

September 25, 2017

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051
Script Code : ADSL

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Script Code: 532875

Dear Sir/Madam,

Subject: Submission of 23rd Annual Report for the Financial Year 2016-17

With reference to the above captioned subject and in accordance with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith the duly approved and adopted 23rd Annual Report of the Company at its Annual General Meeting held on Wednesday, September 20, 2017.

Kindly take the same on record and oblige.

Yours Faithfully,
For Allied Digital Services Limited

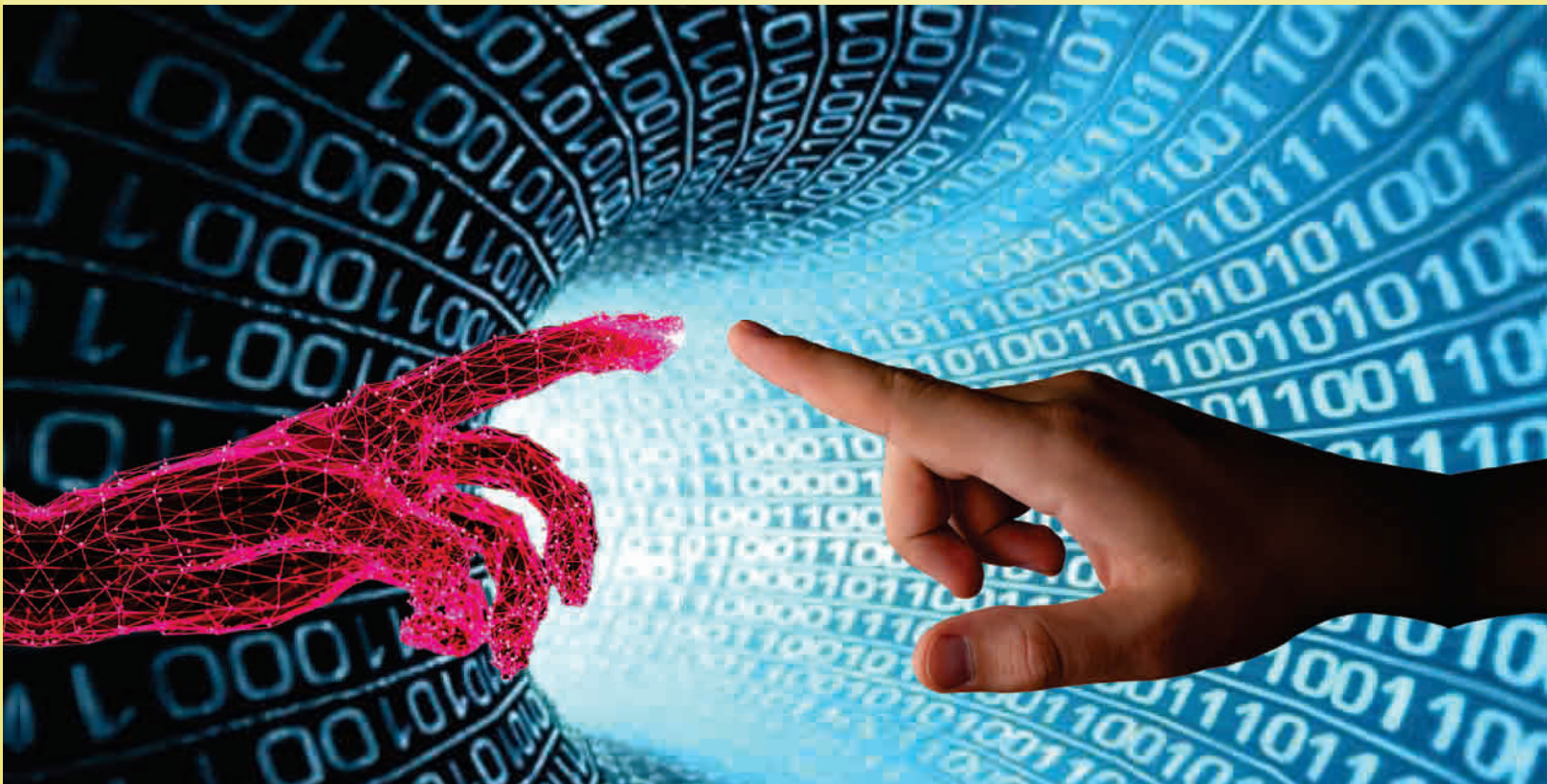


CS Neha Bagla
Company Secretary & Compliance Officer

Encl: as above



“allied digital... future is now...”



