

18th Annual Report
2011-2012



RAM INFORMATICS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:	Mr. P.S. Raman	-	Executive Chairman
	Mr. R. Jagadeeswara Rao	-	Executive Director
	Mr. Katta Sreekanth Reddy	-	Director
	Mr. Visweswara Rao Kothapalli	-	Director
	Mr. V. Vinod Kumar Valipireddy	-	Director
Committees of the Board:			
Audit Committee	Mr. Katta Sreekanth Reddy	-	Chairman
	Mr. Visweswara Rao Kothapalli	-	Member
	Mr. V.Vinod Kumar Valipireddy	-	Member
Shareholders'/ Investors' Grievance Committee	Mr. Visweswara Rao Kothapalli	-	Chairman
	Mr. P.S. Raman	-	Member
	Mr. V.Vinod Kumar Valipireddy	-	Member
Compliance Officer:	Ms. Prasanna Lakshmi Polineni	-	Company Secretary
Auditors:	M/s. S.S. Kothari & Co. 403, IV Floor Model House Punjagutta Hyderabad 500 082		
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:	cs@raminfo.com		
U.S. Subsidiary:	Aravali Technologies Inc., 1175, Saratoga Avenue, Suite 7 San Jose, California 95129, U.S.A.		

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RAM INFORMATICS LIMITED WILL BE HELD ON THURSDAY THE 18th OCTOBER, 2012 AT 12.30 PM. AT PARIWAR HOTEL, BESIDE RADHIKA THEATER, A.S.RAO NAGAR, MAIN ROAD, SECUNDERABAD - 500062 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit & Loss account for the year ended on that date together with the Reports of the Directors and Auditors.
2. To consider and if thought fit, to pass, with or without modification the following resolution as Special Resolution:
"RESOLVED THAT pursuant to Section 224,225 & other applicable provisions of the Companies Act, 1956 M/s Vara Prasad & Associates, Chartered Accountants, Hyderabad, be and is hereby appointed as Auditors of the Company in place of the retiring Auditors M/s S.S.Kothari & Co., Chartered Accountants, Hyderabad, who expressed their unwillingness to continue as Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration to be decided by the Board of Directors of the Company based on the recommendation of the Audit Committee of the Company."

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Katta Srekanth Reddy, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the Board of Directors w.e.f 10-02-2012 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said act, along with a deposit of Rs.500/- proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation"
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Visweswara Rao Kothapalli, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act 1956 by the Board of Directors w.e.f 10-02-2012 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said act, along with a deposit of Rs.500/- proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation"
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. V. Vinod Kumar Valipireddy, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act 1956 by the Board of Directors w.e.f 10-02-2012 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said act, along with a deposit of Rs.500/- proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation"
6. Shifting of the Register of Members and the Index of Members of the Company.
To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to shift the Register of Members and the Index of Members from M/s Sathguru Management Consultants Private Limited, Plot No.15, Hindi Nagar, Punjagutta, Hyderabad 500 034 to M/s Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081."

NOTES

1. A MEMBER ELIGIBLE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE 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. Brief profile of Mr. Katta srikanth Reddy, Mr. Visweswara Rao Kothapalli and Mr. V. Vinod Kumar Valipireddy, Additional Directors who are proposing to be regularized as Directors of the Company has been annexed along with the explanatory statement in pursuance of Clause 49 of the Listing agreement.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
5. The Register of Members and the Share Transfer Books of the company shall remain closed from 11th October, 2012 to 18th October, 2012 (both days inclusive).
6. 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.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

8. Consequent upon the introduction of Section 109A of the Companies Act, 1956, share holders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Register of Members and the Share Transfer Agent, Venture Capital and Corporate Investments Private Limited.
9. In pursuance of the Green initiative, members are requested to register their mail ids with the company by sending the request mail to cs@raminfo.com quoting their name, Folio number/DP Id to send the future communications through e-mail.
10. 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. Karvy Computershare Private Limited
Plot No.17 to 24, Vittal Rao Nagar, Madhapur,
Hyderabad 500 081. Tel.: 91 040 44655270

For and on behalf of the Board

Date: 17-09-2012
Place: Hyderabad

PS.Raman
Executive Chairman

EXPLANATORY STATEMENT
(Pursuant to section 173(2) of the Companies Act, 1956)

The following Explanatory Statement of the Company sets out the material facts relating to the business under Item Nos.3, 4, 5 and 6 mentioned in the accompanying Notice dated 17th September 2012.

ITEM NO.3

The Board of Directors of the Company had co-opted Mr. Katta Sreekanth Reddy as an Additional Director of the Company during the Board Meeting held on 10th February 2012. In terms of the provisions of section 260 of the Companies Act, 1956, he will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

Mr. Katta Sreekanth Reddy is a Masters of Computer Application and is expertise in technology and IT related Industry.

Your Company has received a notice, in writing, from a Member, under section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company together with the prescribed deposit. The Board considers it desirable that the Company should continue to avail the services of Mr. Katta Sreekanth Reddy and accordingly commends the resolution for acceptance by the Members.

None of the directors except the incumbent is concerned or interested in the resolution of his appointment.

ITEM NO.4

The Board of Directors of the Company had co-opted Mr. K Visweswara Rao as an Additional Director of the Company during the Board Meeting held on 10th February 2012. In terms of the provisions of section 260 of the Companies Act, 1956, he will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

Mr. K Visweshwar Rao is a Master of Science Graduate in Science from Colleges affiliated to Andhra University.

Your Company has received a notice, in writing, from a Member, under section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company together with the prescribed deposit. The Board considers it desirable that the Company should continue to avail the services of Mr. K Visweswara Rao and accordingly commends the resolution for acceptance by the Members.

None of the directors except the incumbent is concerned or interested in the resolution of his appointment.

ITEM NO.5

The Board of Directors of the Company had co-opted Mr. V. Vinod Kumar Valipireddy as an Additional Director of the Company during the Board Meeting held on 10th February 2012. In terms of the provisions of section 260 of the Companies Act, 1956, he will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

Mr. V. Vinod Kumar Valipireddy is a Bachelor of Commerce and Law Graduate from Colleges affiliated to Osmania University. He has a vast experience of nearly a decade in Law Practice as he has practiced as an Advocate with Trial Courts in Hyderabad and also in the Hon'ble High Court of Andhra Pradesh.

Your Company has received a notice, in writing, from a Member, under section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company together with the prescribed deposit. The Board considers it desirable that the Company should continue to avail the services of Mr. V. Vinod Kumar Valipireddy and accordingly commends the resolution for acceptance by the Members.

None of the directors except the incumbent is concerned or interested in the resolution of his appointment.

ITEM NO.6

M/s Sathguru Management Consultants Pvt Ltd., Hyderabad was the Registrar and Share Transfer Agent (RTA) of the Company for both physical and dematerialized shares. The RTA informed vide their letter dated 30.08.2011 that it was discontinuing its RTA services and advised the Company to appoint new RTA to ensure continuity of service to the shareholders.

In view of the above, the Board has approved change of RTA from M/s Sathguru Management Consultants Pvt Ltd to M/s Karvy Computershare Pvt Ltd. M/s Karvy Computershare is one of the premier Registrar in the Country and they have pioneered themselves in this field, presently servicing over 57 million investor accounts spread over 440 issuers. Karvy a SEBI registered category1 registrar has a work force of over 2500 experienced personnel with the latest technology infrastructure facilities.

Pursuant to the appointment of the new RTA, the Register of Members and the Index of Members needs to be shifted from M/s Sathguru Management Consultants Pvt Ltd., to M/s Karvy Computershare Pvt Ltd., and the Board also approved the same as required u/s 163 of the Companies Act, 1956, to maintain the Register of Members in a place other than registered office or while shifting the place for keeping the register of members and index of members.

It is now proposed to shift the Register of Members and Index of Members from existing RTA, i.e., from M/s Sathguru Management Consultants Pvt Ltd., to M/s Karvy Computershare Pvt Ltd., Pursuant to section 163(i)(iii), of the Companies Act, 1956, the Registrar of Companies, Andhra Pradesh, Hyderabad, has already been given a copy of the proposed Special Resolution. Your Directors recommend the above Special Resolution for your approval.

None of the Directors are interested in the above resolution.

For and on behalf of the Board

Date: 17-09-2012
Place: Hyderabad

P.S.Raman
Executive Chairman

Details of Directors seeking appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

a	Name	Mr.Katta Sreekanth Reddy	Mr. K Visweshwar Rao	Mr. V. Vinod Kumar Valipireddy
b	Brief Resume			
	i) Age	42 years	29 years	37 years
	ii) Qualification	MCA	M.Sc	LLB
	iii) Experience & Nature of expertise in specific functional Areas	Director of the Company. He has over 15 years of rich experience in the field of Technology and IT related Industry	Director of the Company. He has 10 years of experience in the field of science and technology	He has a vast experience of nearly a decade in Law Practice as he has practiced as an Advocate with Trial Courts in Hyderabad and also in the Hon'ble High Court of Andhra Pradesh
	iv) Date of appointment on the Board of the Company (Ram Informatics Limited)	10/02/2012	10/02/2012	10/02/2012
c)	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	Manikya Corporation Limited	Diligent Industries Limited	Exensys Software Solutions Limited
d)	Name(s) of companies in which committee Membership(s) held	Ram Informatics Limited a) Audit Committee b) Investors' Grievance Committee	1.Ram Informatics Limited a) Audit Committee b) Investors' Grievance Committee 2.Diligent Industries Limited a. Audit Committee b. Remuneration Committee. c. Investors' Grievance Committee	1.Ram Informatics Limited a) Audit Committee b) Investors' Grievance Committee 2.Exensys Software Solutions a. Audit Committee b. Remuneration Committee. c. Investors' Grievance Committee
e)	No. of shares of Rs.10/- each held by the Director	Nil	Nil	Nil
f)	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	None	None	None

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited accounts for the financial year ended 31st March 2012.

FINANCIAL RESULTS:

The performance of your company for the year under review is summarized below: (Rs. In thousands)

Particulars	31.03.2012	31.3.2011
Gross revenue and other income	68287	44377
Profit before interest, depreciation & Taxes	(15599)	(28599)
Interest	1403	3620
Depreciation & Amortization	1309	4220
Exceptional item (Provision for diminution of investment in subsidiary)	-	317964
Profit before tax	(18311)	(354403)
Tax Expense adj	1698	-
Profit after Tax	(20009)	(354403)

The consolidated operating revenue of the company is Rs. 301.54 lakhs against Rs. 444.38 lakhs for the previous year resulting in net loss of Rs. 298.29 for the year ending 31st March, 2012 against Rs. 3567.03 lakhs for the previous year. A sum of Rs. 406.86 lakhs as 'write back' of liabilities and provisions for the year ending 31st March 2012 has been accounted under 'other income' which is as an extra ordinary item (previous year – nil).

