having object to carry on the business of industrial utilization of Technology products

OPPORTUNITIES AND THREATS

The Indian economy continues to stride forward and the last couple of years have witnessed impressive economic growth with the GDP growing at the rate of 8 - 10%. Combined with the large opportunity from the huge domestic market and a burgeoning middle class, which is slated to grow ten times over the next fifteen years, the Indian economy presents great opportunities for business in India. It is expected that disposable income per capita will increase in India over the next few years.

With the rise in disposable and exposure in fashion trends, consumers today are on the lookout for technology and accessories that are high on the fashion aspect, without compromising on quality. Upwardly mobile youth are spending more on natural product and thrust is on variety and international trends. Professional women are increasingly spending more on technology products and this creates a new opportunity in the market to expand. Abacus Computers Limited enjoys a very strong brand positioning with consumers in the Indian market and is quick to evolve its products to meet the changing needs of today's customers. Today, the Company is all set to emerge as a vibrant lifestyle brand offering fashionable products to consumers at an affordable price.

Organized retailers in India are also facing a threat from 'non-specialist' retailers like apparel retailers diversifying into natural product and discount hypermarkets and retailers introducing and promoting their own brands at competitive prices. These non-specialist retailers are likely to grow their market shares by increasing the range of products offered, and shopping merchandizing space allocated to their own product. Your Company is prepared to meet these

ABACUS COMPUTERS LIMITED

challenges by increasing the coverage open big stores, in best locations, shopping malls and developing aggressive product & pricing strategies to meet the expectation of the customers.

The challenge of real estate management for any retailer in India today is very large as the continuous evolution of modern retail spaces, combined with steep increase in rentals, presents real challenges. Your Company has been managing this challenge with negotiating low rentals for all new stores and reducing rentals in existing stores.

SEGMENT WISE OR PRODUCTWISE PERFORMANCE

Abacus Computers Limited operates in only one segment in which it manufactures Technology products other useful raw material for new product.

OUTLOOK

Abacus Computers Limited India's focus has been on expanding the presence of its stores, training employees, improving its product quality, collection, customer service and reducing the aged stock. Due to Company's strategy of aggressive retail expansion, up gradation of collection, Its entry into the safety natural product market has been equally successful.

Going forward, the Company remains committed to its shareholders and will continue to deliver great results with its strategy of retail and wholesale expansion, improvement in customer service, and by delivering to its customer's great products at great prices, which will ensure the continued success of Abacus Computers Limited.

RISKS AND CONCERNS

CONTINGENT LIABILITY

There are no claims against the Company which have to acknowledge as debts which mentions in schedules to the Statement of Accounts. On the basis of current status of these positions there is no requirement for any legal advice obtained, the Company is confident that no provision is required in respect of Company at this point in time.

RISK RELATED TO CHANGES IN LAWS AND REGULATIONS

Any adverse change in the laws and regulations governing the natural product and Agro industry could affect the business and financial condition of the Company.

INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal controls in place to ensure that all assets are safeguarded and protected and that all transactions are authorized, recorded and reported correctly.

ABACUS COMPUTERS LIMITED

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has negative growth for some years but the Management is confident of turn around soon, barring unforeseen circumstances.

The Company is deploying its internal accruals for aggressive expansion program.

CAUTIONARY STATEMENT

Statements in the Management's discussion and analysis report describing the Company's estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in Government regulations, tax regimes, economic developments within the country and outside the country and other factors such as litigation and labour negotiations. .

CONCLUSION

The Directors place on record their sincere appreciation for the cooperation and support received from investors, our dear shareholders, customers, business associates, vendors as well as regulatory and governmental authorities.

The Directors appreciate the invaluable contribution of the management team in performing an outstanding job in taking the Company to greater heights and also thank the employees for the significant contribution made by them to the Company's progress.

We would like to specifically thank your Chairman for the untiring work in the re-organization of our company.

For & on behalf of the Board of Director

Date: 24/06/2010

Place: Mumbai

**Sd/-
(Santosh Karambelkar)
Director**

**Sd/-
(Umesh Ghelani)
Director**

ABACUS COMPUTERS LIMITED

Auditors' Compliance Certificate

To,
The Members,
ABACUS COMPUTERS LIMITED
816, Dalamal Tower, Nariman Point,
Mumbai - 400021

We have examined the compliance of Corporate Governance by ABACUS COMPUTERS LIMITED for the year ended on **31st March, 2010**, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to 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.