Digital World



Physical World

“Digitalize or Perish”

Allied Digital Services Limited

Annual Report 2016-17

Company Information:

Key Managerial Personnel

Mr. Nitin D. Shah
Chairman & Managing Director

Mr. Prakash D. Shah
Whole-time Director

Mr. Paresh B. Shah
Executive Director & CEO

Prof. Venugopal R. Iyengar
Independent Director

Dr. Shrikant N. Parikh
Independent Director

Dr. Roopkishan S. Dave
Independent Director

Ms. Shubhada Jahagirdar
Independent Director (CSR)

Chief Financial Officer
Mr. Gopal Tiwari

**Company Secretary &
Compliance Officer**
Ms. Neha S. Bagla

Statutory Auditors

Shah & Taparia
Chartered Accountants

Internal Auditors
Satya Prakash Natani & Co.
Chartered Accountants

Secretarial Auditors
Rathi & Associates
Company Secretaries

Banker
State Bank of India
Barclays Bank.

Registrar and Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compounds,
L.B.S. Marg, Bhandup (West)
Mumbai – 400078.
Tel: 022 2596 3838 Fax: 022 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Registered office

Premises No. 13A, 13th Floor, Earnest House, Backbay
Reclamation, NCPA Road, Block III, Nariman Point,
Mumbai – 400021.
CIN: L72200MH1995PLC085488
Tel : 022 6681 6400 Fax : 022 2206 4170
Email: investors@allieddigital.net,
Website: www.allieddigital.net

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CMD
Mr. Nitin Shah

Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 23rd Annual General Meeting of your company.

Future of Indian IT

First and foremost there have been major technology changes and hence this technology disruption has led to business disruption.

News of the death of India's information technology (IT) services industry started coming in about 4 years ago. Leading industry analysts reported that India was no longer the automatic choice for IT services and back-office work and that the migration of labor arbitrage based service jobs to India would almost stop by 2022.

Despite such a scenario, there is also optimism about the prospects of India's IT services industry for the coming decade. The industry is a survivor of the dot-com crash of the early 2000s and the 2008 financial crisis. Second, the major IT services firms devote significant resources to employee re-skilling. Third, some of them are also beginning to adopt new business models and develop new products and platforms to stop low value-added services and time-and-materials (T&M) pricing models.

The \$1.2 trillion global IT industry, growing at a rate of 4% a year, will continue to offer opportunities for IT services firms operating at all stages of the IT global value chain. CIOs tend to be risk-averse and like to do business with firms with which they have had good prior experiences and these factors should continue to offer opportunities for renowned and established India's IT services firms in the future.

Your Company

Allied Digital is right now strategically placed to reap the benefits of the Digital India movement envisioned by the Government of India. It is at the forefront of the Safe and smart city movement and to provide ecommerce, e-governance, e-education, e-healthcare solutions to our clients using new age technologies like Artificial Intelligence, IoT and Machine learning.

We at Allied Digital are very excited today where traditional outsourcing business is changing. Customers are looking for partners to transform their business by bringing innovation, automation & digital transformation. This Digital revolution is truly a game changer for the industry. We anticipated this

changing business environment early and embarked on the journey of newer business model internal transformation which is now completed. Our competence in emerging technologies like Artificial intelligence, IoT, Data Analytics, Mobility & Cloud will help them in Digital Transformation. Today we are a truly global Digital Transformation architect for B2G (Business to government) and B2E (Business to enterprise) customers by bringing innovation and transformation in business. As conveyed earlier we firmly believe in the dictum of "small term pain for long term gain" due to transformation.

We are a one-stop IT infrastructure services provider and Master System Integrator, combining our diverse infrastructure skills, augmented with our customizable integrated IT service management platform, global delivery model and software integration skills to bring direct value to customers. Today's customer wants this combination packaged with best-of-the-breed OEM support, agile project management and cost-effective pricing to drive dual initiatives of IT transformation and operational management. We have mastered the IT needs in domains such as Retail (our unique Store in a box model), Hi-Tech, Banking, Government, Healthcare etc. to bring customized solutions and deliver extra transformation.

