

19th Annual Report
2012-2013



RAM INFORMATICS LIMITED
(AND REDUCED)



CORPORATE INFORMATION**BOARD OF DIRECTORS:**

Mr. P.S. Raman	-	Executive Chairman
Mr. R. Jagadeeswara Rao	-	Executive Director
Mr. S.B.Ramakumar	-	Whole Time Director
Mr. Katta Sreekanth Reddy	-	Director
Mr. Visweswara Rao Kothapalli	-	Director
Mr. V. Vinod Kumar Valipireddy	-	Director

Committees of the Board:**Audit Committee**

Mr. Visweswara Rao Kothapalli	-	Chairman
Mr. Katta Sreekanth Reddy	-	Member
Mr. V.Vinod Kumar Valipireddy	-	Member

Shareholders'/ Investors'**Grievance Committee**

Mr. V.Vinod Kumar Valipireddy	-	Chairman
Mr. Visweswara Rao Kothapalli	-	Member
Mr. P.S. Raman	-	Member

Compliance Officer:

Ms. Prasanna Lakshmi Polineni	-	Company Secretary
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Auditors:

M/s Vara Prasad & Associates
#16-11-404/33/A, Sainagar,
SBI Colony, Moosarambagh,
Hyderabad – 500 036.

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



NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RAM INFORMATICS LIMITED WILL BE HELD ON THE 27th June, 2013 AT 10.00 A.M. AT HOTEL DEVI GRAND, #11-5-152, BHAVANI NAGAR, MOOSAPET 'X' ROADS, HYDERABAD - 500 018 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Profit & Loss account for the year ended on that date together with the Reports of the Directors and Auditors.
2. To appoint a Director in place of Mr. K Visweshwar Rao, who retires by rotation and, being eligible, offers himself for re- election.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 224 of the Companies Act 1956, M/s Vara Prasad & Associates, Chartered Accountants, Hyderabad, the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company"

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification(s) the following as Special Resolutions:

"**RESOLVED THAT** Pursuant to the provisions of Sections 198, 269, 309, 310 & 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr. Suraneni Butchi Ramakumar as Whole Time Director of the Company for a period of 5 years w.e.f. 14th March, 2013 on a remuneration and such other terms and conditions as set out in the Explanatory Statement annexed hereto."

"**RESOLVED FURTHER THAT** The Board of Directors of the Company may revise the remuneration payable to the Whole Time Director, in any financial year during the currency of the present tenure of office, in such manner as agreed to between the Board of Directors and the Whole Time Director subject to the condition that the remuneration by way of salary, perquisites and other allowances, shall not exceed such percentage of net profits of the Company as prescribed under Schedule XIII of the Companies Act, 1956."

"**RESOLVED FURTHER THAT** where in any financial year, during the tenure of Mr. Suraneni Butchi Ramakumar, the Company incurs a Loss or its profits are inadequate, the Company shall pay to Mr. Suraneni Butchi Ramakumar, the above remuneration by way of salary and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"**RESOLVED FURTHER THAT** the Board of Director be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution".

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. The information and disclosure required under Clause 49 of the listing agreement is set out under relevant items in the Explanatory Statement.
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 20th June, 2013 to 27th June, 2013 (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 Venture Capital and Corporate Investments Private Limited

12-10-167, Bharat Nagar,
Hyderabad -500 018.
Ph No: 040-23818475

For and on behalf of the Board

Date: 30-05-2013
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 No. 4, mentioned in the accompanying Notice dated 30th May, 2013.

Mr. Suraneni Butchi Ramakumar was appointed as Whole Time Director of the Company with effect from 14th March, 2013, considering his knowledge, business skills, managerial experience and for smooth and efficient running of the administrative affairs of the Company, your Board of Directors in accordance with the provision of Sections 269, 198, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, by passing a resolution in their meeting held on 14th March, 2013 have appointed him as Whole Time Director of the Company for a period of 5 years w.e.f. 14th March, 2013, on the following terms and conditions as mentioned below:

Particulars	Rupees per Month
Basic Salary	30,000
Housing	25,000
Medical Expenses	12,500
Other allowances, benefits and perquisites	32,500

The explanatory statement together with accompanying notice should be treated as an abstract of the of appointment of the Whole Time Director of the Company and Memorandum of concern or interest of Director as required under the provisions of Section 302 of the Companies Act, 1956.

Mr. Suraneni Butchi Ramakumar does not hold any equity shares of the Company as on the date of this Notice.

The resolution as set out in Item No.4 of this Notice is accordingly commended for your approval.

None of the Directors of the Company except Mr. Suraneni Butchi Ramakumar, being the Whole Time Director of the Company, is concerned or interested in the above resolution.

Brief particulars of Mr. Suraneni Butchi Ramakumar are also given in the Report on Corporate Governance to the members.

Details of Directors seeking appointment/Re-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. K Visweshwar Rao	Mr. Suraneni Butchi Rama Kumar
b	Brief Resume		
	i) Age	30 years	45 years
	ii) Qualification	M.Sc	B.E
	iii) Experience & Nature of expertise in specific functional Areas	Director of the Company. He has 10 years of experience in the field of science and technology	He has 22 years of experience in multiple sectors
	iv) Date of appointment on the Board of the Company (Ram Informatics Limited)	10/02/2012	14/03/2013
c)	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	Diligent Industries Limited	NA
d)	Name(s) of companies in which committee Membership(s) held	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	NA
e)	No. of shares of Rs.10/- each held by the Director	Nil	Nil
f)	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	None	None

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited accounts for the financial year ended 31st March 2013.

FINANCIAL RESULTS:

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

(₹ In thousands)

Particulars	31.03.2013	31.03.2012
Gross revenue and other income	29994	68287
Profit before interest, depreciation & Taxes	5099	(15599)
Interest	917	1403
Depreciation & Amortization	2978	1309
Exceptional item (Provision for diminution of investment in subsidiary)	853	-
Profit before tax	351	(18311)
Tax Expense adj	-	1698
Profit after Tax	351	(20009)

The results for the financial year 2012-13 relates to the stand alone operations only. The US subsidiary did not have any operations during the year and an application was filed with the US authorities for dissolution. The operating revenue of the company for the year is Rs. 294.24 lacs against Rs274.99 lacs for the previous year. The net profit for the year achieved is Rs 3.51 lacs against the net loss of Rs.200.09 for the year ending 31st March, 2012.

DIVIDEND:

No dividend has been recommended for the year, in view of the net accumulated loss position as at 31st March 2013.