DIVIDEND:

Due to inadequacy of profits and in view of the net accumulated loss in the company, your directors have not recommended any dividend for the period under review.

PERFORMANCE OF THE COMPANY:

Your company's net operating revenue declined to Rs. 274.99 lakhs on a standalone basis for the year ended 31st March 2012 against Rs. 352.00 lakhs in the previous year and on consolidated basis declined to Rs. 301.54 lakhs against Rs. 444.38 lakhs in the previous year. However, the gross revenue including other income amounted to Rs. 682.87 lakhs due to an extra ordinary credit by way of 'write back of liabilities and provisions' amounting to Rs. 406.86 lakhs for the current year on a standalone basis and Rs. 709.42 lakhs on consolidated basis for the year ending 31st March 2012. The domestic revenue dropped by 26% and the export revenue of dropped by 55%.

US SUBSIDIARY and BRANCH:

Aravali Technologies Inc., your company's US subsidiary, registered revenues of US\$ 50679 for the year ended 31st March 2012 against US\$ 205350 for the previous year with the net loss reported as US\$ 177460 for year ending 31st March 2012 as against net loss of US\$ 51110 for the previous year. The subsidiary continued to suffer losses and considered unviable to continue business operations. Accordingly, the investment value which was provided for fully in the previous year was written off and necessary papers to dissolve the operations was filed with the US authorities. The branch operations at Connecticut, USA also ceased effective 1st April 2012.

DOMESTIC MARKET OPERATIONS BY PARENT COMPANY:

Your company's domestic revenue is continuing to accrue out of specific e-governance projects in AP and Karnataka, even though there is a drastic fall in the total revenue. Your company could not address new businesses due to its financial position being worse. Also there have been no significant additional product development efforts made in case of the banking products for the same reason. The district e seva project delivery has been outsourced to the consortium partner company on a fixed royalty fee income basis.

COMPREHENSIVE CAPITAL / FINANCIAL RESTRUCTURE PLAN:

Your company, in its attempt to bring in a strategic investor could tie up with a group of net worth investors to mobilize financial resources and could finalize a comprehensive capital restructure proposal. The Bombay Stock Exchange limited, wherein your company's shares are listed, has conveyed their "No Objection" to the application filed by the company, by way of their letter dated 20th June 2012. The petition to the Honorable High Court of Andhra Pradesh has been filed in August 2012 and the Hon'ble High Court of A.P. vide its order dated 31st August 2012 has ordered for the court convened meeting of shareholders on 18th October 2012 to obtain the consent of the shareholders for the scheme proposed.

QUALITY:

Your company has been following strict quality management standards and constantly upgrading the processes in the ISO 9001 and the ISO 27001 standards adopted by the company.

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

Your Company has one subsidiary (including step down subsidiaries) as on 31st March, 2012.

As per Section 212 of the Companies Act, 1956 ('the Act'), your Company is required to attach Directors' Report, Balance Sheet and Profit and Loss Account of each of its subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212 of the Act, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly, the annual report 2011-12 does not contain the financial statements of subsidiaries. A statement containing particulars of the subsidiaries are attached to the annual report. Copies of the annual accounts of the Company's subsidiaries

can be sought by any investor of the company by making a written request to the Company at the Registered Office of the Company in this regard. The Annual Accounts of the subsidiary company are also available for inspection to any investor at the Company's registered office.

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

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility statement, it is hereby confirmed that:

In the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956 have been followed along with proper explanation relating to material departures;

The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2012 and of the profit or loss of the company for that period;

The directors have 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;

The directors have prepared the annual accounts of the Company 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 Sec. 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:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the listing agreement with the Stock Exchange in India is set out as Annexure 'B' and forms part of this Annual report.

REPORT ON CORPORATE GOVERNANCE:

The Company is committed to maintain the standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by SEBI. 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 forms a part of this Annual Report, as Annexure 'C'.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

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

Declaration as required under clause 49(I)(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:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, there are no employee in the Company who is drawing the remuneration worth Rs. 5,00,000 per month or Rs. 60,00,000 per annum during the financial year.

STOCK EXCHANGE LISTING:

The Equity Shares of the company are listed on the Bombay Stock Exchange Limited. The listing fee for the year 2011-12 has been paid to the Bombay Stock Exchange Limited. The Company has also paid custodial fee for the year 2011-12 to both the depositories viz. NSDL and CDSL on the basis of number of beneficial folios maintained by them as on 31st March 2012. It may be noted that there are no payments outstanding to the Stock Exchange.

FIXED DEPOSITS:

Your company has not accepted / renewed any fixed deposits under Section 58A of the Companies Act, 1956 during the year 2011-2012.

AUDITORS' & AUDITOR'S REPORT:

M/s. S.S. Kothari & Co., Chartered Accountants, Statutory Auditors of the Company, have expressed their inability to continue as Statutory Auditors of the Company w.e.f ensuing General Meeting. A notice under section 225 of the Companies Act, 1956 has been received from a member proposing to appoint M/s Vara Prasad & Associates, Chartered Accountants, Hyderabad, in place of the retiring auditors from the conclusion of this Annual General meeting to next Annual General meeting.

REPLY TO THE AUDITORS' QUALIFICATIONS:

Statutory dues (Item ix (a)): The company continued to have severe liquidity crunch due to which it has been scouting for strategic investor. The company has completed payment of the arrears up to March 2010 as per the installment facility granted by the AP High Court. The company is requesting further time with authorities to clear the dues of subsequent period. TDS dues for period up to March 2012 have been paid except for the TDS related to unpaid salary to the executive management. The company is seeking relief for this dues demanded. A demand for Rs. 40.58 lakhs as additional PF is disputed, which is pending. The company has partly paid the ESJ dues and seeking time extension by the authorities.

Bank Loans: An application to restructure the secured loan dues to Canara Bank of Rs. 61.56 lakhs has been made to the bank with equated installment facility over a period of 24 months. The bank subsequently has accepted for the restructured payment over a period of eighteen months from August 2012. The bank also has issued their 'No Objection' to the proposed scheme of restructure.

RE-APPOINTMENT OF DIRECTORS BY ROTATION:

There is no director due to retire by rotation for this financial year. The details of changes in the Board are provided in the Corporate Governance Report.

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 and more importantly, more specifically to the contribution made by all the Executives, Staff members of the Company in the achievements of the Company during the year under review.

For and on behalf of the Board

Date: 17-09-2012
Place: Hyderabad

P.S.Raman
Executive Chairman

ANNEXURES TO 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:

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.

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO: (in Rs.)

Foreign Exchange Earnings	Nil
Foreign exchange outgo:	
Postage & Telegram	Nil
Others	Nil

For and on behalf of the Board

Date: 17-09-2012
Place: Hyderabad

P.S.Raman
Executive Chairman

ANNEXURE - B
MANAGEMENT DISCUSSION & ANALYSIS**i. INDUSTRY STRUCTURE AND DEVELOPMENT:**

The financial year 2012 is a significant year for Indian IT-BPO industry since its aggregate revenue is set to cross USD 100 billion with IT software services revenue estimates touching USD 88 billion, as per NASSCOM's Strategic Review Report 2012. Market share in global sourcing is expected to increase from 51% in 2009 to 58% in 2012. Export revenue is estimated to touch USD 69.1 billion. The report also mentions about our IT industry's resilience while global macro economic scenario remains uncertain. The global technology related spending is expected to grow by 5%. The forecast indicates slowdown in software exports in 2012-13 compared to 2011-12 with an expected growth rate of 11-14% for software exports and 13-16% for domestic market. Cloud computing and mobile applications are seen as large potential segments.

In domestic market, the government sector continues to be the key catalyst for the growth with plans to implement various e governance projects. The competition is also severe. The challenges as per analysts for the year 2013 are elections in the US, leadership changes in Euro zone and India's political situation as regards various policy issues.

ii. OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

While the competition in domestic market is increasing, smaller companies like your company are in a very disadvantageous position. A lot depends on improving the financial strength and building capabilities to be able to face such competition with proven project execution skills. Opportunities are visible largely, but the constraints such as inadequate financial support and overdue receivables are bottlenecks. The company which has excellent service record and brand values to revive the past glory.

iii. RISK ASSESSMENT AND CONTROL:

The company continues to adopt properly defined policies and procedures to assess the risks in projects and all the operational activities. The executive management controls and monitors the processes with the participation of middle level personnel who are involved in effective supervision and implementation of such policies.

iv. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company is adopting a suitable internal control system commensurate with its size and nature of business. The system effectively covers optimum utilization of its resources, safeguard of assets, proper compliance of prevalent statutes and regulatory rules, correct application of applicable accounting standards and management policies.

v. FINANCIAL PERFORMANCE:

On a consolidated basis, the company achieved total revenue of Rs. 301.54 lakhs from operations for the FY 11-12 against Rs. 444.38 lakhs in the previous year, with a decline of 32%. As per the proposed scheme of comprehensive restructure and settlement scheme, a total sum of Rs. 406.86 lakhs was 'written back' in the books of account, comprising payroll and operational expenses provided but not paid, dues to sundry creditors and unsecured loan balances. This is treated as an extra ordinary item of other income. The net consolidated loss for the year thus is Rs. 298.29 lakhs for the FY 11-12 against Rs. 3567.03 lakhs. The operations of the US branch and the subsidiary ceased by the end of the financial year. Necessary filing of documents were done with the US authorities for dissolution of the subsidiary.

> Deferred Tax:

During the year the company did not record any deferred tax due to the net loss incurred. However the deferred tax asset recorded earlier and existing in the books at Rs. 125.65 lakhs was written off during the year.

> Expenditure:

The total employee costs for the FY 2011-12 was lower at Rs. 251.66 lakhs against Rs. 298.55 lakhs in the previous year. The total employee count was 62 as at the end of March, 2012. The total operating costs for the year was higher at Rs 485.98 lakhs in the current year as against Rs. 240.68 lakhs in the previous year. The major contributors being write off of fixed assets at Rs. 132.06 lakhs, increase in the provision for doubtful debts by Rs. 150.25 lakhs. However there was sizeable reduction in expenditure like travel and consumables and other office and administrative expenses which narrowed down the increase to large extent.