Our endeavor is to play a catalyst role in bringing changes in business by enabling different technologies which would directly impact & improve our lives.

Last year has been challenging and exciting for business growth locally/internationally and has resulted into several awards being given to your company (see details on page 8)

Your company has also automated Infrastructure management Services (IMS) offerings by using innovative tools and technology and creating highly matured process for service delivery.

This world class practice is now offered to many international clients in USA, UK and 70 other countries. Our Shared services approach in Cloud environment is helping us to provide cost effective services and position us as major player in IMS.

As in the past our focus also remains on Cyber security offerings where threats are growing manifold and we have created new innovative model to combat such cyber threats.

The IT industry is going from post PC era to being mobile/smart device driven and your company is completely geared up to create innovative applications and develop software for this huge market. Business data and analytics is another area we are seeing a great future.

On HR perspective, your company continues its tradition of empowering people to enable them to take quick decisions. Empowerment, Responsibility and Accountability – ERA – go hand in hand at Allied Digital Services.

We have this year skilled our people and imparted training in emerging technologies and software development to ensure seamless integration with various systems and acted as a true Indian origin Master Systems Integrator (MSI) amongst the very few in the industry.

The year under consideration has been a unique and path breaking year and we are looking at a better future with our new initiatives. The experience has been more heartening with so many awards and accolades coming our way which adds to our belief that the future is very bright.

Your company has been and is committed to be a partner in building a new, vibrant and Digital India.

With warm regards,

Nitin Shah
Chairman and Managing Director.



Whole-Time Director
Mr. Prakash Shah

Allied Digital Services Limited Dedicated To Digital Transformation of India

India with the World's second largest population of 1.25 Billion plus and counting is facing acts of terrorism and attaches high level priority to the safety concern in the Public life and the property. The ever expanding base of the middle class population with direct bearing on the huge steady exponential growth in the market potential successfully attracts Investors worldwide. Top International Brands simply cannot afford to blink and ignore the importance of the economic dynamics of the largest market potential of India. With them the latest Digital technologies make speedy and fastest inroads in alacrity. Technology and growth go side by side. Latest innovations and continuous improvisations provide the tool to challenge the nefarious designs of the subversive forces. Organisations selling Surveillance technologies thrive on the security concerns to make the life of the people safe and simple. India, with the most progressive and caring government at the helm, attaches utmost importance on the improved Digital technologies. Implementation of the "Smart City" concept of the Indian Govt. has gained a vigorous momentum. Surveillance technologies

are thriving and are taking centre stage. This has opened a huge business opportunity for your company, Allied Digital Services Limited in India. The Company has been successful in carving a niche for itself and made remarkable impact on the growing Surveillance Industry in India with improved revenues. Ruling giants of the Technology Industry in India view us with tremendous respect and awe. It is no different at our locations abroad, e.g., USA, UK and other important locations worldwide. Top notch globally reputed organisations are making a bee line to tie up for our advanced technological support to remain a notch above competition. It goes without saying that this has contributed immensely to strengthen our Balance sheet. Overseas operations are proving extremely profitable with every passing year. Our Balance sheet during the just concluded financial year has witnessed a discernible growth vis-à-vis the past year. The Company has grown from strength to strength, over last couple of years. ONE BIG ASSURANCE, the on-going trend is getting permanent and stay with the company, in future years to come.

I'm confident that the growth quotients of the company will make each and every shareholder proud of their prized association. It makes more business sense to stay connected with the Company, more particularly in the face of global economic meltdown, impact of which are well felt in the domestic sectors as well.

Concluding with a happy note of fulfilling the Investor confidence with the most efficient financial management with a firm promise to maintain the gradual and steady elevation for a better and promising future. Wish to reiterate further that your Company is now better poised to leap frog into prominence in the corporate world. Accolades are literally showering. Winning has become a habit for this Company and comes so easily and effortlessly.

