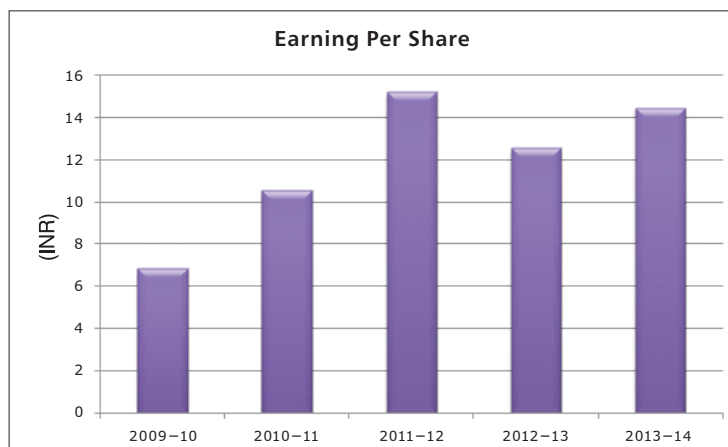
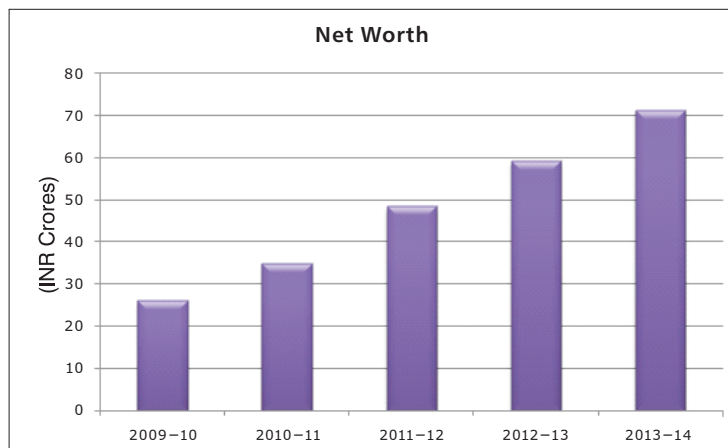
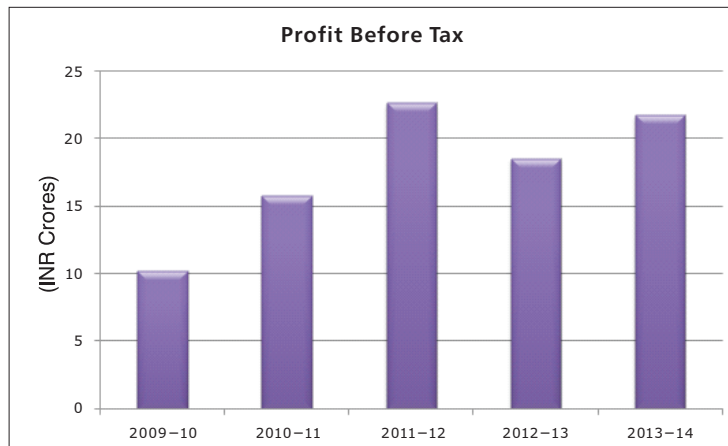
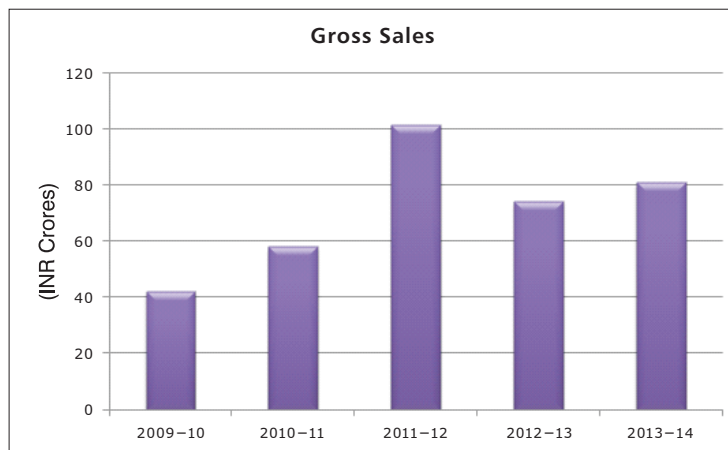




ABM Knowledgeware Limited

Frontrunners in e-Government in India

21st Annual Report
2013-2014



BOARD OF DIRECTORS

PRAKASH B. RANE (Managing Director)

SUPRIYA P. RANE

M. N. AHMED

DR. AJIT C. KULKARNI

SHARADCHANDRA D. ABHYANKAR

Registered Office

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

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

CIN: L67190MH1993PLC113638 • www.abmindia.com

Auditors

M/s. S. P. Sule & Associates

Bankers

CANARA BANK

**Registrars &
Share Transfer
Agents**

M/s. Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai 400 093. Tel.: +91 22 28207203 - 05 / 28257641

Company Secretary

Sarika Ghanekar

E-mail : sarika.ghanekar@abmindia.com

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NOTICE

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

AS ORDINARY BUSINESS :

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

AS SPECIAL BUSINESS :

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

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sharadchandra D. Abhyankar (DIN 00108866), who was appointed as a Non-Executive Director liable to retire by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019.”