The investments in the wholly owned subsidiary was fully provided for in the previous year and now written off due to the plan of dissolution of business.

> Secured loans:

The secured loan balance amount due to Canara Bank stood at Rs. 61.55 lakhs as at the end of the year (prev. year Rs. 59.56 lakhs). A debt restructure proposal to pay the balance dues in 24 equated installments is made to the bank and awaiting their consent. The bank is likely to consider this favorably.

> Unsecured loans:

The unsecured loans outstanding as at 31st March 2012 totals to Rs. 265.70 lakhs including Rs. 15.00 lakhs from directors. These were raised to meet the outstanding liabilities to secured/unsecured creditors and statutory liabilities. The balance at the end of previous financial year was Rs. 116.28 lakhs.

> Fixed Assets:

The gross addition to the fixed assets as at 31st March 2012 is Rs. 47.16 lakhs and the gross deletion was amounting to Rs. 1704.76 lakhs which includes value reduction due to obsolescence factor and scrapped items. The depreciation charged this year was lower at Rs. 14.67 lakhs against Rs. 42.34 lakhs in the previous year.

> Inventory:

The inventory, representing projects/products cost as at 31st March 2012 is valued 'nil' as against previous year amount of Rs. 221.69 lakhs.

> Sundry Debtors:

The Sundry debtors, net of provision for doubtful debts at Rs. 251.13 lakhs, decreased to Rs. 337.26 lakhs as on March 31, 2012 from Rs. 538.90 lakhs in the previous year. A major account receivable is related to dues from the company's technology partner CMS Computers Ltd, Mumbai for the e-governance projects executed with them as consortium partner. They are continuing to await release of dues to them from the AP government for the completed e-seva project dues in order to settle our dues as share of revenue as per the terms of agreement between us. The 'stay' obtained by the company from the High Court of AP for withholding payment to CMS by the AP government department until further orders, is still not vacated. Additional provision for doubtful debts to the tune of Rs. 200.69 lakhs has been made for the FY 2011-12.

VI. HUMAN RESOURCES DEVELOPMENT:

The company's total staff strength as at 31st March 2012 was 62 against 91 as at the end of previous year. There was a further reduction in employee count after completion of some projects and as a measure of cost control. The pending projects are managed with skill upgradation of the balance employees to achieve maximum utilization.

VII. WORKING CAPITAL REQUIREMENT AND FINANCIAL RESTRUCTURE PLAN:

The company's performance has been adversely affected and financial position deteriorated with heavy accumulated losses due to recession, adverse market conditions, excessive overdue receivables, increasing overheads and interest burden and severe working capital constraints. The total current liabilities and provisions as at the end of 31st March 2012 was Rs. 269.17 lakhs against Rs. 736.54 lakhs in the previous year after write back of sundry creditors and payroll and operational expenses provisions to the extent required as per the settlement proposed under the scheme of restructure. The total dues for operational expenses including payroll as at end of March 2012 amounted to Rs. 190.17 lakhs and the total statutory dues including service tax at Rs. 60.57 lakhs.

The company, in order to overcome the financial crisis, had approached certain investors who have arranged unsecured loans to the company to meet various liabilities with an understanding that the loans advanced by them are converted into equity. The Board in their meeting dated 4th April, 2012, has approved a scheme of arrangement between the company, its shareholders and unsecured lenders effective 1st April 2012, subject to the approval and consent of the shareholders and confirmation by the High Court of Andhra Pradesh. The Bombay Stock Exchange wherein the company's shares are listed, has conveyed its "No Objection" in June 2012 to the company's application made to them under clause 24(f) of the listing agreement for the proposed scheme of capital reduction, which is part of the proposed scheme of comprehensive restructure plan. The Hon'ble High Court of A.P. has issued its order dated 31st August 2012, for court convened meeting of the Company's shareholders.

VIII. OUTLOOK:

The company is expecting to complete the formalities of the scheme of restructure and implement it before the end of this financial year and mobilize further funds from the investors. Subsequent to this, the company is expecting to begin the business restructuring processes with the additional funds infused by investors. The company is hopeful of revitalizing itself with the business and financial support to be provided accordingly.

CAUTIONARY STATEMENT:

Some of the statements contained in this report may be forwarded looking at the 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.

For and on behalf of the Board

Date: 17-09-2012
Place: Hyderabad

P.S.Raman
Executive Chairman

ANNEXURE - C**CORPORATE GOVERNANCE REPORT**

(As Required under Clause 49 of the Listing Agreement)

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.

2. BOARD OF DIRECTORS:

The Board of Directors along with its committees provides focus and guidance to the company's Management as well as directs and monitors the performance of the Company.

All the directors on the Board of the Company have made necessary declarations/disclosures regarding their Directorships along with committee positions held by them in other companies.

During the year under review 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: 13th May 2011, 24th May 2011, 12th August 2011, 23rd September 2011, 14th November 2011 and 10th February 2012.

The board consisted of six directors and the composition and category of directors on the Board of the company are as under:

Name of the director	Category	Designation	No. of board meetings held during the last financial year	No. of meetings attended	No. of other director-ships	Attendance at the last AGM
Mr. P.S. Raman	Promoter & Executive Director	Executive Chairman	5	5	-	Yes
Mr. R. Jagadeeswara Rao	Promoter & Executive Director	Executive Director	5	5	1	Yes
Mr. P.S. Venkateswaran +	Promoter & Non-Executive Director	Director	5	1	-	Yes
Mr. G. Haragopal +	Non-Executive & Independent Director	Director	5	2	-	No
Dr. S.K. Mathur +	Non-Executive & Independent Director	Director	5	2	-	No
Dr. Khushwant Singh *	Non-Executive & Independent Director	Director	5	2	-	No
Mr. Katta Sreekanth Reddy \$	Non-Executive & Independent Director	Director	5	1	1	No
Mr. Visweswara Rao Kothapalli \$	Non-Executive & Independent Director	Director	5	1	1	No
Mr.V.V. Vinod Kumar \$	Non-Executive & Independent Director	Director	5	1	1	No

+ Resigned on 12th August, 2011

* Resigned on 10th February, 2012

\$ Appointed on 10th February, 2012

3. COMMITTEES OF THE BOARD:

The company has the following committees of the board:

A. Audit Committee:

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its Compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the Statutory Auditors, the performance of internal auditors and Company's risk management policies. The Board of the company has constituted an Audit Committee comprising of three non- executive independent directors namely Mr. Katta Sreekanth Reddy, Mr. K. Visweswara Rao and Mr. V.V. Vinod Kumar. The committee is chaired by Mr. Katta Sreekanth Reddy. The constitution of audit committee fulfils the requirement of Sec 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The meetings of the committee were attended by the Executive Chairman and Executive Director of the Company.

The Company Secretary is the Secretary to the Audit committee meetings.

Terms of reference: The terms of reference / powers of Audit Committee are as under:

Powers of Audit committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the audit committee shall include the following:

- i. 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.
- ii. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditors and fixing audit fees.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Changes, if any, in accounting policies and practices and reasons for the same.
- v. Qualifications in the draft audit report.
- vi. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems together with any internal investigations by the internal auditor.
- viii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post – audit discussion to ascertain any area of concern.

SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The shares held by non-executive directors as on 31st March 2012:

Name of the Non-Executive director	No. of shares
Mr. P.S.Venkateswaran (Resigned on 12th August 2011)	352,200
Mr. G. Haragopal (Resigned on 12th August 2011)	Nil
Mr. S.K. Mathur (Resigned on 12th August 2011)	Nil
Dr. Khushwant Singh (Resigned on 10th February 2012)	Nil
Mr. Katta Sreekanth Reddy	Nil
Mr. K.Visweswara Rao	Nil
Mr. V.V.Vinod Kumar	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	14,40,000	14,40,000
Perquisites	0	0
Total	14,40,000	14,40,000

Information available to the Board:

The Board has unlimited accesses 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.

A. Shareholders'/Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee is constituted with three Directors chaired by Mr. Visweswara Rao Kothapalli. 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 investor's complaints and related matters.

B. General Body Meetings:

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

Financial Year	Date	Venue	Time
2008-09	16 th November 2009	A.M. Kamat Lingapur Hotel, Chikoti Gardens, Begumpet, Hyderabad	10:00A.M.
2009-10	29 th September 2010	Nagarjuna Nagar community Hall, 8-3-903/4/A, Nagarjuna Nagar, Ameerpet, Hyderabad	10:00 A.M.
2010-11	15 th November 2011	Nagarjuna Nagar community Hall, 8-3-903/4/A, Nagarjuna Nagar, Ameerpet, Hyderabad	10:00 A.M.

The company passed resolutions as special business resolutions in the AGM on 29th September 2010. No special resolution was passed by the company through postal ballot.

4 DISCLOSURES:

- i. There are no materially significant related party transactions that may have potential conflict with the interests of the company at large.
- ii. The company does not have a Whistle Blower Policy, but however, no person is denied access to audit committee.
- iii. The company has complied with the mandatory requirements of clause 49 and has not adopted all the non-mandatory requirements.
- iv. There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchange or any Statutory authority or any other matter related to Capital market.

5. 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).

6. ADDITIONAL SHAREHOLDER INFORMATION:
A. 18th Annual General Meeting:

Date And Time	Thursday ,18 th October,2012 - 12:30 P.M
Venue	Pariwar Hotel, Beside Radhika Theatre, A.S Rao Nagar, Main Road, Secunderabad- 500062.

B. Financial Year for the year 2012-13 (tentative):

Accounting year	: 1 st April 2012 - 31 st March 2013
First quarter details	: 14 th August 2012
Second quarter details	: 15 th November 2012
Third Quarter details	: 15 th February 2013
Fourth quarter details	: May 2013

C. Date of book closure : 11th October, 2012 to 18th October, 2012 (Both days inclusive)

D. Listing on Stock Exchange : Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023

E. Stock code : 530951 (Scrip id: RAMINFO)
ISIN No.INE357B01014

F. Scrip Name : RAM INFORMATICS LTD.

A. Market price data:

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

Month	High Price	Low Price	Total Turnover (Rs.)
Apr-11	6.75	4.92	775230
May-11	5.9	4.07	736891
Jun-11	8.41	5.57	3396555
Jul-11	9.87	6.81	7624196
Aug-11	8.24	5	1119481
Sep-11	6.59	5.34	431195
Oct-11	6.09	4.8	206991
Nov-11	5.29	4	285515
Dec-11	5.11	3.85	90599
Jan-12	4.15	3.14	537002
Feb-12	4.75	3.78	371081
Mar-12	7.29	4.53	769554

B. Registrar and Share Transfer Agents:
M/s. Karvy Computershare Private Limited

Plot No.17 to 24
Vittal Rao Nagar, Madhapur
Hyderabad 500 081
Tel.: 91 040 44655270.