With Best Wishes

Prakash Shah
Whole-time Director



Global CEO

Mr. Paresh Shah

been the key in the IT industry, Allied Digital has been in forefront of the new technologies.

Allied Digital over the year has won several awards, justifying leadership role in top global managed services and Master system integration space. Corporate Governance has vastly leaped up to address growing compliance requirements. We are well positioned to take up projects in emerging technologies and digital transformation as well as managed service automation.

We see an exciting year going ahead in domestic as well as global sectors.

With warm regards,

Paresh Shah
Chief Executive Officer

Hello Investors

The past year has been very dynamic. The Indian government has made some major improvement reforms in corporate governance, taxation and demonetization. The effect has been that domestic corporate spending on IT has further shrunk than the previous year. Your company due to diverse offerings is yet working on multiple opportunities in the domestic sector.

The global political scenario has generated major events that impact the global economy and for Indian IT industry it has been largely impactful. For the first time, the impact of slowdown in IT has been realized. However, your company, due to its adaptive onsite/hybrid model has been able to neutralize the effect.

We have done some exciting transformation projects this year in the area of global Windows 10 migration, Digital transformation enterprises, multiple data center projects in the US and India. Your company added 15+ large new global customers, few small contracts got closed. We have been doing high quality service delivery on our Pune City Project. Extensive work has been done on developing the new version for our ADiTaaS product platform. IoT has been center-stage for setting up multiple prototypes. The company has ventured big-time into home automation and Intelligent Building Management Systems. Automation and Disruption has



CEO (ISG)
Mr. Jawahar Ali

Smart City initiative of the Government has progressed steadily with the number of winning cities now totalling to 90 after completion of Round 3. This will cover total urban population of 9.59 Crore and Pan-city development of INR 37,000 Crore that envisages application of selected Smart Solutions to the existing city-wide infrastructure. Allied Digital as a Master Systems Integrator with its experienced team of manpower having a proven track record of delivering Safe City solution has participated in the bidding process for such opportunities that are under various stages of evaluation.

Smart City Project is an initiative that leverages on the Information Communication Technology (ICT) to bring together people, government, various Agencies such as law enforcement, healthcare, utility service provider and mobility for an efficient and productive engagement with optimised management of resources that enhances the quality of life. The overall efficient environment so created attracts investment that ensures sustainable economic growth.

Because of the diverse areas of applications, it may not be possible for a Single Master Systems Integrator to offer the entire portfolio of solution meeting the stated objectives of

the Smart City. Considering this aspect of the projects, Allied Digital has judiciously aligned with OEMs / Systems Integrators having supplementary Line of Business such as Solid Waste Management, Energy Management to form consortiums / Collaborations for responding to the Request For Proposal (RFP) from various cities. Collaborative bidding is a norm in such projects.

Allied Digital is now into the Eight quarters of successful operation of the Pune Safe City Project and will be completing two years of operation on October 27, 2017. Discussions with the authorities are currently underway for further expansion of the coverage of the city for video surveillance.

The Internet of Things (IoT) is a concept that allows devices and objects to be connected in a network so that they are capable of communicating with each other as well as over the Internet with cloud computing and storage. IoT is an emerging business opportunity in the market at a nascent stage of development that requires extension and scaling of organizations IT skills to meet the requirements of the users.

IoT has a wide range of applications that can be used by individual person, Government agencies, health care facilities, smart cars and many more. For example, a person using a Smart Phone will be able to connect with the IoT enabled sensors/devices from anywhere to manage thermostat setting of the Air conditioner or to switch on/off light at home, locate one's car in the Parking lot.

IoT is part of the Smart cities initiative that includes a variety of public services such as remote parking controls on parking lots, smart streetlight control for managing need based lighting conditions, waste management, environmental sensors for monitoring pollution levels and smart garbage bins to alert the collection vehicle if they are full.

Allied Digital has a team of IT professionals who are engaged in exploring and developing a variety of IoT solutions in collaboration with the leading IoT technology providers in the industry to holistically address such opportunities in the industry.

With warm regards,

Jawahar Ali
Chief Executive Officer - ISG.