PERFORMANCE OF THE COMPANY:

Your company's net operating revenue reported is at Rs 294.24 lacs for the year ended 31st March 2013 against Rs 274.99 lacs in the previous year. The domestic revenue grew by 13.3% over the previous year. The export revenue was 'nil' against Rs 14 .41 lacs in the previous year.

SUBSIDIARY and BRANCH:

The investment in the US subsidiary was fully provided for in the financial year 2010-11 and subsequently written off in this financial year. The subsidiary was dissolved in 2012. The branch operations at Connecticut, USA also ceased effective 1st April 2012. These steps were undertaken as part of the comprehensive restructure plan implemented by your company.

DOMESTIC MARKET:

Your company's domestic revenue is continuing to accrue out of the existing e governance projects in the states of AP and Karnataka. A significant achievement made by your company in this financial year is winning the contract for Mee seva (eseva) operations and maintenance, in the twin cities of Hyderabad and Secunderabad as a prime bidder in consortium with another technology company. The contract is for a period of three years beginning mid March 2013 with an average monthly revenue potential of above Rs 40 lacs. There were no new businesses that could be addressed on account of the financial restructure processes being carried out in that period. The banking product development team was revamped and the product up gradation exercise was resumed.

COMPREHENSIVE CAPITAL/ FINANCIAL RESTRUCTURE PLAN:

An Extra ordinary General Meeting was held on 18th of October 2012 as per the Hon'ble AP High Court's directive and the shareholders' approval obtained for the 'comprehensive restructure' scheme. The final approval was given by the Hon'ble High Court on and on 21st January 2013 and which was filed with the Registrar of Companies on 25th February 2013 which is the effective date of scheme. The effective implementation of the scheme has reduced and consolidated to 1124140 no. of shares of Rs. 10/- each

The allotment of 51,56,500 shares of Rs 10 each was approved in the board meeting dt 24th April 2013, and the listing application filed with Bombay Stock Exchange in May2013, is awaiting for approval. The Board in their meeting held on 24th April, 2013 has allotted 2656500 shares to its unsecured lenders and 2500000 equity shares on preferential basis pursuant to the scheme of arrangement.

The Company has filed the listing application with the Bombay Stock Exchange in May 2013 which is awaiting for the approval.

QUALITY:

Your company has been following strict quality management standards and constantly upgrading the processes in the ISO 9000 and the ISO 27001 standards. During the financial year your company has been appraised for Capable Maturity Model – level 3 (CMMI 3).

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

Your Company had one subsidiary (including step down subsidiaries) as on 31st March, 2012. As part of the 'restructure' exercise, an application for dissolution was filed on 30th June 2012 in the US. There has been no activity or income from the subsidiary reportable for the



financial year 2012-13. Accordingly, the annual report 2012-13 does not contain the financial statements of subsidiaries nor any statement containing particulars of the subsidiaries are attached to the annual report.

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, 2013, 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 at March 31, 2013 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; and

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 Exchanges in India, is set out as Annexure-B to and forms part of the 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 is given as an Annexure-C to this report.

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 employees 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 BSE Limited. The listing fee for the year 2013-14 has been paid to the BSE Ltd. The Company has also paid custodial fee for the year 2013-14 to both the depositories viz. NSDL and CDSL on the basis of number of beneficial folios maintained by them as on 31st March 2013. 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 2012-2013.

AUDITORS' & AUDITOR'S REPORT:

M/s. Vara Prasad & Associates, Chartered Accountants, were appointed as the statutory auditors of your company with the shareholders' approval in the Annual general Meeting of the company held on 18th October 2012, to hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.. The company has obtained confirmation, under Section 224(1B) of the Companies Act, 1956, confirming their eligibility and willingness to accept the office of the Statutory Auditors for the financial year 2013-14, if re-appointed. The audit committee and the Board of Directors of the Company recommend the appointment of M/s. Vara Prasad & Associates as Statutory Auditors of the Company for the financial year 2013-14.

The members are requested to appoint Auditors for the current year and authorize the Board of Directors to fix their remuneration.

REPLY TO THE AUDITORS' QUALIFICATIONS:

The company was having severe financial difficulties and during the financial year, had been fully engaged in completing the 'comprehensive capital and financial restructure scheme' processes. Regularisation regarding internal audit procedures and fixed assets register related issues are being undertaken currently.



Regarding statutory dues, with additional investment funds infused as part of the 'scheme', the majority of the statutory dues have been paid by the year end. The dues that are pending are proposed to be cleared in the current period after re-assessing the values once the scheme processes are completed fully.

RE-APPOINTMENT OF DIRECTORS BY ROTATION:

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association, Mr. K. Visweswar Rao is liable to retire by rotation and eligible to offer himself for re- appointment.

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: 30-05-2013
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: 30-05-2013
Place: Hyderabad

P.S.Raman
Executive Chairman

ANNEXURE - B
MANAGEMENT DISCUSSION & ANALYSIS**i. Industry structure and development:**

NASSCOM in their Strategic Review Report for 2013 by NASSCOM estimated industry exports to reach USD 84-87 billion with a growth rate of 12-14%. The major segments which are expected to fuel growth are mobility, analytics and cloud technology. The report also indicates domestic revenue growth 13-15%. Achievements for the financial year 2012-13 are: IT exports reaching USD 75.8 billion with a growth rate of 10.2%; domestic revenue growth at 14.1% touching a revenue of Rs 1047 billion. The industry had added 188000 jobs in the year. High value services and increase in growth are expected to assist in stability and further improvement in the industry. Indian companies have started to move from labour arbitrage advantage to creation of service differential by assuming transformational responsibilities and reduction in total cost of ownership to the clients. The government sector continues to be the biggest contributor of revenue in domestic market, with increased outlay planned for larger e governance initiatives. IT spend in 2013-14 in overseas market is showing signs of stability.

ii. Opportunities, Threats, Risks and Concerns:

While the domestic market shows signals of increased IT spend by government agencies, large operators of the industry only are able to address these big sized opportunities since they have the capacity built up with good cash reserves. Even multinational IT players are in the race to take up large deals which require substantial investment. Therefore smaller companies with limited or scarce resources certainly are continuing to remain at a disadvantageous position and have difficulty in achieving their targets. Our company in spite of being a good quality service provider too, faces the same the limitation.

iii. Risk assessment and control:

Risk assessment and control practices are well managed with the supervision of the executive management, in consultation with the middle level management personnel. These practices are applied for every project undertaken as well as for regular operations.

iv. Internal control systems and their adequacy:

The company has an adequate internal control system commensurate with its size and nature of business. The system is designed to cover optimal utilization of the company's resources. It also ensures proper compliance of all relevant rules and regulations while taking care of correctness in recording of transactions, adherence to applicable accounting standards and management policies.

v. Financial performance:

a. Income: The total operating revenue of the company marginally improved to Rs 294.24 lacs from Rs 274.99 lacs in the previous year. However the domestic software services revenue increased by 13.3% while there is no export income. The operating profit improved to Rs 12.04 lacs against loss of Rs 183.11 lacs in the previous year. Other income increased to Rs 5.70 lacs from Rs 1.02 lacs due to increase in interest income on the cash margin money deposits maintained with the bank against the bank guarantees issued by the bank.

b. Deferred Tax:

During the year the company did not recognise deferred tax asset since generation of sufficient future taxable income is uncertain.

c. Expenditure:

The employee costs for the company dropped to Rs 157.14 lacs from Rs 215.92 lacs in the previous year as a result of cost restructure exercise and reduction in remuneration to management personnel. The total employee count was 54 as at the end of March, 2013. The total operating and administration costs were marginally higher at Rs 91.80 lacs as against Rs 84.70 lacs in the previous year after excluding provision for doubtful debts, bad debts written off and fixed assets impairment costs, the total of which for the current year is 'nil' in comparison to Rs 388.53 lacs in the previous year. There is a drop in interest costs to Rs 9.17 lacs for the financial year as against Rs 14.03 lacs due to regular monthly repayment of the cash credit/ term loan dues.

d. Secured loans:

The secured loan balance due to Canara Bank as at 31st March 2013 stood reduced to Rs 34.74 lacs from Rs 61.55 lacs after regular monthly instalment repayments were made as accepted by the bank.

e. Unsecured loans:

The unsecured loans of Rs 77.54 (previous year Rs 265.70 lacs) represents short term loans raised for meeting temporary working capital gaps and repayable fully. A total sum Rs 375.15 lacs including Rs 15 lacs from directors were transferred to share application money account as at 31st March 2013 and subsequently appropriated towards allotment of equity shares of Rs 10 each as per the scheme of restructure approved by the Hon'ble High Court of AP.

f. Fixed Assets:

The company has purchased fixed assets of Rs 46.54 lacs during the year under review. A sum of Rs 32.39 lacs were used for computers, networking and upgrades and Rs 14.15 lacs were spent for electrical, office equipment and furniture and fixtures. The depreciation cost for the financial year 2012-13 increased to Rs 29.78 lacs in comparison to Rs 13.09 lacs in the previous year.

g. Sundry Debtors:

The sundry debtors, net of provision for doubtful debts, increased to Rs. 382.51 lacs from Rs 337.26 lacs in the previous year without any additional provision for the current year.

h. Trade payables and statutory liabilities:

The total trade payables towards expenses and services as at the end of March 2013 was lower at Rs 80.63 lacs against Rs 133.90 in the previous year after settlement of past liabilities. Other current liabilities increased to Rs 106.04 lacs from Rs 63.03 lacs in



the previous year. Service tax liability increased to Rs 32.39 lacs from Rs 16 52 lacs; Provident fund and other liability were reduced to Rs 10.28 lacs from Rs 32.48 lacs and advances received for Mee seva project franchises totalled to Rs 46.74 lacs as at the yearend (prev. year- nil).

i. Equity restructure:

The Hon'ble High Court of Andhra Pradesh has approved the Scheme of Arrangement between the Company and its shareholders and its unsecured lenders through its order dated January 21st, 2013:

Salient features of the scheme are as follows:

1. The share capital of the Company will be reduced by 90% and subsequently the share capital of the Company will be consolidated, whereby the Paid up Share Capital of Rs. 11,24,14,000 divided into 1,12,41,400 equity shares of Rs. 10 each stand reduced to Rs. 1,12,41,400 divided into 11,24,140 equity shares of Rs. 10/- each .
2. Conversion of unsecured loan amounts to the tune of Rs 2,65,65,000 into equity by allotting 26,56,500 Equity Shares of Rs. 10/- each.
3. Further Issue and allotment of 25,00,000 Equity Shares of Rs. 10/- each.

Your Company has made listing application to Bombay Stock Exchange for listing the reduced capital as well as with regard to the fresh issue of shares.

vi. Human resources development:

The company's headcount stood at 54 as at the end of this financial year against 62 for the previous year. While continuing efforts on skill up gradation, suitable replacement of skilled personnel to suit the project requirement was also made.

vii. Outlook:

The company has completed the formalities of restructure and the new management structure will be in place by mid 2013. Cost rationalization and restructure of operation management exercises are under way. The domestic e-governance market is growing at more than 20% and signaling ample opportunities. The company which has proven ability to develop customer oriented solutions already has a suite of productized solutions in its portfolio. The company is hopeful of turnaround with the sustained support by the new investors/promoters.

viii. Cautionary statement:

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

For and on behalf of the Board

Date: 30-05-2013
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 8 times. The maximum time gap between any two meetings was not more than four months. The dates of the Board Meetings held were: 4th April, 2012, 23rd April, 2012, 14th August, 2012, 17th September,, 2012, 14th November, 2012, 13th February, 2013, 14th March, 2013 and 24th April, 2013.

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	8	8	-	Yes
Mr. R. Jagadeeswara Rao	Promoter & Executive Director	Executive Director	8	8	1	Yes
Mr. S.B. Ramakumar §	Executive Director	Director	8	2	-	No
Mr. Katta Srikanth Reddy	Non-Executive & Independent Director	Director	8	1	1	No
Mr. Visweswara Rao Kothapalli	Non-Executive & Independent Director	Director	8	8	1	No
Mr. V.V. Vinod Kumar	Non-Executive & Independent Director	Director	8	8	1	No

§ Appointed on 14th March, 2013

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. K. Visweswara Rao, Mr. Katta Sreekanth Reddy and Mr. V.V.Vinod. The committee is chaired by Mr. K. Visweswara Rao. 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 2013:

Name of the Non-Executive director	No. of shares
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	6,00,000	7,00,000
Perquisites	-	-
Total	6,00,000	7,00,000

Information available to the Board:

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

- i. Quarterly results of the company and its business segment.
- ii. Minutes of the meeting of the Audit committee and other committees of the Board.
- iii. Information on recruitment and remuneration of senior officers.
- iv. Show cause, demand, prosecution notices and penalty notices which are materially important.
- v. Significant Capital investment proposals.
- vi. Strategic and business plans.
- vii. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- viii. Details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement.
- ix. 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.
- x. Quarterly report on compliance of various laws.
- xi. Transaction that involve substantial payment towards goodwill, brand equity, or intellectual property.
- xii. 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.