C. 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. **Karvy Computershare Private Limited** is the common share transfer agent for both physical and dematerialized mode.

A. Distribution of shareholding:

 Distribution of shareholding as on 31st March 2012 is as under:

Category No. of shares	No. of shareholders		No. of shares		% of total shareholding	
	Physical	Demat	Physical	Demat	Physical	Demat
1 - 500	1636	5284	235992	988608	2.10	8.80
501 - 1000	67	725	56600	644623	0.50	5.73
1001 - 2000	21	404	29800	640718	0.26	5.70
2001 - 3000	28	120	71900	314541	0.64	2.80
3001 - 4000	3	56	10200	199526	0.09	1.77
4001 - 5000	5	52	24500	245671	0.22	2.19
5001 -10000	1	76	6000	580565	0.05	5.16
10001- above	1	87	250000	6942156	2.22	61.77
Grand Total	1762	6804	684992	10556408	6.08	93.92
	8566		11241400		100	

E. Shareholding Pattern as on 31st March, 2012

Category code	Category of Shareholders	Number of Shareholder	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	Shareholding of Promoter and Promoter Group²					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	13	2264347	2263147	20.14	20.14
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00
	Sub Total(A)(1)	13	2264347	2263147	20.14	20.14
2	Foreign					
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13	2264347	2263147	20.14	20.14
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI	28	27400	0	0.24	0.24
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	2	3500	0	0.03	0.03
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (B)(1)	30	30900	0	0.27	0.27
B 2	Non-institutions					
(a)	Bodies Corporate	151	1448636	1432636	12.89	12.89
(b)	Individuals				0.00	0.00
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	8258	3773646	3386754	33.57	33.57
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	62	2912482	2662482	25.91	25.91



Category code	Category of Shareholders	Number of Shareholder	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(c)	Any Other (specify)				0.00	0.00
(c-i)	Clearance member	7	1676	1676	0.01	0.01
(c-ii)	Non Resident Indian	45	809713	809713	7.20	7.20
	Sub-Total (B)(2)	8523	8946153	8293261	79.58	79.58
(B)	Total Public Shareholding					
	(B) = (B)(1) + (B)(2)	8553	8977053	8293261	79.86	79.86
	TOTAL (A)+(B)	8566	11241400	10556408	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
1	Promoter and Promoter Group	0	0	0	0	0.00
2	Public	0	0	0	0	0.00
	Sub-Total (C)	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	8566	11241400	10556408		100.00

A. Dematerialization of shares and liquidity:

As on 31st March 2012, 93.92% of the total shares representing 105,56,408 shares were held in dematerialized form and the balance 6.08% in physical form representing 6,84,992 shares.

B. 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. The Company does not have any outstanding instruments of the captioned type.

C. Share Transfer System:

The shares of the company are compulsorily traded in the dematerialized form. Shares received in physical form are transferred with in a period of 21 days from the date of lodgment, subject to documents being correct, valid and complete in all respects.

D. Registrar and Transfer Agents:

The Registrar and Share Transfer Agent deals with all shareholders communications regarding change in address, transfer of shares, change of mandate, demat of shares, non-receipt of dividend etc.

E. Address for correspondence:

M/s Ram Informatics Limited,
SVR TOWERS, 8-2-1/B/1, Srinagar Colony Road, Punjagutta, Hyderabad – 500 082

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 2012, as stipulated in Clause 49 of the listing Agreement of the said 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 Statements of the company.

In our opinion and to the best of our knowledge and according to the explanation 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 as assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

For S.S. Kothari & Co.,
Chartered Accountants

(H.K. Mehta)
Partner

M.No.: 051245

Place: Hyderabad
Date: 04-04-2012

**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, 2012.

For **RAM INFORMATICS LIMITED**

Place: Hyderabad
Date: 04-04-2012

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, 2012.
2. To the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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 they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they 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:
 - a. there are no significant changes in internal control over financial reporting;
 - b. there are no significant changes in accounting policies; and
 - c. 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.

P.S.Raman
Chief Executive Officer

K.V. Subba Rao
Chief Financial Officer

Place: Hyderabad
Date: 04-04-2012

AUDITORS' REPORT**TO THE MEMBERS OF
RAM INFORMATICS LIMITED**

We have audited the attached Balance Sheet of RAM Informatics Limited as at 31st March, 2012 and also the Profit and Loss Account for the year ended as 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 standard 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 reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v) On basis of written representation received from the Directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, subject to the notes on accounts from 31.5 to 31.9.
 - a. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b. In case of Profit and Loss Account, the Loss for the year ended on that date, and
 - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **S.S.KOTHARI & CO.**
Chartered Accountants

Date: 04.04.2012
Place: Hyderabad

H.K.Mehta
PartnerMembership No.051245
Firm No.001447S

**ANNEXURE
TO THE AUDITORS' REPORT**

(as referred to in our report to the members of **RAM Informatics Limited** on the accounts for the year ended 31st March, 2012)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
(b) The Company has a phased programme of physical verification of its fixed assets, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Management has physically verified certain fixed assets during the year. No material discrepancies were noticed on such verification as compared to book records.
(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- (ii) (a) We have been explained that the inventory with the company has been fully verified by the management at the year end
(b) In our opinion and according to the information and explanation given to us, procedures for the physical verification of the stocks followed by the management is reasonable and adequate in relation to the nature and the size of the business of the company.
(c) In our opinion the company is maintaining proper records of inventory as far as we could ascertain and according to the information and explanation given to us, no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) 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, for the purchase of fixed assets and for the sale of goods.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been entered.
(b) In our opinion and according to the information and explanations given to us, aforesaid transactions exceeding the aggregate amount of Rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has a reasonable internal audit system commensurate with the size and nature of its business.
- (viii) According to information and explanations given to us, the central Government has not prescribed the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Customs Duty, Excise Duty, cess and any other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs Duty, Excise Duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess, which have not been deposited as on 31st March, 2012 on account of any dispute are given below.

RAM Informatics Limited, Hyderabad				
Statement of Contingent Liabilities as on 31.03.12				
Name of the Statute	Nature of dues	Amount(In lacs)	Period for which amount relates	Forum where the dispute pending
EPF ACT	Provident Fund	40.58	2008	PF Authorities
Total Amount		40.58		

- (x) The accumulated losses of the Company are more than 50% of the net worth. The Company has incurred cash loss during the financial year covered by our audit and in immediate preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions and banks. The Company has not issued any debenture.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi*/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts for purchase and sale of units/securities during the year under review and timely entries were made therein. All the shares and securities have been held by the Company in its own name except to the extent of the exemption, if any, granted under Section 49 of the Companies Act, 1956.
- (xv) As per the information and explanations given to us, during the year the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) To the best of our information and knowledge and as per records verified by us the Company has applied its term loans for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment to parties or companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures; consequently the provisions of clause 4(xix) are not applicable to the Company.
- (xx) The Company has not raised any money by means of public issue.
- (xxi) During the course of our examination of the books of accounts and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

For **S.S.KOTHARI & CO.**
Chartered Accountants

Date: 04-04-2012
Place: Hyderabad

H.K.Mehta
Partner Membership No.051245
Firm No.001447S



BALANCE SHEET AS AT 31 MARCH, 2012

(Rs. in Thousands)

Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	7.1	112414	112414
(b) Reserves and surplus	8.0	488440	488440
2 Non-current liabilities			
(a) Long-term borrowings (Secured/unsecured Loans)	9.0	32725	17584
(b) Long-term provisions	10.0	1843	1885
3 Current liabilities			
(a) Trade payables	11.0	13390	51722
(b) Other current liabilities	12.0	6056	9593
(c) Short-term provisions	13.0	0	0
TOTAL		654868	681638
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	14.0	10199	19997
(ii) Investments	28.0	1	1
(iii) Deferred tax asset net		0	12565
2 Current assets			
(a) Inventories	15.0	0	14971
(b) Trade receivables	16.0	33726	49411
(c) Cash and cash equivalents	17.0	3931	307
(e) Short-term loans and advances	18.0	8715	18665
PROFIT AND LOSS ACCOUNT	8.1	598296	565721
TOTAL		654868	681638

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered Accountants

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

H. K. Mehta
Partner
M.No.051245

Prasanna Lakshmi Polineni
Company Secretary

Place: Hyderabad
Date: 04-04-2012



PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs.in Thousands)

Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
I Revenue from operations	19.0	27499	35200
II Other income	20.0	102	9177
Extra ordinary item - write back of liabilities/provisions		40686	0
III Total revenue (1+2)		68287	44377
IV Expenses			
(a) Employees Benefit Expenses	21.0	21592	22597
(b) Finance costs	22.0	1403	3620
(c) Depreciation and amortization expense		1309	4220
(d) Other expenses	23.0	47323	22869
(Increase)/decrease in stock		14971	27510
Provision for investment in subsidiary		0	317964
V Total expenses		86598	398780
VI Profit / (Loss) before tax (III - V)		(18311)	(354403)
VII Tax expense			
(a) Current tax		0	0
(b) Deferred tax		0	0
(c) Income tax in respect of earlier years		0	0
(d) TDS unrecoverable		1698	0
VIII Profit / (Loss) for the year (VI-VII)		(20009)	(354403)
IX Earning per Equity Share	25.0		
- Basic		(1.78)	(31.53)
- Diluted		(1.78)	(31.53)

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered Accountants

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

H. K. Mehta
Partner
M.No.051245

Prasanna Lakshmi Polineni
Company Secretary

Place: Hyderabad
Date: 04-04-2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
(Rs.in Thousands)

A.	Cash flow from operating activities	2012	2011
	Net Profit / (Loss) before extraordinary activities	(18310)	(354403)
	<u>Adjustments for:</u>		
	Loss on sale of Asset/Assets Written Off	13205	1266
	Depreciation	1308	4220
	Interest Expenses	1403	3620
	Provision for doubtful debts	20069	5044
	Provision for Investment	0	317963
	Deferred Tax Asset Written Off	12564	0
	Investment Income (interest)	(41)	(137)
	Provision for Gratuity	(41)	722
	Loss on APSRTC Project	4110	0
	Creditors Written back	(40685)	0
	Profit on sale of Asset	0	(8706)
	Operating profit / (loss) before working capital changes	(6418)	(30411)
	(Increase)/Decrease in Trade and other Receivables	(8493)	(12490)
	(Increase)/Decrease in Inventories	14971	27510
	(Increase)/Decrease in Trade and other payables	(1183)	10434
	Cash generated from operations	(1123)	(4957)
	Extra-ordinary Items	14263	0
	Net cash From Operating Activities	(15386)	(4957)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(4716)	(108)
	Sale proceeds of Fixed Assets	0	14216
	Interest received	41	137
	Decrease/Increase in Loans and advances	9948	(1611)
	Net cash from Investing Activities	5273	12634
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Increase in unsecured Loans	14941	6425
	Receipt/(Repayment) of long term borrowing	198	(12250)
	Interest Paid	(1403)	(3620)
		13736	(9445)
D.	Net Increase / (decrease) in cash and cash equivalent (A+B+C)	3624	(1768)
	Opening cash and cash equivalents	307	2075
	Closing cash and cash equivalents	3931	307

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered Accountants

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

H. K. Mehta
Partner
M.No.051245

Prasanna Lakshmi Polineni
Company Secretary

 Place: Hyderabad
Date: 04-04-2012

1.0 SIGNIFICANT ACCOUNTING POLICIES:
1.1 Accounting conventions:

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern, in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 & Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

1.2 Use of estimates:

The presentations of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized.