CFO

Mr. Gopal Tiwari

Dear Shareholders,

Our country witnessed major reform changes during the recent past such as applicability of Indian Accounting Standards (Ind AS), Demonization and action of GST regime, etc. The overall economy of the country for F.Y. 2016-17 got impacted to some extent due to such reforms. However the long term growth prospective of the Indian Economy is still positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates and increasing integration into the global economy. The International Monetary Fund (IMF) described the Indian economy as the “bright spot” in the Global Landscape. According to the IMF India’s growth is expected to be around 7.2 % in 2017-18 fiscal and 7.7% in 2018-19.

To put things in perspective, India has one of the fastest growing service sectors in the world with an annual growth rate of above 9%. The IT Industry continues to be the largest sector of service provider in India.

Before analyzing the financial performance for the year under consideration, would like to highlight that

- The financials for the year ended 31st March, 2017 are prepared as per the new Indian Accounting Standards (Ind-AS) guidelines with the comparative Ind-AS figures for the year ended 31st March, 2016.

Further, am pleased to inform that your company has cleared the overdue statutory dues such as PF including Public Fixed Deposits to a great extent and the balance amount will also be cleared soon.

As a strategic move, the Management’s focus on service revenue with higher margin rather than sales with low margin, which resulted into a dip in the consolidated overall revenue of the company to the extent of 10% in comparison to the previous year but it resulted in increase in Comprehensive Income before tax of ₹ 9.95 Crs. with an increase of 62% as against the last year’s ₹ 6.14 Crs. However the post tax Comprehensive Income for the year is at par with the previous year, due to impact of deferred tax liability to the extent of ₹ 3.54 Crs. during the year under review.

Due to considerable reduction in the debts of the company, the finance cost during the year is significantly reduced by more than 17% as against the finance cost for the financial year ended 2015-16.

In years to come, the management’s focus on upcoming opportunities in respect of Smart / Safe City Projects to be implemented by various Government / Semi - Government Authorities, the company strive to achieve better overall performance.

With Warm Regards,

Gopal Tiwari

Chief Financial Officer

The prestigious awards Allied Digital won over the past year

We owe our achievements to all our stakeholders – investors, employees, vendors and clients. Without your support, we would not have won so many honors within last one year.



Certificate for appreciation - Best Brands,
by Economic Times,
Mumbai.



Good for India - Digital innovation in Smart City Solutions by Times Network,
New Delhi.



CRN Hall of Fame - Channel Legend,
to Nitin Shah (CMD),
by Indian Express Group, Mumbai.



Pride of India Award to Nitin Shah (CMD)
by Institute of Economic Studies
Dubai.



India's Greatest Brands and Leaders 2015-16 to Nitin Shah (CMD),
by URS Media, Mumbai.



Excellence & Leadership in Outsourcing
by Asia Outsourcing,
Mumbai.



Most promising Entrepreneur in APAC to Paresh Shah (CEO),
by EnterpriseAsia, New Delhi.



India's most promising & valuable IT services and solutions Enterprise 2017
by Indian Leadership Conclave 2017, Mumbai.



Smart Cities India Awards 2016
by Exhibitions India Group,
New Delhi.



International Excellence Award-Leading IT infrastructure company of the year 2017,
by Brands Impact, Goa.



Innovation – New Initiatives in Infrastructure management,
by UBS Transformance, Bengaluru.



ChannelWorld Premier 100 Honoree 2017
by IDG Media, Mumbai.

NOTICE

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NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF ALLIED DIGITAL SERVICES LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 20, 2017 AT 04:00 P.M., AT WALCHAND HIRACHAND HALL, 4TH FLOOR, IMC BUILDING, INDIAN MERCHANT CHAMBER MARG, CHURCHGATE, MUMBAI-400020 TO TRANSACT THE FOLLOWING BUSINESS:

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ORDINARY BUSINESS:

1. To consider and adopt:
 - the audited financial statements of the Company for the financial year ended March 31, 2017 along with the reports of the Board of Directors and the Auditors thereon; and
 - the audited consolidated financial statement of the Company and its subsidiaries for the financial year ended March 31, 2017 along with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Prakash Dhanji Shah (DIN: 00189842), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;
3. To ratify the appointment of M/s. Shah & Taparia, Chartered Accountants (Firm Registration Number 109463W), as Statutory Auditors of the Company to hold office from conclusion of ensuing Annual General Meeting and till conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