B. Shareholders'/Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee is constituted with 3 Directors chaired by Mr. V. Vinod Kumar Valipireddy. 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 cs@raminfo.com for the redressal of investor's complaints and related matters.

C. 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
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.
2011-12	18 th October 2012	Pariwar Hotel, Beside Radhika Theatre, A.S. Rao Nagar, Main Road, Secunderabad	12:30 P.M.

The Company has also convened an Extra Ordinary general Meeting on 18th October, 2012 at Pariwar Hotel, Beside Radhika Theatre, AS Rao Nagar, Main Road, Secunderabad -500 062 for approving the Scheme of Arrangement between Company its shareholders and Unsecured lenders. 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 'Praja Sakthi' 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. 19th Annual General Meeting:

Date And Time	Thursday ,27 th June, 2013 at 10.00 A.M.
Venue	Hotel Devi Grand, #11-5-152, Bhavani Nagar, Moosapet 'X' Roads, HYDERABAD - 500 018.

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

Accounting year : 1st April 2013 - 31st March 2014
 First quarter details : 15th August 2013
 Second quarter details : 15th November 2013
 Third Quarter details : 15th February 2014
 Fourth quarter details : May 2014

C. Date of book closure : 20th June, 2013 to 27th June, 2013 (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)

F. Scrip Name : RAM INFORMATICS LTD.
 ISIN No.INE357B01014

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-12	6.01	4.77	1,83,772
May-12	5.65	4.04	1,38,991
Jun-12	6.08	4.57	1,58,687
Jul-12	5.90	4.53	3,76,508
Aug-12	5.45	3.68	1,88,010
Sep-12	4.60	3.64	3,08,860
Oct-12	4.67	3.38	3,08,548
Nov-12	4.12	3.40	1,47,133
Dec-12	4.09	3.43	1,58,734
Jan-13	3.99	2.88	6,08,212
Feb-13	3.40	2.81	1,30,795
Mar-13	3.38	2.25	93,933

B. Registrar and Share Transfer Agents:
M/s Venture Capital and Corporate Investments Private Limited*

12-10-167, Bharat Nagar,
 Hyderabad -500 018
 Ph No: 040-23818475

*The Company has applied for the changing the Registrar and Share Transfer Agent and the application is under process with the both Depositories

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. **Venture Capital and Corporate Investments Private Limited** is the common share transfer agent for both physical and dematerialized mode.

D. Distribution of shareholding:

 Distribution of shareholding as on 31st March 2013 is as under:

Category No. of shares	No. of shareholders		No. of shares		% of total shareholding	
	Physical	Demat	Physical	Demat	Physical	Demat
1 - 500	1620	5154	23239	95424	2.07	8.49
501 - 1000	65	695	5490	61425	0.49	5.46
1001 - 2000	21	396	2980	62495	0.27	5.56
2001 - 3000	28	127	7190	33349	0.64	2.97
3001 - 4000	3	55	1020	19767	0.09	1.76
4001 - 5000	5	53	2450	24983	0.22	2.22
5001 - 10000	1	78	600	60560	0.05	5.39
10001 - above	1	86	25000	698167	2.22	62.11
	1744	6644	67969	1056171	6.05	93.95
Grand Total	8388		1124140		100	

E. Shareholding Pattern as on 31st March, 2013

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	number of shares	Total Shareholding as a percentage of		Shares Pledged or otherwise encumbered	
					As a percentage	As a percentage of (A+B) ¹	Number of shares of (A+B+C)	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	13	226435	226315	20.14	20.14	172434	76.15
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	13	226435	226315	20.14	20.14	172434	76.15
2	Foreign							
a	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
e	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
e-i								
e-ii								
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13	226435	226315	20.14	20.14	172434	76.15



Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	number of shares	Total Shareholding as a percentage of		Shares Pledged or otherwise encumbered	
					As a percentage (VI)	As a percentage of (A+B) ¹ (VII)	Number of shares of (A+B+C) (VIII)	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	28	2740	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	350	0	0.03	0.03		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(i)	Any Other (specify)				0.00	0.00		
(i-ii)								
(i-ii)								
	Sub-Total (B)(1)	30	3090	0	0.27	0.27		
B 2	Non-institutions							
(a)	Bodies Corporate	142	141859	140259	12.62	12.62		
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	8093	374389	336230	33.30	33.3		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	62	296294	271294	26.36	26.36	—	
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(d)	Any Other (specify)							
(d-i)	NON RESIDENT INDIANS	43	81037	81036	7.21	7.21		
(d-ii)	CLEARING MEMBERS	5	1036	1036	0.09	0.09		
	Sub-Total (B)(2)	8345	894615	829855	79.58	79.58		
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	8375	897705	829855	79.86	79.86		
	TOTAL (A)+(B)	8388	1124140	1056170	100.00	100.00	172434	
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0
	Sub-Total (C)	0	0	0		0	0	0
	GRAND TOTAL (A)+(B)+(C)	8388	1124140	1056170		100.00	172434	15.34



Note : The board in their meeting held on 24th April 2013 has allotted 2656500 equity shares of Rs. 10/- each to the unsecured lenders and 2500000 equity shares of Rs. 10/- each on preferential basis pursuant to the approved scheme of arrangement passed by the High Court.

F. Dematerialization of shares and liquidity:

As on 31st March 2013, 93.95% of the total shares representing 1056171 shares were held in dematerialized form and the balance 6.05% in physical form representing 67969 shares.

G. 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.

H. 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.

I. 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.

J. Address for correspondence:

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

**PRACTICING COMPANY SECRETARYS' 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 2013, 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 an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

Vanita Nagulavari
Practicing Company Secretary
CP.No.: 10573

Date : 30-05-2013
Place : Hyderabad



ANNEXURE – D CEO'S DECLARATION

I hereby confirm that:

As provided under clause 49(I)(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, 2013.

For and on behalf of the board

Date: 30-05-2013
Place:Hyderabad

P.S. Raman
Executive Chairman

CEO AND CFO CERTIFICATION

We, P.S. Raman (CEO) and, K.Vara Prasad (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, 2013.
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

Date : 30-05-2013
Place : Hyderabad

K.Vara Prasad
Chief Financial Officer

**INDEPENDENT AUDITORS' REPORT**

To
The Members of M/s. RAM INFORMATICS LIMITED (AND REDUCED),

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of RAM INFORMATICS LIMITED (AND REDUCED) ("The Company"), which comprise the Balance Sheet as at 31st March 2013, the statement of Profit and Loss and Cash Flow Statement for the year then and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these Financial statements that give a true and fair view of the Financial position, Financial Performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in section 211(3C) of the Companies Act, 1956 ("The Act"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatements whether due to Fraud or Error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditors judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to Fraud or Error. In making those risk assessments the auditor considers the internal control relevant to the companies preparation and fair presentation of the Financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) In the case of the Statement of Profit and Loss of the PROFIT for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss and The Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the statement of Profit & Loss, and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2013 and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as Directors in terms of the Clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.