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

**For, J H Ghumara & Co.,
Chartered Accountants**

**Date: 24/06/2010
Place: Mumbai**

**Sd/-
Jagdish H. Ghumara
(Proprietor)
M. No. 14320**

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Abacus Computers Limited as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date annexed thereto 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 these financial statements based on our audit.

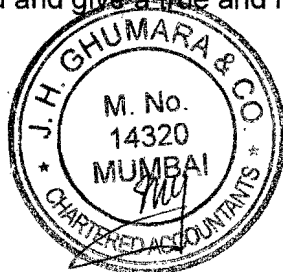
We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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 Manufacturing and Other 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 enclose 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:

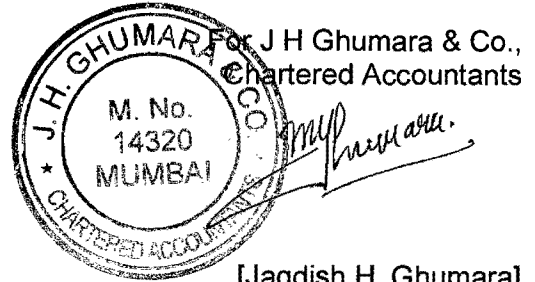
1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from the examination of those books;
3. The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account;
4. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3-C) of section 211 of the Companies Act, 1956;
5. On the basis of representation from directors taken on record by the Board of Directors and as per information and explanation given to us, none of the Directors of the Company are prima-facie disqualified under section 274 (1) (g) of the Companies Act, 1956 from being appointed as a Director of the Company as on 31st March, 2010.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon

give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:



- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
- (ii) In the case of Profit and Loss Account, of the Loss for the year ended on that date.

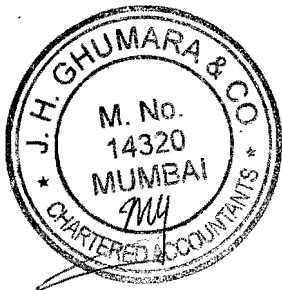
Place: Mumbai
Date: 24th June, 2010



[Jagdish H. Ghumara]
Proprietor

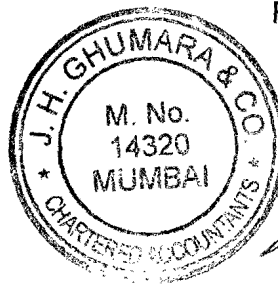
ANNEXURE TO AUDITORS' REPORT ON THE ACCOUNTS OF ABACUS COMPUTERS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010.

1. There are no fixed assets with the Company. The Company has maintained proper records showing full particulars of fixed Assets.
2. There is no stock of finished goods, stores, spare parts and raw materials of the Company.
3. The Company has not taken any loans from companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956. Accordingly, Clause (f) and (g) are not applicable.
4. The Company has not granted any loans to companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956. Accordingly, Clause (b), (c), and (d) are not applicable.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
6. Based on the information and explanations provided, no internal audit has been conducted during the current financial year and in my opinion, there has not been an adequate internal audit system commensurate with its size and nature of its business.
7. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for this type of Company.
8. As per the records of the company and according to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues, to the extent applicable to it.
9. As per information and explanations given to us during the year, the company has not given any guarantee for loans taken by others from bank or financial institutions.
10. According to the information and explanations given to us and overall examination of the records of the company, though determination of direct relationship between investment and source of fund is not possible. Besides during the year under review no fresh funds were raised by the company.

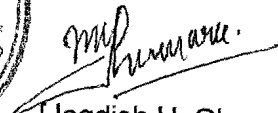


11. As per information and explanations given to us the company has not made any allotment of shares during the year under review.
12. As per information and explanations given by the management, no frauds on or by the company has been noticed or reported.

Place: Mumbai
Date: 24th June, 2010



For J H Ghumara & Co.,
Chartered Accountants

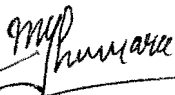

[Jagdish H. Ghumara]
Proprietor.