4. To appoint Mr. Paresh Bipinchandra Shah (DIN:05117129) as Executive Director & Chief Executive Officer and to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and based on recommendation of the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to the appointment of Mr. Paresh Bipinchandra Shah (DIN: 05117129) as an Executive Director & Chief Executive Officer of the Company for a period of 3 years with effect from November 05, 2016 to November 04, 2019, on a remuneration not exceeding ₹ 11.96 Lakhs per annum and that the such Director shall also be entitled for the perquisites as per the details given in explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration and perquisites, as specified aforesaid, to the extent as may be considered appropriate and necessary by the Board of Directors in mutual consultation with Mr. Paresh Bipinchandra Shah, Executive Director & Chief Executive Officer and further authorised to take all such actions and do all such things as may be deemed necessary, desirable and expedient for giving effect to the above resolution.

RESOLVED FURTHER THAT in case if the Company has no profits or profits are inadequate, the aforesaid remuneration by way of salary, perquisites, allowances, incentives etc. shall be treated as minimum remuneration payable to Mr. Paresh Bipinchandra Shah, Executive Director & Chief Executive Officer, subject to the approval of Central Government and/or other concerned authorities, if any.”

Notes:

- a. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 4 of the accompanying Notice are annexed hereto. The relevant details as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS-2) on General Meetings of issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, person seeking re-appointment as Director is also annexed.
- b. **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 such proxy need not be a member of the company.**

In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the Registered Office of the Company not later than FORTY-EIGHT hours before the commencement of the meeting.

- c. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such person shall not act as proxy for any other Member.
- d. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.
- e. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 13, 2017 to Wednesday, September 20, 2017 (both days inclusive).
- f. Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slips enclosed herewith, duly completed and signed, mentioning therein details of their DP ID / Client ID / Folio No.
- g. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
- h. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company during business hours upto the date of the Meeting.
- i. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
- j. Members holding shares in electronic (dematerialised) form are advised to send the request/(s) for change pertaining to their bank details, National Electronic Service (NECS), Electronic Clearing Service (ECS), Mandates, Nomination, Power of Attorney, Change of Address, Change of Name, Email Address, Contact Numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Transfer Agents to provide efficient and better services. The Company or its Registrars cannot act on any such requests received directly from the members holding shares in electronic form.
- k. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account/(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
- l. Pursuant to the requirements of Corporate Governance Code under the Listing Regulations 2015, the information/ a brief profile about the Director/(s) proposed to be appointed/ re-appointed at the AGM is given in the Annexure to this Notice.
- m. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has placed on its website www.allieddigital.net, the information on dividends which remain with the Company unclaimed as on September 26, 2016 i.e. the date of the last Annual General Meeting. The information is also available on the website of the Ministry of Corporate Affairs www.mca.gov.in.
- n. Members desirous of getting any information about the accounts and operations of the Company are requested to write to the Company atleast 7 days before the AGM to enable the Company to keep the information ready at the AGM.

The Notice of the AGM along with the Annual Report for FY 2016-17 is being sent by electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are also requested to register their email addresses with the Registrar & Transfer Agent of the Company.

E-voting:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM, ("remote e-voting") will be provided by Central Depository Services Limited.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on **Sunday, 17th September, 2017 (09:00 a.m. IST)** and ends on **Tuesday, 19th September, 2017 (05:00 p.m. IST)**. During this period, members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, 13th September, 2017**, may cast their vote by remote e-voting. The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on **Wednesday, 13th September, 2017** and as per the Register of Members of the Company.

Mr. Himashu S. Kamdar (ICSI Membership No. 5171) of M/s. Rathi & Associates, Company Secretaries in whole-time practice has been appointed as the Scrutinizer to scrutinize the e-voting process and physical ballot process in a fair and transparent manner.

The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.allieddigital.net and on the website of CDSL i.e. www.cdslindia.com within two days of the passing of the resolutions at the Annual General Meeting of the Company and will also be communicated to **BSE Limited and National Stock Exchange of India Limited**, where the shares of the Company are listed.