For Vara Prasad and Associates
Chartered Accountants

Sridhar Nagabandi
Partner
M.No.: 200645

ICAI Firm Regn. No.: 0071175

Date : 30-05-2013
Place : Hyderabad



**ANNEXURE
TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date:

1. In respect of its Fixed Assets :
 - a) The Company *has not updated the records* related to the additions/changes made in the year to the fixed assets.
 - b) The Company has a phased program of physical verification of its Fixed Assets, which, in our opinion is reasonable having to regard to the size of the Company and nature of its assets. As explained to us the *fixed assets have not been physically verified by the management during the year.*
 - c) During the year, the Company has not disposed of any substantial/major part of the Fixed Assets.
2. As explained to us, no Inventories were maintained by the Company hence the said clause is not applicable.
3. In respect of the Loans, Secured or unsecured, granted or taken by the Company to/from Companies, Firms or other Parties covered in the Register maintained under section 301 of the Companies Act, 1956:
 - a) The company has taken unsecured loans in earlier years from three Directors covered in the register maintained under section 301 of the Companies act, 1956. The maximum amount involved during the year was Rs.15.00 Lakhs and the yearend balance of loans taken from such parties was Rs.15.00 Lakhs
 - b) In our opinion, the terms and conditions on which loans have been taken from the Directors listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company. The Loans are interest free Loans.
 - c) The said Loans are to be converted into Equity Shares of Rs.10/-each in accordance with the Scheme of Reconstruction as approved by the Hon'ble High Court of Andhra Pradesh. Hence the said Loans are not repayable.
 - d) The company has granted Advance to one Director covered in the register maintained under section 301 of the Companies act, 1956. The maximum amount involved during the year was Rs.7.41 Lakhs and the yearend balance of advance granted to such party was of Rs.7.41 Lakhs. The said advance is interest free and repayable on demand hence question of overdue does not arise.
4. 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 Services, fixed assets and also for the sale of Services. During the Course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions covered under section 301 of the companies Act 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under section 301 of the companies Act 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements, entered in the register maintained under section 301 of the companies Act 1956 and exceeding the value of rupees five Lakhs.
6. As explained to us and according to our information, the Company has not accepted any deposits from the public.
7. *During the year, the Company has no internal audit system.*
8. As explained to us and according to our information, maintenance of cost records as prescribed u/s.209 (1)(d) of the companies act are not applicable to the Company.
9. In respect of Statutory payments:
 - a) *The Company is generally not regular in depositing the statutory dues.* According to the records of the company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, excise duty, customs duty, and any other statutory dues have not been regularly deposited with the appropriate authorities. However majority of the statutory dues are paid by year end.
 - b) According to the information and explanations given to us, details of undisputed amounts payable in respect of the aforesaid dues that were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable are as follows:

Sl. No.	Nature of Due	Amount
1.	TDS (The Income Tax, 1961)	6.59
2.	Professional Tax (Karnataka State)	0.50
3.	Professional Tax (Andhra Pradesh)	4.12
4.	Service Tax	17.13

- c) According to the information and explanation given to us details of dues of income tax, sales tax, wealth tax, excise duty, customs duty, and any other statutory dues, which have not been deposited as on 31.03.2013 on account of any dispute are given below:

RAM Informatics Limited (and Reduced)

Name of the statute	Nature of Dues	Amount (in Lakhs)	Period for which amount relates	Forum where the dispute pending
EPF Act	Provident Fund	40.58	2008	PF Authorities
Total Amount		40.58		

10. The company has accumulated losses of Rs. 83.33 Lacs as at the end of the year which is more than 50% of the net worth. During the year, the company has restructured the capital with the approval of Hon'ble High Court of Andhra Pradesh. The company has earned Profit during the current year.
11. Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in the repayment of dues to the financial institutions and banks.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund, Nidhi or Mutual Benefit Fund/Societies. Accordingly the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not availed term loan from financial institutions and banks. Accordingly the provisions of clause 4(xvi) of the Companies (Auditors Report) Order, 2003 are not applicable.
17. To the best of the information and according to the explanations given to us, the Company has not utilized the funds raised on short term basis for long term investment.
18. During the year, the company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the companies act, 1956. In accordance with the scheme of restructure of capital as approved by Hon'ble High Court of Andhra Pradesh the company has converted the loans taken from the parties covered under the register maintained u/s 301 of the Companies Act, 1956 into share application money and yet to allot the shares as on 31-03-2013. The question of whether the prices at which the shares have been issued is prejudicial to the interest of the company does not arise as the scheme is approved by Hon'ble High court of Andhra Pradesh.
19. The company has not raised/issued debentures during the year and there is no outstanding liability related to the debentures issued in the earlier years. Therefore, clause 4 (xix) of the companies (Auditor's Report) Order, 2003 is not applicable to the company.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year

For Vara Prasad and Associates
Chartered Accountants

Sridhar Nagabandi
Partner
M.No.: 200645

ICAI Firm Regn. No.: 0071175

Date : 30-05-2013
Place : Hyderabad

BALANCE SHEET AS AT 31 MARCH, 2013

S.No.	Particulars	Note No.	Figures as at end of current year ended on March 31, 2013	Figures as at end of previous period ended on March 31, 2012
			(₹ in Thousands)	(₹ in Thousands)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.0	11241	112414
	(b) Reserves and surplus	3.0	(8332)	(109856)
	(c) Money received against share warrants			
2	Share application money pending allotment	4.0	37115	-
3	Non-current liabilities			
	(a) Long-term Provisions	5.0	1502	1843
4	Current liabilities			
	(a) Short-term borrowings	6.0	11228	32725
	(b) Trade payables	7.0	8063	13390
	(c) Other current liabilities	8.0	10604	6303
	TOTAL		71421	56819
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9.0	11876	10199
	(ii) Intangible assets		-	-
2	Current assets			
	(a) Investments		-	1
	(b) Trade receivables	10.0	38251	33726
	(c) Cash and cash equivalents	11.0	9816	3931
	(d) Short-term loans and advances	12.0	11478	8962
	(e) Other current assets		-	-
	TOTAL		71421	56819
	See accompanying notes forming part of the financial statements			