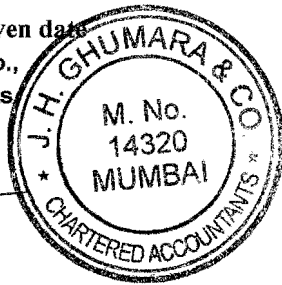
ABACUS COMPUTERS LIMITED
BALANCE SHEET AS AT 31st March,2010

| PARTICULARS | Schedule | As at 31.03.10 Rupees | As at 31.03.09 Rupees |
|--|----------|-----------------------------|-----------------------------|
| <u>SOURCES OF FUNDS:</u> | | | |
| <u>SHAREHOLDERS FUND</u> | | | |
| Share Capital | A | 2,84,71,900 | 2,84,71,900 |
| Reserve & Surplus | B | 67,22,758 | 67,22,758 |
| <u>LOANS FUNDS</u> | | | |
| Secured Loan | C | 10,97,689.85 | 10,97,689.85 |
| TOTAL :- | | 3,62,92,348 | 3,62,92,348 |
| <u>APPLICATION OF FUNDS</u> | | | |
| <u>INVESTMENT</u> | | | |
| Bank Shares | D | 50,000 | 50,000 |
| <u>CURRENT ASSETS</u> | | | |
| <u>INVENTORY</u> | | | |
| SUNDRY DEBTORS | E | - | - |
| CASH & BANK BALANCE | | 44,556 | 45,556 |
| LOANS & ADVANCES | | - | - |
| GROSS CURRENT ASSETS | | 44,556 | 45,556 |
| <u>LESS:CURRENT LIABILITIES & PROVISION</u> | | | |
| NET CURRENT ASSETS | | 44,556 | 45,556 |
| <u>MISCELLENOUS EXPENDITURE</u> | | | |
| PROFIT & LOSS ACCOUNT | G | 3,61,97,792 | 3,61,96,792 |
| TOTAL :- | | 3,62,92,348 | 3,62,92,348 |

Notes to Accounts

As per our report of even date
For J H Ghumara & Co.,
Chartered Accountants


[Jagdish H. Ghumara]
Proprietor
Place: Mumbai
Date: 24/06/2010



H

For Abacus Computers Limited

Managing Director

Director

ABACUS COMPUTERS LIMITED
BALANCE SHEET AS AT 31st March,2010

| PARTICULARS | Schedule | As at 31.03.10 Rupees | As at 31.03.09 Rupees |
|-------------|----------|-----------------------------|-----------------------------|
|-------------|----------|-----------------------------|-----------------------------|

INCOME

| | | |
|--------------|--------|--------|
| SALES | 4,400 | 4,000 |
| Other Income | 17,600 | 16,000 |

| | | |
|--------------|---------------|---------------|
| TOTAL | 22,000 | 20,000 |
|--------------|---------------|---------------|

LESS:EXPENDITURE

| | | |
|---------------------------------|----------|--------|
| Material Cost | - | - |
| Expenses | F 23,000 | 22,000 |
| Bank loss in Transfer Of Assets | - | - |

| | | |
|----------------|--------|--------|
| TOTAL EXPENSES | 23,000 | 22,000 |
|----------------|--------|--------|

| | | |
|----------------------------|---------|---------|
| Profit/(Loss) for the year | (1,000) | (2,000) |
|----------------------------|---------|---------|

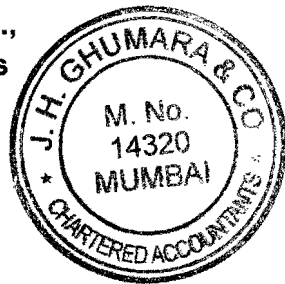
| | | |
|----------------------------|---------|---------|
| Share Issue Expenses W/off | - | - |
| | (1,000) | (2,000) |

| | | |
|--|-----------------|---------------|
| Surplus/(Deficit) brought forward from previous year | G (3,61,96,792) | (3,61,94,792) |
|--|-----------------|---------------|

| | | |
|--|---------------|---------------|
| Net Surplus/(Deficit) Carried to Balance Sheet | (3,61,97,792) | (3,61,96,792) |
|--|---------------|---------------|