The process and manner for remote e-voting are as under:

For Members whose e-mail addresses are registered with the Company/Depositories:

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on Shareholders.
- iii. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the Name in CAPITAL letter. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- vi. After entering these details appropriately, click on **"SUBMIT"** tab.
- vii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the **EVSN** for the **'Allied Digital Services Limited'**.
- x. On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- xii. After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- xiii. Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xvii. Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**By Order of the Board of Directors,
For Allied Digital Services Limited**

**Nitin Shah
Chairman & Managing Director
DIN: 00189903**

**Mumbai
August 11, 2017**

Registered Office:

Premises No. 13A, 13th Floor, Earnest House,
NCPA Road, Block No. III, Back Bay Reclamation,
Nariman Point, Mumbai 400 021

CIN: L72200MH1995PLC085488

Website: www.allieddigital.net

Email: investors@allieddigital.net

Tel: +91 22 6681 6400

Fax: +91 22 2206 4170

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. Paresh Shah is associated with the Company as a Whole-Time Director and Chief Executive Officer (CEO) since December 15, 2009. Mr. Paresh Shah was appointed as the Director of the Company w.e.f. November 05, 2016. Hence, he has been associated with the Company more than 7 years and well acquainted with the business of the Company.

Under his supervision and guidance the Company achieved its business targets and successfully implemented various Projects.

Further, your Board of Directors on recommendation of the Nomination and Remuneration Committee, and subject to the approval of the Members at the ensuing Annual General Meeting, at their meeting held on November 04, 2016 appointed Mr. Paresh Shah as Executive Director & Chief Executive Officer (CEO) for a period of 3 years with effect from November 05, 2016 to November 04, 2019.

Mr. Paresh Shah is a Post Graduate Diploma in Business, MBA; Business Dynamics, MS Computer Science from US, BE (Hon) Electronics Engineering, with rich experience of more than 29 years in the field of IT. Prior to this Mr. Paresh Shah acted as Global Practice Head, Enterprise Technologies for Wipro.

An abstract of the terms of appointment of Mr. Paresh Shah as Executive Director and CEO as contained in the Board Resolution and Memorandum of Interest is set out below:

1. Mr. Paresh Shah shall perform the duties subject to the superintendence, control and direction of the Board of Directors of the Company.
2. Period of Appointment shall be from November 05, 2016 to November 04, 2019.
3. In consideration of the performance of his duties, Mr. Paresh Bipinchandra Shah shall be entitled to receive remuneration and other terms of appointment are as stated here in below:-
 - A. Basic Salary: ₹ 55500/- per month.
 - B. House Rent Allowance: ₹ 27750/- per month.
 - C. Medical Reimbursement: As per the rules of the Company, subject to maximum upto ₹ 1250/- per month.
 - D. Encashment of Privilege Leave: At the end of tenure as per Company's rules.
 - E. Other perquisites: The said Executive Director & CEO shall be entitled to following perquisites:
 - i. Special allowance: ₹ 10574/- per month
 - ii. Conveyance allowance: ₹ 1600/- per month
 - iii. Reimbursement of other expenses like Car Repair & Maintenance/ Car Parking/Car Expenses (Petrol & Drivers Salary) upto maximum of ₹ 20,000/- per month.
 - F. Minimum remuneration: Notwithstanding anything mentioned in this part, during the currency of the tenure of the Executive Director & CEO, where the Company has no profits or its profits are inadequate, the Company shall pay him by way of salary and perquisites not exceeding the limits specified above.
 - G. Sitting Fees: The Executive Director & CEO, so long as he functions as such, will not be entitled to any sitting fees for attending meetings of the Board of Directors or committee thereof.
 - H. Notice period: The Appointment may be terminated at any time by either party hereto by giving to the other 3 months notice in writing for such termination and neither party will have any claim against other for damages or compensation by reason of such termination. In any event, the Executive Director & CEO shall not be entitled to any compensation.
 - I. Cessation of director: If Mr. Paresh Shah ceases to be a CEO of the Company, he shall cease to be Executive Director of the Company.