As per our report of even date

For and on behalf of the Board

For **Vara Prasad & Associates**
Chartered Accountants

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

Sridhar Nagabandi
Partner
M.No. 200645
FRN. 007117S

Prasanna Lakshmi Polineni
Company Secretary

Date: 30-05-2013
Place: Hyderabad

**PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

S.No.	Particulars	Note No.	Current year ended on March 31st, 2013	Previous year ended on March 31st, 2012
			(₹ in Thousands)	(₹ in Thousands)
1	Revenue from operations (gross)	13.0	29424	27499
2	Other income	14.0	570	102
3	Extra Ordinary item - Write back of liabilities/ provisions			40686
4	Total revenue (1+2)		29994	68287
5	Expenses			
	(a) Employees' benefits	15.0	15714	21592
	(b) Finance costs	16.0	917	1403
	(c) Administrative & Other expenses	17.0	9180	47323
	(d) Depreciation and amortisation	9.0	2978	1309
	Increase)/decrease in stock		-	14971
	Investment in Subsidiary written off		1	-
6	Total Expenses		28790	86598
7	Profit before exceptional and extraordinary items and tax (3 - 4)		1204	(18311)
8	Exceptional items		853	-
9	Profit before extraordinary items & tax		351	(18311)
10	Extraordinary items		-	-
11	Profit before tax (7 + 8)		351	(18311)
12	Tax expense:			
	(a) TDS Unrecoverable		-	1698
13	Profit (Loss) for the Period (After Tax)		351	(20009)
	Earnings per Equity Share			
	(a) Basic (Face value of each eq. share is Rs.10/-)		0.03	(1.78)
	(b) Diluted		0.03	(1.78)
	See accompanying notes forming part of the financial statements			

As per our report of even date

For and on behalf of the Board

For **Vara Prasad & Associates**
Chartered Accountants**P S Raman**
Executive Chairman**R. Jagadeeswara Rao**
Executive Director**Sridhar Nagabandi**
Partner
M.No. 200645
FRN. 007117S**Prasanna Lakshmi Polineni**
Company SecretaryDate: 30-05-2013
Place: Hyderabad

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

A. Cash flow from operating activities	2013	2012
	(₹ in Thousands)	(₹ in Thousands)
Net Profit / (Loss) before extraordinary activities	1204	(18311)
Adjustments for:		
Loss on sale of Asset/Assets Written Off	-	13206
Depreciation	2978	1309
Interest Expenses	917	1403
Provision for doubtful debts	-	20069
Provision for Investment	1	-
Deferred Tax Asset Written Off	-	12564
Investment Income (interest)	(364)	(41)
Provision for Gratuity	-	(41)
Loss on APSRTC Project	-	4110
Creditors Written back	-	(40686)
Profit on sale of Asset	-	-
Operating profit / (loss) before working capital changes	4736	(6418)
(Increase)/Decrease in Trade and other Receivables	(4525)	(8493)
(Increase)/Decrease in Inventories	-	14971
(Increase)/Decrease in Trade and other payables	(1367)	(1183)
Decrease/Increase in Loans and advances	(2516)	9948
Cash generated from operations	(3672)	8825
Extra-ordinary Items	-	14263
Net cash From Operating Activities	(3672)	(5438)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4655)	(4716)
Sale proceeds of Fixed Assets	-	-
Interest received	364	41
Net cash from Investing Activities	(4291)	(4675)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Share Application Money	37115	-
Increase in unsecured Loans	(21497)	14941
Receipt/(Repayment) of long term borrowing	-	198
Interest Paid	(917)	(1403)
Net cash from Financing Activities	14701	13736
D Net Increase / (decrease) in cash and cash equivalent (A+B+C)	6738	3624
Opening cash and cash equivalents	3931	307
Closing cash and cash equivalents	10669	3931

As per our report of even date

For and on behalf of the Board

 For **Vara Prasad & Associates**
Chartered Accountants

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

Sridhar Nagabandi
Partner
M.No. 200645
FRN. 007117S

Prasanna Lakshmi Polineni
Company Secretary

 Date: 30-05-2013
Place: Hyderabad



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 are in conformity with the Generally Accepted Accounting Principles which require 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.

1.4 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.

1.5.0 Depreciation

1.5.1 Depreciation on fixed assets is provided on Straight Line Method at the following rates specified in Schedule xiii 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

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

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

1.6.0 Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.7.0 Foreign currency transactions

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

1.7.2 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.

1.7.3 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.

1.8.0 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.

1.9.0 Taxes on income:

1.9.1 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.

**1.9.2 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 generation of sufficient future taxable income is uncertain, no deferred tax asset has been recognised in the books.

1.10.0 Provisions, contingent liabilities and contingent assets

1.10.1 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.

1.11.0 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

2.0 NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

2.1 SHARE CAPITAL

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ In Thousands	Number of shares	₹ In Thousands
Authorised				
-Equity shares of Rs.10 each	15,000,000	150,000	15,000,000	150,000
Issued				
-Equity shares of Rs.10 each	1,124,140	11,241	11,241,400	112,414
Subscribed & Fully Paid Up				
Equity shares of Rs.10 each fully paid	1,124,140	11,241	11,241,400	112,414
Total	1,124,140	11,241	11,241,400	112,414

The scheme for re-structuring of capital is approved by Hon'ble High Court of Andhra Pradesh and became effective upon filing of the court order with Registrar of Companies, Andhra Pradesh on 25/02/2013. Upon effecting of the scheme, face value of each equity share has been reduced from Rs.10/- (Rupees Ten Only) to Re1/- (Rupee One Only) and further consolidated to face value of Rs.10/- each (Rupees Ten Only) consequently the no. of equity shares are reduced from 1,12,41,400 (One Crore Twelve Lakhs Fortyone Thousand Four Hundred Only) to 11,24,140 (Eleven Lakhs Twentyfour Thousand One Hundred and Forty Only) equity shares.