1.3 Revenue recognition:

Revenue is recognized upon rendering the services to customers as per the invoice raised on milestone basis as per the contracts, in cases of customized application development projects; on completion of installation and acceptance by customer in case of software products and on time and material basis for onsite projects.

2.0 SECURED LOANS:

The loans outstanding to Canara Bank is secured by first charge on company's fixed assets excluding vehicles and electrical installations, hypothecation of book debts and also guaranteed by personal guarantees of three Directors

The balance of Rs.61.55 lacs is outstanding as on 31.03.2012 on cash credit and term loan put together. The company has applied to the bank for restructure of the loan dues with installment facility to repay the balance over a period of 24 months and awaiting approval.

2.1 Fixed assets:

Fixed assets are stated at cost of acquisition/purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses etc. up to the date the asset is ready for its intended use.

2.2 Depreciation:

2.2.1 Depreciation on fixed assets is provided on Straight Line Method at the following rates specified in Schedule XIV of the Companies Act, 1956:

Category	Rate %
Office Equipment	4.75
Furniture & Fixtures	6.33
Computer Systems	16.21
Electrical Installations	4.75
Vehicles	9.50

2.2.2 Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

2.2.3 Depreciation on assets costing up to Rs. 5,000/- is provided in full in the year of acquisition

3.0 IMPAIRMENT OF ASSETS:

The Company has assessed at end of 31.03.2012 for the impairment value of all the fixed assets and have estimated the recoverable amount of each asset and accordingly the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account.

4.0 FOREIGN CURRENCY TRANSACTIONS:

4.1 Foreign currency transactions are generally recorded on the basis of exchange rates prevailing on the date of their occurrence.

4.2 Foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange differences arising thereon, is adjusted to the cost of fixed assets or charged to the Profit and Loss Account, as the case may be.

4.3 In case of transactions covered by forward contracts, the differences between the contract rate and exchange rate prevailing on the date of the transaction is adjusted to the cost of assets or recognized as income or expenses over the life of the contract, as the case may be.

5.0 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

6.0 TAXES ON INCOME:
6.1 Current year charge:

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income-tax Act, 1961. However, where the tax is computed in accordance with the provision of Section 115JB of the Income-tax Act, 1961, as Minimum Alternate Tax (MAT), it is charged off to the Profit & Loss Account of the relevant year.

6.2 Deferred tax:

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such tax assets can be realized. Since losses are very high and the recovery of the same are doubtful, no provision has been made in the books.

6.3 Provisions, contingent liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

As per the proposed plan of capital restructure, liabilities and provisions no longer required have been written back. The total of the write back for the year ending 31.03.2012 is Rs.4,06,85,665/-.

6.4 Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated
7.0 NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012:

The previous year figures have been re-grouped/re-classified, wherever necessary to confirm to the current year presentation.

7.1 SHARE CAPITAL:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹ (in Thousands)	Number of shares	₹ (in Thousands)
Authorised				
-Equity shares of Rs.10 each	15000000	150000	15000000	150000
Issued				
-Equity shares of Rs.10 each	11241400	112414	11241400	112414
Subscribed & Fully Paid Up				
Equity shares of Rs.10 each fully paid	11241400	112414	11241400	112414
Total	11241400	112414	11241400	112414

7.2 The Details of Shareholders holding more than 5% shares are set out below:

Name of Equity Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P.S Raman	578200	5.14	578200	5.14
CMS Computers Ltd	1000000	8.90	1000000	8.90

7.3 The reconciliation of the number of shares outstanding as at Balance Sheet date is set out below:

Particulars	Equity Shares	
	Number	₹ (in Thousands)
Shares outstanding at the beginning of the year	11241400	112414
Shares Issued during the year	—	—
Shares Forfeiture	—	—
Shares bought back during the year	—	—
Shares outstanding at the end of the year	11241400	112414

7.4 Terms/Rights attached to Equity Shares: The Company has only one class of equity shares having a par value of Rs.10/- per share. Voting right is upon show of hands every member is entitled to one vote only irrespective of number of shares such member is holding and upon a poll each holder of equity shares is entitled to one vote per share. In event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

8.0 RESERVES AND SURPLUS:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
General reserve		
Opening balance	488440	488440
(+) Current year Transfer	0	0
(-) Written back in Current year	0	0
Closing balance	488440	488440

8.1 PROFIT & LOSS ACCOUNT:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Profit & Loss Account		
Opening balance	(565722)	(211318)
Deferred Tax Asset W/Off	(12565)	0
(+)Net Profit/ (Net Loss) for the current year	(20009)	(354403)
Closing balance	(598296)	(565721)

9.0 LONG-TERM BORROWINGS – SECURED & UNSECURED:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Secured		
Loans and advances from other parties	6155	5956
Unsecured		
From Companies	25070	6000
From Directors	1500	5628
Total	32725	17584

The loans outstanding to Canara Bank is secured by first charge on company's fixed assets excluding vehicles and electrical installations, hypothecation of book debts and also guaranteed by personal guarantees of three Directors.

The balance of Rs.61.55 lakhs is outstanding as on 31.03.2012 on cash credit and term loan put together. The company has applied to the bank for restructure of the loan dues with installment facility to repay the balance over a period of 24 months and awaiting approval.

10.0 LONG TERM PROVISIONS:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Provision for employee benefits:		
Gratuity (Partly funded)	1843	1885
Leave Encashment (unfunded)	0	0
Sick Leave (Unfunded)	0	0
Total	1843	1885

11.0 TRADE PAYABLES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Trade payables:		
Sundry Creditors		
For Expenses & Services	13390	51722
(Other than MSME)	-	-
Total	13390	51722

12.0 OTHER CURRENT LIABILITIES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Current maturities of long-term debt	-	-
(b) Short terms advances - Related Party	-	-
(c) Other payables		
TDS	1156	1337
Service Tax	1652	1066
PF and Other Statutory Dues	3248	7190
Outstanding Liability for Operational Expenses	-	-
Total	6056	9593

**13.0 SHORT TERM PROVISIONS:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Provision for employee benefits:		
- Leave Encashment (unfunded)	-	-
- Sick Leave (Unfunded)	-	-
Total	-	-

14.0 FIXED ASSETS:

(Rs. In Thousands)

S.NO.	Description	Gross Block			Depreciation				Net Block		
		As at 31/3/2011	ADDITIONS/DELETIONS	SALES	As at 31/3/2012	UPTO 31/3/2011	For the Year	ADJUSTMENT ON ACCOUNT OF SALE	UPTO 31/3/2012	As at 31/3/2012	As at 31/3/2011
1	Plant & Machinery	159503	3775	153528	9750	152301	488	146967	5822	3928	7202
2	Electrical installations	5912	0	3144	2768	3254	131	1382	2003	765	2658
3	Office Equipment	7540	20	6170	1390	3949	67	3181	835	555	3591
4	Furniture & Fixtures	18283	920	7342	11861	11909	509	5017	7401	4460	6373
5	Vehicles	1801	0	338	1463	1628	114	770	972	491	173
	TOTAL	193039	4715	170522	27232	173041	1309	157317	17033	10199	19997

15.0 INVENTORIES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Software Products	-	14971
Total	-	14971

16.0 TRADE RECEIVABLES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹(In Thousands)	₹(In Thousands)
Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured considered good	1288	6658
Sub Total (a)	1288	6658
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured considered good	32438	42753
Considered doubtful	25113	5044
Sub Total	57551	47797
Less: Provision for doubtful debts	25113	5044
Sub Total (b)	32438	42753
Total (a+b)	33726	49411

17.0 CASH AND CASH EQUIVALENT:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Cash and cash equivalents		
(a) Balances with banks	3894	287
(b) cash on hand	37	20
Total	3931	307

18.0 SHORT TERM LOANS AND ADVANCES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(Unsecured, considered good)		
Prepaid Expenses	0	0
Service Tax	0	0
Excise	0	0
TDS	1441	5952
FBT	0	0
VAT	0	0
MAT Credit entitlement	3435	2676
Security Deposits	1234	4216
Advance Receivables	2605	5821
Total	8715	18665

19.0 REVENUE FROM OPERATIONS:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Software Sales/Services - Exports	1441	0
(b) Software Sales/Services - Domestic	25961	35063
(c) Training Income	97	137
Total	27499	35200

20.0 OTHER INCOME:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Interest on Deposits	41	137
(b) Miscellaneous Receipts	61	333
(c) Profit on Sale of Asset (Building)	0	8707
Total	102	9177

21.0 EMPLOYEE BENEFIT EXPENSES:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Salaries and incentives	20750	19423
(b) Contributions to provident fund	751	1214
(C) Staff welfare expenses	132	104
(d) Gratuity	(41)	1856
Total	21592	22597