Notes to Accounts H

As per our report of even date
For J H Ghumara & Co.,
Chartered Accountants



J. H. Ghumara
[Jagdish H. Ghumara]
Proprietor
Place: Mumbai
Date: 24/06/2010

For Abacus Computers Limited

Managing Director Director

ABACUS COMPUTERS LIMITED
BALANCE SHEET AS AT 31st March,2010

| PARTICULARS | Schedu le | As at 31.03.10 Rupees | As at 31.03.09 Rupees |
|-------------|--------------|-----------------------------|-----------------------------|
|-------------|--------------|-----------------------------|-----------------------------|

SHARE CAPITAL :-

| | | | |
|---|----------|-----------------------|-----------------------|
| <u>Authorised :-</u> | | 5,00,00,000.00 | 5,00,00,000.00 |
| 50,00,000 Equity Shares Of Rs. 10/- Each | | | |
| <u>Issued & Subscribed :-</u> | | 2,85,38,000.00 | 2,85,38,000.00 |
| 28,53,800 Equity Shares Of Rs. 10/- Each | | | |
| <u>Paid Up :-</u> | | | |
| 28,53,800 Equity Shares Of Rs. 10/- Each Paid In Cash | | 2,85,38,000.00 | 2,85,38,000.00 |
| <u>Less :-</u> Calls Unpaid(From Others) | | 66,100.00 | 66,100.00 |
| | A | 2,84,71,900.00 | 2,84,71,900.00 |

RESERVES & SURPLUS :-

| | | | |
|---|----------|---------------------|---------------------|
| Share Premium Account | | 57,11,200.00 | 57,11,200.00 |
| Investment Allowance(Utillised) Reserve | | 10,11,558.00 | 10,11,558.00 |
| | B | 67,22,758.00 | 67,22,758.00 |

LOAN FUNDS :-

Secured Loans

| | | | |
|--|----------|---------------------|---------------------|
| Working Capital Loans From Bank (Secured Against Personal Guarantee of Two Directors of the Company) | | 10,97,689.85 | 10,97,689.85 |
| | C | 10,97,689.85 | 10,97,689.85 |

INVESTMENT (NON TRADE) :-

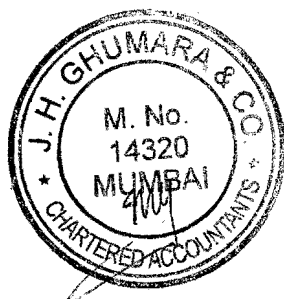
Unquoted :-

| | | | |
|--|----------|------------------|------------------|
| 2000(2000) Equity Shares Of Rs. 25 Each Fully Paid in The Zoroastrian Co. op. Bank Ltd. | | 50,000.00 | 50,000.00 |
| | D | 50,000.00 | 50,000.00 |

CRRENT ASSETS:-

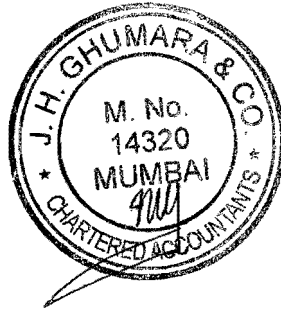
Cash And Bank Balances :-

| | | | |
|--------------|----------|------------------|------------------|
| Cash In Hand | | 44,556.00 | 45,556.00 |
| | E | 44,556.00 | 45,556.00 |



EXPENSES ,ADMNISTRATIVE & OTHERS:-

| | | |
|--------------------------------|------------------|------------------|
| Salaries, Wages and Bonus | - | - |
| Contribution to PF, ESIC & PPF | - | - |
| Power & Electrical Charges | - | - |
| Sundry Expenses | 3,400.00 | 2,800.00 |
| Auditors' Remuneration | 5,000.00 | 5,000.00 |
| Travelling & Conveyance | 3,500.00 | 3,100.00 |
| Telephone & Postage | 2,600.00 | 2,100.00 |
| Printing & Stationery | 8,500.00 | 9,000.00 |
| Receivable W/off | | |
| | F | |
| | 23,000.00 | 22,000.00 |
| | 23,000.00 | 22,000.00 |



Notes to Accounts for the year ended 31st March, 2010

1 Significant Accounting Policies

a. Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis.

b. Fixed Assets

There are no Fixed Assets with company.

c. Investments

Investments are valued at cost.

d. Inventories

There are no stock of Raw materials, Packing materials, Finished Goods, Work-in-progress and Consumable Stores and Spares with Company.

e. Previous year figures have been regrouped/ rearranged wherever necessary.