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

Name of Equity Shareholder	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P S Raman	57820	5.14	578200	5.14
CMS Computers Ltd	100000	8.90	1000000	8.90

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

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Equity Shares		Equity Shares	
	Number	₹ In Thousands	Number	₹ In Thousands
Shares outstanding at the beginning of the year	11,241,400	112,414.00	11,241,400	112,414.00
Shares Issued during the year	-	-	-	-
Shares Reduced (As per the Scheme approved by Hon'ble High Court of Andhra Pradesh)	10,117,260	101,172.60	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,124,140	11,241.40	11,241,400	112,414.00

**2.4 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.

3.0 RESERVES AND SURPLUS & PROFIT AND LOSS**3.1 RESERVES AND SURPLUS**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
General reserve		
Opening balance	488440	488440
(+) Current year Transfer	0	0
(-) Written back in Current year (As per the Scheme of Restructure approved by Hon'ble High Court of Andhra Pradesh)	488440	0
Closing balance	0	488440

3.2 PROFIT & LOSS ACCOUNT

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
Profit & Loss Account		
Opening balance	(598,296)	(565,722)
Deferred Tax written Off	-	(12,565)
Less: Reduction of Loss (As per the Scheme of Restructure approved by Hon'ble High Court of Andhra Pradesh)	589,613	0
(+) Net Profit/ (Net Loss) for the current year	351	(20,009)
Closing balance	(8,332)	(598,296)

Reserves and Surplus & Profit and Loss (3.1 + 3.2)**(8,332)****(109,856)****4.0 SHARE APPLICATION MONEY**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
Share Application money pending for allotment As per the scheme of restructure approved by Hon'ble High Court of A.P.		
From Companies	35615	-
From Directors	1500	-
Total	37115	-

5.0 LONG TERM PROVISIONS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
a) Provision for employee benefits:		
Gratuity (Unfunded)	1201	1843
Leave Encashment (unfunded)	301	0
Total	1502	1843

**6.0 SHORT - TERM BORROWINGS – SECURED & UNSECURED**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
Secured		
Loans Canara Bank	3474	6155
Unsecured		
From Companies	7754	25070
From Directors		1500
Total	11228	32725

The loans outstanding to Canara Bank are 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.

A sum of Rs.34.74 lacs is outstanding as on 31.03.2013 towards the working capital loan with Canara Bank. The Company started repaying the dues by way of equated monthly installments of Rs. @ 3.87 lacs from August, 2012 as accepted by the Bank.

7.0 TRADE PAYABLES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
Trade payables: For Expenses & Services	8063	13390
Total	8063	13390

8.0 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
(a) Current maturities of long-term debt	-	-
(b) Short terms advances - Related Party	0	0
(c) Misc Adv - Meeseva	4674	0
(d) TDS	1416	1156
(e) Service Tax	3239	1652
(f) PF and Other Statutory Dues	1028	3248
(g) Fringe Benefit Tax	247	247
(h) Outstanding Liability for Operational Expenses		
Total	10604	6303

9.0 FIXED ASSETS:

(₹ In Thousands)

S.NO.	Description	Gross Block			Depreciation					Net Block	
		As at 31/3/2012	ADDITIONS/ DELETIONS	SALES	As at 31/3/2013	UPTO 31/3/2012	For the Year	ADJUSTMENT ON ACCOUNT OF SALE	UPTO 31/3/2013	As at 31/3/2013	As at 31/3/2012
1	Plant & Machinery	9750	3248	0	12998	5823	1848	0	7671	5327	3928
2	Electrical installations	2768	484	0	3252	2004	132	0	2136	1116	764
3	Office Equipment	1390	420	0	1810	835	84	0	919	891	555
4	Furniture & Fixtures	11862	504	0	12366	7401	775	0	8176	4190	4461
5	Vehicles	1463	0	0	1463	972	139	0	1111	352	491
	TOTAL	27233	4656	0	31889	17035	2978	0	20013	11876	10199

**10.0 TRADE RECEIVABLES**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ 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	2074	1288
Sub Total (a)	2074	1288
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured considered good Considered doubtful	36177 25113	32438 25113
Sub Total	61290	57551
Less: Provision for doubtful debts	25113	25113
Sub Total (b)	36177	32438
Total (a+b)	38251	33726

11.0 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
Cash and cash equivalents		
(a) Balances with banks		
with Scheduled Bank in Current Accounts	6306	3894
with Scheduled Bank in Fixed Deposits	3317	-
(b) cash on hand	193	37
Total	9816	3931

12.0 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
(Unsecured, considered good)		
Prepaid Expenses	7	-
TDS	4154	1688
VAT	297	-
MAT Credit entitlement	3435	3435
Advance for Fixed Assets	1500	-
Security Deposits	1234	1234
Advance to Staff	110	-
Advance to Directors	741	2605
Total	11478	8962

13.0 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
(a) Software Sales/Services - Exports	-	1441
(b) Software Sales/Services - Domestic	29424	25961
(C) Training Income	-	97
Total	29424	27499

**14.0 OTHER INCOME**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
(a) Interest on Deposits & Other Income	364	41
(b) Miscellaneous Receipts	206	61
Total	570	102

15.0 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
(a) Salaries and incentives	13701	17870
(b) Directors' Remuneration	1200	2880
(b) Contributions to - provident funds	541	751
(C) Staff welfare expenses	272	132
(d) Gratuity	0	(41)
Total	15714	21592

16.0 FINANCE COST

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
(a) Interest expenses	917	1403
Total	917	1403

17.0 TOTAL OF ADMN & OTHER EXP**17.1 ADMINISTRATIVE & OTHER EXPENSES**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
(A) Operational		
Software Consultancy Charges	2395	2036
Repairs - Equipment	440	117
Total (A)	2835	2153
(B) Selling Admn & Other Exps		
Advertisement	110	40
Bad Debts Written off	0	1468
Communication Expenses	351	413
Consumables	0	111
Electricity Charges	513	477
Insurance Charges	2	3
Legal and professional Charges	1705	1715
Loss from APSRTC	0	4110
Loss on Physical Verification of F.Assets	0	13206
Office Maintenance	416	69
Other Expenses	258	1016
P.F. Penalties	280	0
Printing & Stationery	209	68
Provision for Doubtful debts	0	20069
Rent, Rates & Taxes	1631	1608
Subscriptions, Books & Periodicals	70	97
Travelling and conveyance	433	250
Total (B)	5978	44720
TOTAL (A+B)	8813	46873

**17.2 AUDITOR'S REMUNERATION**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
Statutory Audit Fee	267	300
Tax Audit Fee	100	150
For other Services	0	0
Total	367	450

TOTAL OF ADMN & OTHER EXP (17.1 + 17.2) 9180 47323

18.0 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ In Thousands	₹ In Thousands
Contingent liabilities		
Bank guarantees (1)	3317	3000
Provident fund (2)	4050	4050
1) Margin money deposit kept with the bank - Rs.33.17 lacs - Including accrued Interest		
(2) The demand from PF Authorities for Rs.40.50 lacs is disputable and not provided		
TOTAL	7367	7050

19.0 EARNINGS PER SHARE

	2013	2012
Profit/(Loss) after tax as per Profit and Loss Account (₹ In Thousands)	351	(20,009)
Number of Equity Shares - Basic	1124140	11241400
Number of Equity Shares - Dilluted	10398295	11241400
Nominal value of the Shares (₹)	10	10
Earnings Per Share - Basic (₹)	0.03	(1.78)
Earnings Per Share - Diluted (₹)	0.03	(1.78)

20.0 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 dealing with Accounting for Income Taxes'.