22.0 FINANCE COST:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Interest expense	1403	3620
Total	1403	3620

**23.0 OTHER EXPENSES:**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(A) Operational		
Security Charges		
Repairs - Equipment	117	111
Total (A)	117	111
(B) Selling Admn & Other Exps		
Electricity Charges	477	1103
Rent	1587	1346
Consumables	111	3021
Printing & Stationery	68	124
Subscriptions, Books & Periodicals	97	104
Insurance Charges	3	26
Advertisement	40	87
Travelling and conveyance	250	1018
Legal and professional Charges	3751	727
Service Charges HRD Recruitment	0	16
Communication Expenses	413	730
Filing Fees	21	21
Vehicle Maintenance	69	254
Directors sitting fees	0	27
Loss on sale of Assets	0	1267
Bad Debts Written off	1468	787
Loss from APSRTC	4110	0
Loss on Physical Verification of F.Assets	13206	0
Balances not Recoverable written off	0	656
Provision for Doubtful debts	20069	5044
Other Expenses	1016	5950
Total (B)	46756	22308
TOTAL (A+B)	46873	22419

23.1 AUDITOR'S REMUNERATION:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
As Auditor	375	375
For other Services	75	75
Total	450	450

TOTAL OF OTHER EXPENSES (23.0 + 23.1)**47323****22869****24.0 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Contingent liabilities		
Bank guarantees (1)	3000	1000
Provident fund (2)	4050	4050
(1) Margin money deposit kept with the bank – Rs.30 lacs		
(2) The demand from PF Authorities for Rs.40.50 lacs is disputable and hence not provided		
Total	7050	5050

25.0 EARNINGS PER SHARE:

	2011-12	2010-11
Loss after tax as per Profit and Loss Account (Rs In Thousands)	20009	354403
Number of Equity Shares – Basic	11241400	11241400
– Diluted	11241400	11241400
Nominal value of the Shares (₹)	10	10
Earnings Per Share – Basic (₹)	(1.78)	(31.53)
– Diluted (₹)	(1.78)	(31.53)

25.1 In the absence of virtual certainty that the sufficient further taxable income will be available against which deferred tax asset can be realized, the same has not been recognised in the books of accounts in line with Accounting Standard 22, dealing with Accounting For Taxes on Income.

26.0 EMPLOYEES BENEFITS:

- Contribution to provident fund is made as per provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to Profit and Loss Account.
- Liability for gratuity is provided for on the basis of actuarial valuation.
- Liability for leave encashment is provided on the basis of the actual encashable leave outstanding at the year-end.
- Contribution to Regional Provident Fund Authority charged to Statement of Profit and Loss during the year ended 31st March, 2012 is 14.48 thousands (31st March, 2011: 95.04 thousands)

27.0 RETIREMENT BENEFITS:

- Contribution to Provident Fund is recognised as an expenditure on accrual basis.
- 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 are an unfunded plan. The company accounts for the liability for future Gratuity benefits on the basis of an independent actuarial valuation.
- Leave encashment is not categorised as a retirement benefit as the company is in the practice of paying the leave encashment benefit every year.

28.0 INVESTMENT:

Particulars	As at 31 March, 2012 ₹ (In Thousands)	As at 31 March, 2011 ₹ (In Thousands)
(a) Long term: at Cost		
40,000 Equity shares of US\$1 each in Aravali Technologies Inc. USA	317965	317965
Less: Provision for Investment	317964	317964
Total	1	1

29.0 RETIREMENT BENEFITS:

Disclosure as required under Accounting Standard (AS) 15:

Particulars	For the year ended 31 March, 2012 ₹ (In Thousands)	For the year ended 31 March, 2011 ₹ (In Thousands)
Components of employer expenses		
Current Service Cost	126	138
Interest cost	150	93
Past Service Cost	0	673
Actual Contribution and benefits payment for the year	(319)	952
Actual benefits paid	(42)	1856
Change in Defined Benefit Obligations during the year ended		
Present value of DBO at Beginning of year	1884	1162
Current Service Cost	126	138
Interest Cost	150	93
Benefits paid	0	(1134)
Present Value of DBO at the end of the year	1843	1885
Change in Fair Value of Assets during the year ended		
Actuarial Gains/(Losses)	(319)	952
Actuarial Assumptions		
Discount Rate	8%	8%
Salary Escalation	12%	12%
Attrition Rate	18	18
Retirement / Superannuation Age (In years)		
- For Directors	60	60
- For Other Employees	58	58

30.0 RELATED PARTY DISCLOSURES:
30.1 Related Party Disclosures for the year ended 31st March 2012 in accordance with Accounting Standard - 18 Issued by The Institute of Chartered Accountants of India.
List of related parties:

Party	Relationship
Aravali Technologies Inc., California, USA	Wholly owned subsidiary
Mr.PS.Raman	Key Management
Mr.R.Jagadeeswara Rao	Key Management

30.2 Summary of transactions with related parties:
(Rs In Thousands)

Name of related party and Nature of relationship	Nature of transactions and outstanding balances	2011-12	2010-11
Mr.PS.Raman, Mr.R.Jagadeeswara Rao	Managerial Remuneration	2880	2680

30.3 Managerial Remuneration:
(Rs In Thousands)

	2011-12	2010-11
Salary (Including allowances and perquisites)	2880	2975
Contribution to Provident fund	18	259

30.4 Additional information pursuant to the provisions of para 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable):

	2011-12	2010-11
CIF Value of Imports	NIL	NIL
Capital Goods	NIL	NIL

As required by Accounting Standard (AS-28) "Impairment of Assets" issued by The Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

30.5 The amounts provided as doubtful debts are more than 365 days old. Dues from eSeva project through the consortium partners i.e. CMS and CCS (Rs. 157.47 lakhs) are also under dispute against which Arbitration proceedings are pending. Also these are considered doubtful and provided for. The Vizag APSRTC project dues (Rs. 28.22 lakhs) are provided for on termination of contract and under dispute. Hence considered as doubtful. B1 project provision relates to transaction rate differential estimated and provided (Rs.15 lakhs)

30.6 The company has written off a sum of Rs.132.06 lakhs as loss on physical verification of assets. This represents value of items scrapped and not having realisable value as certified by the Management.

30.7 A total sum of Rs.406.86 lakhs(Extra Ordinary Items) has been written back from liabilities due to employees, creditors etc., which are considered no longer required due to comprehensive capital restructure plan proposal and approved by Board. Applications are being filed for the necessary regulatory approvals of the scheme. Some of acceptance letters from the parties have been obtained.

30.8 Disputes, if any, arising in the future out of the sum of Rs. 406.86 lakhs written back are not identifiable and to the extent will affect the Profitability of the company in the future.

30.9 The Company has written off the sum of Rs.149.71 lakhs of the inventory of software stock ,since the same has become obsolete.

30.10 Previous Year's figures are given in brackets and the same have been regrouped/rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered Accountants

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

H. K. Mehta
Partner
M.No.051245

Prasanna Lakshmi Polineni
Company Secretary

Place: Hyderabad
Date: 04-04-2012

**Balance Sheet Abstract and Company's General Business Profile**

I	Registration																
	Registration No	1	7	5	9	8	State Code	0	1								
	Balance Sheet	3	1	0	3	2	0	1	2								
		DD	MM	YYYY													
II	Capital raised during the year (Amount in Rs. Thousands)																
	Public Issue	N	I	L	Rights Issue	N	I	L									
	Bonus Issue	N	I	L	Private Placements	N	I	L									
III	Position of mobilisation and deployment of funds (Amount in Rs. Thousands)																
	Total Liabilities	6	5	4	8	6	8	Total Assets	6	5	4	8	6	8			
	SOURCES OF FUND																
	Paid up Capital	1	1	2	4	1	4	Reserves & Surplus	4	8	8	4	4	0			
	Secured Loans	6	1	5	5	Unsecured Loans	2	6	5	7	0						
	Current Liabilities	1	9	4	4	6	Non Current Liabilities	1	8	4	3						
	APPLICATION OF FUNDS																
	Fixed Assets	1	0	1	9	9	Investments	0	1								
	Net Current Assets	4	6	3	7	2	Misc. Expenditure	0	0								
	Deferred Tax Asset	0	0														
	Accumulated Losses	5	9	8	2	9	6										
IV	Performance of the Company (Amount in Rs. Thousands)																
	Turnover (Gross Revenue)	6	8	2	8	7	Total Expenditure	8	6	5	9	8					
	Profit before Tax	-	1	8	3	1	1	Profit after Tax	-	2	0	0	0	9			
	Earning per share(Rs.)	-	1	.	7	8	Dividend Rate(%)	N	I	L							
V	Generic names of three principal products/services of Company (as per monetary terms)																
	Item code No. (ITC Code)	8	5	2	4	9	0	0	9	.	1	0					
	Product Description	S	O	F	T	W	A	R	E	S	E	R	V	I	C	E	S

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 2011 - 31st December 2011
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 \$ 1,77,460)
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 \$42,744)

For and on behalf of the Board

Place: Hyderabad
Date: 04.04.2012**P.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, 2012, 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, 2012.
- 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 S.S. Kothari & Co.,
Chartered Accountants

(H.K. Mehta)
Partner
M.No. : 051245
Firm No. : 001447S

Place : Hyderabad
Date : 04.04.2012



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

(Rs.in Thousands)

	Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	7.1	112414	112414
	(b) Reserves and surplus	8.0	490535	488440
2	Non-current liabilities			
	(a) Long-term borrowings (Secured/unsecured Loans)	9.0	32724	17584
	(b) Long-term provisions	10.0	1843	1885
3	Current liabilities			
	(a) Trade payables	11.0	19017	62176
	(b) Other current liabilities	12.0	6057	9593
	(c) Short-term provisions	13.0	0	0
	TOTAL		662590	692092
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	14.0	10226	20156
	(ii) Investments	28.0	1	1
	(iii) Deferred tax asset net		0	12565
2	Current assets			
	(a) Inventories	15.0	0	22169
	(b) Trade receivables	16.0	33726	53890
	(c) Cash and cash equivalents	17.0	3958	679
	(d) Short-term loans and advances	18.0	8715	19062
	PROFIT AND LOSS ACCOUNT	8.1	605964	563570
	TOTAL		662590	692092

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered AccountantsP S Raman
Executive ChairmanR. Jagadeeswara Rao
Executive DirectorH. K. Mehta
Partner
M.No.051245Prasanna Lakshmi Polineni
Company SecretaryPlace: Hyderabad
Date: 04-04-2012

**CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

(Rs.in Thousands)