2 No remuneration to directors including Managing Director is provided.

3 Estimated amount of capital commitments to be executed on capital account and not provided for

Rs. 0/- (Previous Year Rs. 0/-)

4 Segment Reporting

Not Applicable

5 Related Party Disclosures under Accounting Standard 18

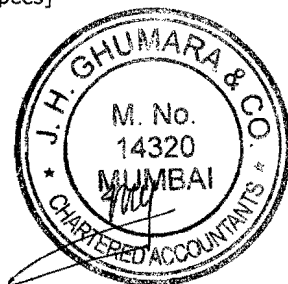
No transaction done during the year

6 The borrowing cost capitalised during the year Rs. 0/- (Previous Year Rs.0/-)

7 The balances of Deposits, Sundry Debtors, Loans and Advances and Current Liabilities are subject to confirmation.

8 Earnings Per Share

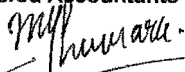
| | Current Year | Previous Year |
|--|--------------|---------------|
| | Rupees | Rupees |
| Number of equity shares outstanding at the beginning of the year | 28,53,800 | 28,53,800 |
| Number of equity shares allotted during the year | - | - |
| Average number of equity shares outstanding during the year | 28,53,800 | 28,53,800 |
| Weighted Average number of equity shares | 28,53,800 | 28,53,800 |
| Net Profit after Tax [Rupees] | - | - |
| Net Profit attributable to equity shares | - | - |
| Basic and Diluted Earnings per share [Rupees] | - | - |



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | | | |
|-----|---|------------------------------|---------------------------------|------------------------------|
| I | Registration Details | | | |
| | Registration No. | 30982 | Status Code | 11 |
| | Balance Sheet Date | 31 03 | 2008 Year | |
| II | Capital raised during the year | | | Rupees |
| | Public Issue | | | Nil |
| | Rights Issue | | | Nil |
| | Bonus Issue | | | Nil |
| | Private Placement | | | Nil |
| III | Position of Mobilisation and Deployment of Funds | | | |
| | Total Liabilities | Rupees <u>3,62,92,348</u> | Total Assets | Rupees <u>3,62,92,348</u> |
| | Sources of Funds: | | Application of Funds: | |
| | Paid-up Capital | 2,84,71,900 | Net Fixed Assets | 0 |
| | Share Application Money | - | Investments | 50,000 |
| | Reserves & Surplus | 67,22,758 | Net Current Assets | 44,556 |
| | Secured Loans | 10,97,690 | Profit & Loss A/c | 3,61,97,792 |
| | Unsecured Loans | - | Deferred Tax Asset/ (Liability) | 0 |
| IV | Performance of Company | | | Rupees |
| | Turnover and Other Income | | | 0 |
| | Total Expenditure | | | 0 |
| | Profit before Tax | | | (1,000) |
| | Profit after Tax | | | (1,000) |
| | Earnings per share | | | 0.00 |
| V | Generic Names of Three Principal / Services of Company (as per monetary terms) | | | |
| | Product Description | | Item Code No. | |
| | Computer Software | | N.A. | |

Signatures to Schedules A to H

For J H Ghumara & Co.,
Chartered Accountants[Jagdish H. Ghumara]
Proprietor
Place: Mumbai
Date: 24/06/2010

For Abacus Computers Limited

Managing Director Director

ABACUS COMPUTERS LIMITED

PROXY FORM

Registered Folio No:

No of Shares held:

I/We _____ of _____ being Member / Members of Abacus Computers Limited, hereby appoint Shri / Smt. _____ of _____ or failing him Shri / Smt. _____ of _____ as my/ our proxy to vote for me/ us and on my/ us behalf at the Annual General Meeting of the Company to be held on 30th September, 2010 at 11.30 a.m.

Signed by the said _____ day of _____ 2010.

Signature: _____

**Affix Rs. 1
Revenue
Stamp**

Applicable to the members holding shares in electronic form.

NOTE:

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

=====

ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No:

I hereby record my presence at the Annual General Meeting of the Company held at 816, Dalamal Tower, Nariman Point, Mumbai – 400021 on 30th September, 2010 at 11.30 a.m.

Full Name of the Members/Proxy _____
(In Block Letters, to be filled in if the proxy attends instead of the Member)

Members/ Proxy

Signature

Application to the members holding shares in electronic form.

NOTES:

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.