21.0 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.
- 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
- Liability for leave encashment is provided on the basis of the actual encashable leave outstanding at the year-end.

22.0 INVESTMENT

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
(a)Long term: at Cost 40,000 Equity shares of US\$1 each in Aravali Technologies Inc US	317965	317965
Less: Provision for Investment	317965	317964
Total	0	1



23.0 RETIREMENT BENEFITS

Disclosure as required under Accounting Standard

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ In Thousands	₹ In Thousands
Components of employer expenses		
Current Service Cost	89	126
Interest cost	147	150
Past Service Cost	0	0
Actual Contribution and benefits payment for the year	(878)	(319)
Actual benefits paid	(641)	(42)
Change in Defined Benefit Obligations during the year ended		
Present value of DBO at Beginning of year	1843	1884
Current Service Cost	89	126
Interest Cost	147	150
Benefits paid	0	0
Present Value of DBO at the end of the year	(878)	1843
Change in Fair Value of Assets during the year ended		
Actuarial Gains /(Losses)	1201	(319)
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	55	58

24.0 RELATED PARTY DISCLOSURES

Related Party Disclosures for the year ended 31st March 2013 in accordance with Accounting Standard - 18 Issued by the institute of Chartered Accountant of India.

List of related parties:

Party	List of related parties:
Aravali Technologies Inc., California, USA (The subsidiary has been dissolved during the year 2012-13)	Wholly owned subsidiary
Mr.P.S.Raman	Key Management
Mr.R.Jagadeeswara Rao	Key Management

24.1 Summary of transactions with related parties

Name of related party and Nature of relationship	Nature of transactions and outstanding balances	2012-13	2011-12
		₹ In Thousands	₹ In Thousands
Mr.P.S.Raman,	Managerial Remuneration	600	1440
Mr.R.Jagadeeswara Rao	Managerial Remuneration	600	1440
Mr.R.Jagadeeswara Rao	Loans & Advance	741	0

24.2 Managerial Remuneration

	2012-13	2011-12
	₹ In Thousands	₹ In Thousands
Salary (Including allowances and perquisites)	1200	2880
Contribution to Provident fund	-	18

25.0 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)

	2012-13	2011-12
CIF Value of Imports	NIL	NIL
Capital Goods	NIL	NIL



- 26.0** As per Accounting Standards referred to in section 211(3C), the company has to carry out the assessment of impairment of assets. However, the company has not carried out the physical verification of fixed assets as well as its impairment there of.
- 27.0** There is no additional provision for doubtful debts made for the year end 31.03.2013. The provision carried over from last year are related to debtors due for more than 365 days old.
- 28.0** A total sum of Rs.8.53 lacs(Extra Ordinary Items) has been written off from the loans and advances given to parties etc., which are considered no longer recoverable due to comprehensive capital restructure plan proposal and approved by Hon'ble High Court of Andhra Pradesh.
- 29.0** As regards the disclosure of particulars of amounts owed by the Company to small scale industrial undertakings that are required to be disclosed in the Balance sheet in pursuance of amendment to Schedule VI of the Companies Act, 1956 vide Notification No.GSR 129(E), dated 22-02-1999 issued by the Department of Company Affairs, the Company is not in possession of any information as to the business/industrial status of its creditors whose particulars are to be disclosed. The Company is making efforts to obtain the same.
- 30.0** Provision for service tax as on 31st March 2013 stands at Rs.32.39 lacs including for provision for the 2012-13. There were arrears of service tax in previous years unpaid due to difficult financial position of the company. The returns were filed for years upto 2008 - 09. On account of interpretation issue related to IT service, provision related to previous years has to be reworked and regularised.

As per our report of even date

For **Vara Prasad & Associates**
Chartered Accountants

Sridhar Nagabandi
Partner
M.No. 200645
FRN. 007117S

Date: 30-05-2013
Place: Hyderabad

For and on behalf of the Board

P S Raman
Executive Chairman

R. Jagadeeswara Rao
Executive Director

Prasanna Lakshmi Polineni
Company Secretary

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	3								
		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	7	9	7	5	3		Total Assets	7	9	7	5	3				
	SOURCES OF FUND																
	Paid up Capital	1	1	2	4	1		Reserves & Surplus					0				
	Share Application Money	3	7	1	1	5											
	Secured Loans		3	4	7	4		Unsecured Loans		7	7	5	4				
	Current Liabilities	1	8	6	6	7		Non Current Liabilities		1	5	0	2				
	APPLICATION OF FUNDS																
	Fixed Assets	1	1	8	7	6		Investments					0				
	Net Current Assets	5	9	5	4	5		Misc. Expenditure					0				
	Deferred Tax Asset					0											
	Accumulated Losses		8	3	3	2											
IV	Performance of the Company (Amount in Rs. Thousands)																
	Turnover (Gross Revenue)	2	9	9	9	4		Total Expenditure	2	9	6	4	3				
	Profit before Tax		3	5	1			Profit after Tax		3	5	1					
	Earning per share(Rs.)		0	.	0	3		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



RAM INFORMATICS LIMITED (AND REDUCED)

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 19th Annual General Meeting of the company to be held on Thursday The 27th
June 2013 at 10.00 A.M. at Hotel Devi Grand, #11-5-152, Bhavani Nagar, Moosapet 'X' Roads, HYDERABAD - 500 018. 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 (AND REDUCED)

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 19th Annual General Meeting of the members of the Company held on Thursday The
27th June 2013 at 10.00 A.M. at Hotel Devi Grand, #11-5-152, Bhavani Nagar, Moosapet 'X' Roads, HYDERABAD - 500 018. 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 (AND REDUCED)

SVR Towers, 8-2-1/B/1, Srinagar Colony Road, Punjagutta, Hyderabad – 500082

Phones : +91-40- 23748241, 23741894 Fax : +91-40-23748240


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

ISO 9001 : 2008 Company

eMpowering eBusiness

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	RAM INFORMATICS LIMITED
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NIL
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	   N. No 200 645 Form No 007117S K. V. Perera