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 5 and 6 of the Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before holding the Meeting. A blank proxy form is enclosed herewith. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2014 to 17th September, 2014 (both days inclusive).
6. The Dividend recommended by the Board, if declared at the AGM, will be paid to those members or their mandates whose name appears on the Register of Member of the Company as on 12th September, 2014; in respect of shares held in dematerialized form, the dividend will be paid to those shareholders whose names are furnished by Central Depository Services (India) Limited and National Securities Depository Limited as beneficial owners as on that date.
7. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately to Company's Registrar & Share Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd. Further, please note that in the case of dematerialized shares any changes required in Address, Bank details, Bank Mandate, Nomination, ECS Mandate etc. are to be intimated to your Depository Participant (DP) and not to Company or our Registrar.
8. The Company has received a notice from a member signifying his intention of proposing the appointment of M/s. Borkar & Muzumdar, Chartered Accountants, as Statutory Auditors of the Company in the ensuing Annual General Meeting. The Audit Committee also recommends the appointment of M/s. Borkar & Muzumdar.
9. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company's Registrar & Share Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd. / Depositories.
11. Pursuant to Sections 205A and 205C of the Companies Act, 1956, unclaimed / unencashed dividends are to be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed / claimed and / or misplaced the dividend are requested to write to Registrar and Share Transfer Agent of the Company for claiming the dividend.
12. Members are requested to bring their copies of Annual Report, Notice and Attendance slip duly completed and signed at the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at Meeting.
13. All the documents referred to in Accompanying Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

14. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.

15. Information required under Clause 49 IV G of the Listing Agreement relating to Corporate Governance with respect to the Director being appointed and Director retiring by rotation and being eligible, seeking re-appointment, is as under:

I.

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

II.

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

III.

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

By Order of the Board of Directors

Sarika Ghanekar
Company Secretary

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

Registered Office:

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board of Directors

Sarika Ghanekar
Company Secretary

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

Registered Office:

ABM House, Plot No. 268, Linking Road, Bandra (W), Mumbai- 400 050.
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DIRECTORS' REPORT

**To the Members of
ABM Knowledgeware Limited**

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

1. FINANCIAL RESULTS :

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

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

2. OPERATIONS OF THE COMPANY :

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

3. DIVIDEND :

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

4. LISTING FEES :

Your Company's shares are listed in The Bombay Stock Exchange Limited, Mumbai and the Annual Listing fees for the year under review have been paid.

5. CORPORATE GOVERNANCE :

The Company has in practice a comprehensive system of Corporate Governance. A separate Report on Corporate Governance is provided at page No.11 of this Annual Report, together with Certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited.

6. PUBLIC DEPOSITS :

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

7. DIRECTORS :

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

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

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

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

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

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

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

8. AUDITORS :

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

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

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

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

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

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

B. Existing Opportunities and Outlook :

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

C. Business Threats :

The reality today is that several projects and their execution are facing challenges. Some projects have failed or been shelved because of flaws at different stages, their conceptualization, scope definition, vendor selection and poor execution due to shortcomings both on the Government and the implementing vendor's side. Issues related to Public Procurement of IT projects (e-Governance projects) are a cause for concern for both buyers (i.e. Government Departments) and potential bidders.

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

- Project execution, project conceptualization and scope of work need much more clarity and practical approach
- Ambiguous and one sided Contracts, T&C.
- Absence of a Project Champion.
- Delays in deliverables from the Government.
- Delays in timely sign offs to vendors by departments.
- Project bids incorporating many non-IT items that increased project cost.
- Absence of counter guarantees in SLAs, to deal with defaults by the Government and Government agencies.
- Government expectation is that industry changes its focus from product orientation to citizen service delivery in e-Governance projects.
- The feeling among policymakers is that industry is still oriented towards the supply of IT goods and services and the service orientation which is at the core of all e-Governance services, is lacking.

D. Business Strategies and Planning :

Your company has been focusing on the strategy of building long term relationships with customers by giving reliable and effective services to them. Another strategy is to try and win projects in areas which have potential to replicate the same across other states in India. This will continue as a prime strategy.

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

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