	Particulars	Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
I	Revenue from operations	19.0	30154	44438
II	Other income	20.0	102	9177
	Extra ordinary item - write back of liabilities/provisions		40686	0
III	Total revenue (1+2)		70942	53615
IV	Expenses			
	(a) Employees Benefit Expenses	21.0	25166	29855
	(b) Finance costs	22.0	1441	3682
	(c) Depreciation and amortization expense		1467	4234
	(d) Other expenses	23.0	48598	24068
	(Increase)/decrease in stock		14971	27510
	Provision for investment in subsidiary		0	317964
	Third Party Consulting expenses		0	2969
V	Total expenses		91643	410282
VI	Profit / (Loss) before tax (III - V)		(20701)	(356667)
VII	Tax expense:			
	(a) Current tax		0	0
	(b) Deferred tax		0	0
	(c) Income tax in respect of earlier years		7388	36
	(d) TDS unrecoverable		1740	0
VIII	Profit / (Loss) for the year (VI-VII)		(29829)	(356703)
IX	Earning per Equity Share	25.0		
	- Basic		(2.65)	(31.73)
	- Diluted		(2.65)	(31.73)

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered AccountantsP S Raman
Executive ChairmanR. Jagadeeswara Rao
Executive DirectorH. K. Mehta
Partner
M.No.051245Prasanna Lakshmi Polineni
Company SecretaryPlace: Hyderabad
Date: 04-04-2012



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

(Rs In Thousands)

A.	Cash flow from operating activities	2012	2011
	Net Profit / (Loss) before extraordinary activities	(20701)	(356667)
	<u>Adjustments for:</u>		
	Loss on sale of Asset/Assets Written Off	13205	1266
	Depreciation	1467	4233
	Interest Expenses	1441	3682
	Provision for doubtful debts	20069	5044
	Deferred Tax Asset Written Off	12565	0
	Investment Income (interest)	(41)	(137)
	Provision for Gratuity	(41)	722
	Loss on APSRTC Project	4110	0
	Creditors Written back	(40686)	0
	Profit on sale of Asset	0	(8707)
	Operating profit / (loss) before working capital changes	(8612)	(350564)
	(Increase)/Decrease in Trade and other Receivables	(7973)	(11301)
	(Increase)/Decrease in Inventories	14971	22169
	(Increase)/Decrease in Trade and other payables	(45125)	12697
	Cash generated from operations	(46739)	(321609)
	Extra-ordinary Items	(21214)	0
	Net cash From Operating Activities	(25525)	(321609)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	4716	(106)
	Sale proceeds of Fixed Assets	0	14216
	Decrease/(Increase) in Goodwill	0	316894
	Interest received	41	137
	Decrease/Increase in Loans and advances	10347	(1608)
	Net cash from Investing Activities	15104	329533
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Increase in unsecured Loans	14942	6425
	Receipt/(Repayment) of long term borrowing	199	(12250)
	Interest Paid	(1441)	(3682)
		13700	(9507)
D.	Net Increase / (decrease) in cash and cash equivalent (A+B+C)	3279	(1583)
	Opening cash and cash equivalents	679	2262
	Closing cash and cash equivalents	3958	679

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered AccountantsP S Raman
Executive ChairmanR. Jagadeeswara Rao
Executive DirectorH. K. Mehta
Partner
M.No.051245Prasanna Lakshmi Polineni
Company SecretaryPlace: Hyderabad
Date: 04-04-2012

1.0 SIGNIFICANT ACCOUNTING POLICIES:
1.1 Accounting conventions:

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern, in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 & Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

1.2 Use of estimates:

The presentations of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized.

1.3 Revenue recognition:

Revenue is recognized upon rendering the services to customers as per the invoice raised on milestone basis as per the contracts, in cases of customized application development projects; on completion of installation and acceptance by customer incase of software products and on time and material basis for onsite projects.

2.0 SECURED LOANS:

The loans outstanding to Canara Bank is secured by first charge on company's fixed assets excluding vehicles and electrical installations, hypothecation of book debts and also guaranteed by personal guarantees of three Directors

The balance of Rs.61.55 lacs is outstanding as on 31.03.2012 on cash credit and term loan put together. The company has applied to the bank for restructure of the loan dues with installment facility to repay the balance over a period of 24 months and awaiting approval.

2.1 FIXED ASSETS:

Fixed assets are stated at cost of acquisition/purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses etc. up to the date the asset is ready for its intended use.

2.2 Depreciation:
2.2.1 Depreciation on fixed assets is provided on Straight Line Method at the following rates specified in Schedule XIV of the Companies Act, 1956:

Category	Rate %
Office Equipment	4.75
Furniture & Fixtures	6.33
Computer Systems	16.21
Electrical Installations	4.75
Vehicles	9.50

2.2.2 Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
2.2.3 Depreciation on assets costing up to Rs. 5,000/- is provided in full in the year of acquisition
3.0 IMPAIRMENT OF ASSETS:

The Company has assessed at end of 31.03.2012 for the impairment value of all the fixed assets and have estimated the recoverable amount of each asset and accordingly the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account.

4.0 FOREIGN CURRENCY TRANSACTIONS:
4.1 Foreign currency transactions are generally recorded on the basis of exchange rates prevailing on the date of their occurrence.
4.2 Foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange differences arising thereon, is adjusted to the cost of fixed assets or charged to the Profit and Loss Account, as the case may be.
4.3 In case of transactions covered by forward contracts, the differences between the contract rate and exchange rate prevailing on the date of the transaction is adjusted to the cost of assets or recognized as income or expenses over the life of the contract, as the case may be.
5.0 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

6.0 TAXES ON INCOME:
6.1 Current year charge:

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income-tax Act, 1961. However, where the tax is computed in accordance with the provision of Section 115JB of the Income-tax Act, 1961, as Minimum Alternate Tax (MAT), it is charged off to the Profit & Loss Account of the relevant year.

6.2 Deferred tax:

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such tax assets can be realized. Since losses are very high and the recovery of the same are doubtful, no provision has been made in the books.

6.3 Provisions, contingent liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be

ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

As per the proposed plan of capital restructure, liabilities and provisions no longer required have been written back. The total of the write back for the year ending 31.03.2012 is Rs.4,06,85,665/-.

- 6.4 Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated

7.0 NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012:

The previous year figures have been re-grouped/re-classified, wherever necessary to confirm to the current year presentation.

7.1 SHARE CAPITAL:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹ (in Thousands)	Number of shares	₹ (in Thousands)
Authorised -Equity shares of Rs.10 each	15000000	150000	15000000	150000
Issued -Equity shares of Rs.10 each	11241400	112414	11241400	112414
Subscribed & Fully Paid Up Equity shares of Rs.10 each fully paid	11241400	112414	11241400	112414
Total	11241400	112414	11241400	112414

7.2 The Details of Shareholders holding more than 5% shares are set out below:

Name of Equity Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P S Raman	578200	5.14	578200	5.14
CMS Computers Ltd	1000000	8.90	1000000	8.90

7.3 The reconciliation of the number of shares outstanding as at Balance Sheet date is set out below:

Particulars	Equity Shares	
	Number	₹ (in Thousands)
Shares outstanding at the beginning of the year	11241400	112414
Shares outstanding at the end of the year	11241400	112414

7.4 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Voting right is upon show of hands every member is entitled to one vote only irrespective of number of shares such member is holding and upon a poll each holder of equity shares is entitled to one vote per share. In event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

8.0 RESERVES AND SURPLUS:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (in Thousands)	₹ (in Thousands)
General reserve		
Opening balance	488440	488440
(+) Current year Adjustment	2095	0
Closing balance	490535	488440

8.1 PROFIT & LOSS ACCOUNT:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (in Thousands)	₹ (in Thousands)
Profit & Loss Account		
Opening balance	(563570)	(206867)
Deferred Tax Asset W/Off	(12565)	0
(+) Net Profit/ (Net Loss) for the current year	(29829)	(356703)
Closing balance	(605964)	(563570)

**9.0 LONG-TERM BORROWINGS – SECURED & UNSECURED:**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Secured		
Loans and advances from other parties	6154	5956
Unsecured		
From Companies	25070	6000
From Directors	1500	5628
Total	32724	17584

The balance of Rs.61.55 lacs is outstanding as on 31.03.2012 on cash credit and term loan put together. The company has applied to the bank for restructure of the loan dues with installment facility to repay the balance over a period of 24 months and awaiting approval.

10.0 LONG TERM PROVISIONS:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Provision for employee benefits:		
Gratuity (Partly funded)	1843	1885
Leave Encashment (unfunded)	0	0
Sick Leave (Unfunded)	0	0
Total	1843	1885

11.0 TRADE PAYABLES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Trade payables:		
Sundry Creditors		
For Expenses & Services	19017	62176
(Other than MSME)	-	-
Total	19017	62176

12.0 OTHER CURRENT LIABILITIES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Current maturities of long-term debt	-	-
(b) Short terms advances - Related Party	-	-
(c) Other payables		
TDS	1156	1337
Service Tax	1652	1066
PF and Other Statutory Dues	3249	7190
Outstanding Liability for Operational Expenses	-	-
Total	6057	9593

13.0 SHORT TERM PROVISIONS:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Provision for employee benefits:		
- Leave Encashment (unfunded)	-	-
- Sick Leave (Unfunded)	-	-
Total	-	-



14.0 FIXED ASSETS:

S.NO.	Description	Gross Block			Depreciation					Net Block	
		As at 31/3/2011	ADDITIONS/DELETIONS	SALES	As at 31/3/2012	UPTO 31/3/2011	For the Year	ADJUSTMENT ON ACCOUNT OF SALE	UPTO 31/3/2012	As at 31/3/2012	As at 31/3/2011
1	Plant & Machinery	161314	3776	153482	11608	153117	647	146967	6818	4790	8197
2	Electrical installations	5912	0	3144	2768	3254	131	1382	2003	765	2658
3	Office Equipment	7540	20	6170	1390	3949	67	3181	835	556	3591
4	Furniture & Fixtures	16753	920	7342	10331	11215	509	5017	6707	3624	5537
5	Vehicles	1801	0	338	1463	1628	114	770	972	491	173
	TOTAL	193320	4716	170476	27560	173163	1468	157317	17335	10226	20156

15.0 INVENTORIES:

Particulars	As at 31 March, 2012 ₹ (In Thousands)	As at 31 March, 2011 ₹ (In Thousands)
Software Products	-	22169
Total	-	22169

16.0 TRADE RECEIVABLES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured considered good	1288	11137
Sub Total (a)	1288	11137
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured considered good	32438	42753
Considered doubtful	25113	5044
Sub Total	57551	47797
Less: Provision for doubtful debts	25113	5044
Sub Total (b)	32438	42753
Total (a+b)	33726	53890

17.0 CASH AND CASH EQUIVALENT:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Cash and cash equivalents		
(a) Balances with banks	3921	659
(b) cash on hand	37	20
Total	3958	679

18.0 SHORT TERM LOANS AND ADVANCES:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(Unsecured, considered good)		
Prepaid Expenses	0	0
Service Tax	0	0
Excise	0	0
TDS	1441	5950
FBT	0	0
VAT	0	0
MAT Credit entitlement	3435	2676
Security Deposits	1234	4615
Advance Receivables	2605	5821
Total	8715	19062

19.0 REVENUE FROM OPERATIONS:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Software Sales/Services - Exports	4096	9238
(b) Software Sales/Services - Domestic	25961	35063
(c) Training Income	97	137
Total	30154	44438

20.0 OTHER INCOME:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹(In Thousands)	₹(In Thousands)
(a) Interest on Deposits	41	137
(b) Miscellaneous Receipts	61	333
(c) Profit on Sale of Asset (Building)	0	8707
Total	102	9177

21.0 EMPLOYEE BENEFIT EXPENSES:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Salaries and incentives	23927	25936
(b) Contributions to - provident funds	1148	1959
(C) Staff welfare expenses	132	104
(d) Gratuity	(41)	1856
Total	25166	29855

22.0 FINANCE COST:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(a) Interest expense	1441	3682
(b) Other borrowing costs - Bank Charges	0	0
Total	1441	3682

23.0 OTHER EXPENSES:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
(A) Operational		
Repairs - Equipment	117	111
Total (A)	117	111
(B) Selling Admn & Other Exps		
Electricity Charges	477	1103
Rent	1881	1815
Consumables	111	3021
Printing & Stationery	68	124
Subscriptions, Books & Periodicals	97	104
Insurance Charges	42	114
Advertisement	40	87
Travelling and conveyance	338	1117
Legal and professional Charges	3817	803
Service Charges HRD Recruitment	0	16
Communication Expenses	538	990
Filing Fees	21	21
Vehicle Maintenance	69	254
Directors sitting fees	0	27
Loss on sale of Assets	0	1267
Bad Debts Written off	1468	787
Loss from APSRTC	4110	0
Loss on Physical Verification of F.Assets	13206	0
Balances not Recoverable written off	0	656
Provision for Doubtful debts	20069	5044
Other Expenses	1155	6157
Forex Fluctuation	524	0
Total (B)	48031	23507
TOTAL (A+B)	48148	23618

23.1 AUDITOR'S REMUNERATION:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
As Auditor	375	375
For other Services	75	75
Total	450	450

TOTAL OF OTHER EXPENSES (23.0 + 23.1)
48598
24068
24.0 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹ (In Thousands)	₹ (In Thousands)
Contingent liabilities		
Bank guarantees (1)	3000	1000
Provident fund (2)	4050	4050
(1) Margin money deposit kept with the bank – Rs.30 lacs		
(2) The demand from PF Authorities for Rs.40.50 lacs is disputable and hence not provided		
Total	7050	5050

25.0 EARNINGS PER SHARE:

	2011-12	2010-11
Loss after tax as per Profit and Loss Account (Rs In Thousands)	29829	356703
Number of Equity Shares – Basic	11241400	11241400
– Diluted	11241400	11241400
Nominal value of the Shares (₹)	10	10
Earnings Per Share – Basic (₹)	(2.65)	(31.73)
– Diluted (₹)	(2.65)	(31.73)

25.1 In the absence of virtual certainty that the sufficient further taxable income will be available against which deferred tax asset can be realized, the same has not been recognised in the books of accounts in line with Accounting Standard 22, dealing with Accounting For Taxes on Income'.

26.0 EMPLOYEES BENEFITS:

- Contribution to provident fund is made as per provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to Profit and Loss Account.
- Liability for gratuity is provided for on the basis of actuarial valuation.
- Liability for leave encashment is provided on the basis of the actual encashable leave outstanding at the year-end.
- Contribution to Regional Provident Fund Authority charged to Statement of Profit and Loss during the year ended 31st March, 2012 is 14.48 thousands (31st March, 2011: 95.04 thousands)

27.0 RETIREMENT BENEFITS:

- Contribution to Provident Fund is recognised as an expenditure on accrual basis.
- 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.
- Leave encashment is not categorised as a retirement benefit as the company is in the practice of paying the leave encashment benefit every year.

28.0 INVESTMENT:

Particulars	As at 31 March, 2012 ₹ (In Thousands)	As at 31 March, 2011 ₹ (In Thousands)
(a) Long term: at Cost		
40,000 Equity shares of US\$1 each in Aravali Technologies Inc. USA	317965	317965
Less: Provision for Investment	317964	317964
Total	1	1

29.0 RETIREMENT BENEFITS:

Disclosure as required under Accounting Standard (AS) 15:

Particulars	For the year ended 31 March, 2012 ₹ (In Thousands)	For the year ended 31 March, 2011 ₹ (In Thousands)
Components of employer expenses		
Current Service Cost	126	138
Interest cost	150	93
Past Service Cost	0	673
Actual Contribution and benefits payment for the year	(319)	952
Actual benefits paid	(42)	1856
Change in Defined Benefit Obligations during the year ended		
Present value of DBO at Beginning of year	1884	1162
Current Service Cost	126	138
Interest Cost	150	93
Benefits paid	0	(1134)
Present Value of DBO at the end of the year	1842	1884
Change in Fair Value of Assets during the year ended		
Actuarial Gains / (Losses)	(319)	952
Actuarial Assumptions		
Discount Rate	8%	8%
Salary Escalation	12%	12%
Attrition Rate	18	18
Retirement / Superannuation Age (In years)		
- For Directors	60	60
- For Other Employees	58	58

**30.0 RELATED PARTY DISCLOSURES:****30.1 Related Party Disclosures for the year ended 31st March 2012 in accordance with Accounting Standard - 18 Issued by The Institute of Chartered Accountant of India.****List of related parties:**

Party	Relationship
Aravali Technologies Inc., California, USA	Wholly owned subsidiary
Mr.PS.Raman	Key Management
Mr.R.Jagadeeswara Rao	Key Management
Mr.PS.Venkateswaran	Key Management

30.2 Summary of transactions with related parties:**(Rs In Thousands)**

Name of related party and Nature of relationship	Nature of transactions and outstanding balances	2011-12	2010-11
Mr.PS.Raman, Mr.R.Jagadeeswara Rao	Managerial Remuneration	2880	2680
Mr.PS.Venkateswaran	Managerial Remuneration	0	5135

30.3 Managerial Remuneration:**(Rs In Thousands)**

	2011-12	2010-11
Salary (Including allowances and perquisites)	2880	2975
Contribution to Provident fund	18	259

30.4 Additional information pursuant to the provisions of para 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable)

	2011-12	2010-11
CIF Value of Imports	NIL	NIL
Capital Goods	NIL	NIL

As required by Accounting Standard (AS-28) "Impairment of Assets" issued by The Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

30.5 The amounts provided of provision for doubtful debts are more than 365 days old. Dues from eSeva project through the consortium partners i.e. CMS and CCS (Rs.157.47 lakhs) are also under dispute against which attribution proceedings are pending. Also these are considered doubtful and provided for. The Vizag APSRTC project dues (Rs.28.22 lakhs) are provided for on termination of contract and under dispute. Hence considered as doubtful. B1 project provision relates to transaction rate differential estimated and provided (Rs.15 lakhs)

30.6 The company has written off a sum of Rs.132.06 lakhs as loss on physical verification of assets. This represents value of items scrapped and not having realisable value as certified by the Management.

30.7 A total sum of Rs.406.86 lakhs(Extra Ordinary Items) has been written back from liabilities due to employees, creditors etc., which are considered no longer required due to comprehensive capital restructure plan proposal and approved by Board. Applications are being filed for the necessary regulatory approvals of the scheme. Some of acceptance letters from the parties have been obtained.

30.8 Disputes, if any, arising in the future out of the sum of Rs.406.86 lakhs written off are not identifiable and to the extent will affect the Profitability of the company in the future.

30.9 The Company has written off the sum of Rs. 221.69 lakhs of the inventory of software stock ,since the same has become obsolete.

30.10 Previous Year's figures are given in brackets and the same have been regrouped/rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board

For S.S.Kothari & Co.
Chartered Accountants

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

H. K. Mehta
Partner
M.No.051245

Prasanna Lakshmi Polineni
Company Secretary

Place: Hyderabad
Date: 04-04-2012

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

Particulars	For the period ended 31 st March 2012 (in US \$)	For the period ended 31 st March, 2012 (in Rs.)
Capital	40,000	2095200
Reserves	(146404)	(7668642)
Total assets	1027	53794
Total liabilities	107431	5627236
Details of investment	-	-
Turnover	50679	2654566
Profit/(Loss) before taxation	(35655)	(1867609)
Provision for taxation	800	41904
Reversal of prior years acurual	141005	7385842
Profit/(Loss) after taxation	(177460)	(9295355)
Dividend paid	-	-
Country	USA	
Reporting currency	US Dollars	

(Note: The exchange rate as on 31st March 2012 – 1 US \$ = Rs. 52.38)

For and on behalf of the Board

Place: Hyderabad
Date : 04.04.2012

P.S. Raman
Executive Chairman



RAM INFORMATICS LIMITED

Regd. Office: SVR Towers, 8-2-1/B/1, Srinagar Colony Road, Punjagutta, Hyderabad - 500082

PROXY FORM

(To be presented at the entrance)

Client ID No./Regd. Folio No.....

I/We _____

of _____ being a member/members of

RAM INFORMATICS LIMITED hereby appoint _____

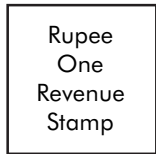
of _____

failing him/her _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the company to be held on Thursday The 18th October 2012 at 12.30 P.M. at Pariwar Hotel, Beside Radhika Theatre, A.S. Rao Nagar, Main Road, Secunderabad - 500 062, Andhra Pradesh.

Signed _____ day of _____ 2012.

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 – 500082

ATTENDANCE SLIP

(To be presented at the entrance)

Client ID No./Regd. Folio No..... No. of shares held

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

I hereby record my presence at the 18th Annual General Meeting of the members of the company held on Thursday The 18th October 2012 at 12.30 P.M. at Pariwar Hotel, Beside Radhika Theatre, A.S. Rao Nagar, Main Road, Secunderabad - 500 062, Andhra Pradesh.

.....
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 – 500082

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ISO 9001 & 27001 Company

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