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 disclosures pertaining to the appointment of Executive Director & Chief Executive Officer of the Company are as under:

Name of the Director	Mr. Paresh Bipinchandra Shah
Age	50 years
Date of appointment on the Board	November 05, 2016
Term	Three years from the date of appointment
Education Qualification	PGD in Business, MBA; Business Dynamics, MS Computer Science, BE (Hon) Electronics Engineering
Background details, Recognition or awards and Experience & Expertise	<p>Experience & Expertise</p> <p>Rich Experience in Information Technology, Expertise in Technology Consultancy</p> <p>Award & Recognition</p> <ul style="list-style-type: none"> - Digital Transformational Leaders Awards-Infrastructure awarded by Cebit India - Most promising Entrepreneur in APAC awarded by Enterprise Asia
Shareholding in the Company	Nil
Terms and Condition of appointment (Other brief terms also required to be stated)	<ul style="list-style-type: none"> - He shall not take up any full or part time employment or assignment, remunerative or honorary or be interested directly or indirectly in any other trade or business during his employment with the company. - During his employment with the company he may come across of companies' plans, policies, undisclosed records designs and/ or strategies which are confidential in nature and he requires to maintain its confidentiality. - During his employment with the company he shall not disclose directly or indirectly any document about the company or its associate or subsidiary in public or use logo or trademark of the company. <p>He shall be liable to retire by rotation.</p>
Details of Remuneration sought to be paid	₹ 11.96 Lakhs
Remuneration last drawn	₹ 11.60 Lakhs
Number of Meetings attended during the year	Four
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mr. Paresh Bipinchandra Shah does not have any relationship with other Directors, Manager and other Key Managerial Personnel of the Company. The Executive Director has no pecuniary relationship with the Company apart from the receipt of remuneration and perquisites entitled as a Executive Director & Chief Executive Officer of the Company
Other membership/Chairmanship of Committees of the Boards	Nil
Directorship in other Indian Public Limited Companies as on 31st March 2017	Nil

Further disclosures in pursuant to the provisions of Schedule V of the Companies Act, 2013:

I	GENERAL INFORMATION		
	1.	Nature of Industry	Information Technology
	2.	Date or expected date of commencement of Commercial production	The Company has been engaged in the business of Information Technology since more than 2 decades.
	3.	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	Not applicable
	4.	Financial performance based on the given indicators	Financial performance based on the Audited Accounts for the year ended 31 st March, 2017 is as under:
		Sales	₹ 7810 Lakhs
		Profit after Tax	₹ 224 Lakhs
		Asset Turnover Ratio	7.9
		Current Ratio	1.55
		Profit to Net Sales	2.87%
	5.	Export performance and net foreign exchange realisation	The total export sales realised during the year at the year ended March 31, 2017 amounts to ₹ 2733 Lakhs
	6.	Foreign investments or collaborations, if any	The Company' total investment as on 31 st March, 2017 in its foreign Subsidiary Companies is ₹ 14742 Lakhs.
II	Information about the appointee		
	1.	Background details	Mr. Paresh Shah has more than 29 years of Experience in Information Technology Industry.
	2.	Recognition or awards	- Digital Transformational Leaders Awards-Infrastructure awarded by Cebit India - Most promising Entrepreneur in APAC awarded by Enterprise Asia
	3.	Job profile and his suitability	The Director & CEO is responsible and accountable for the overall management of the Company.
	4.	Comparative remuneration profile with respect of industry, size of the company, profile with the position and person.	The proposed remuneration of the Director & CEO is comparable with the other companies in the Industries.
	5.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Paresh Shah, Director & CEO is neither Promoter of the Company and nor related to any Promoters/ Managerial Personnel of the Company.
III	Other information*		
	1.	Reasons of loss or inadequacy of profits	Though the Company has made profit during the year, Company is expected to perform better in coming years and the productivity and profits are expected to be improved.
	2.	Steps taken or proposed to be taken for improvement	
	3.	Expected increase in productivity and profits in measurable items	

As per the provisions of Section 196, 197, 198, 203 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act, it would be necessary to seek approval of members to the said appointment by way of special resolution. Hence, resolution mentioned under Item No. 4 of the notice is proposed to seek your consent.

Except Mr. Paresh Shah no other Directors, Key Managerial Personnel and their relatives shall be deemed to be concerned or interested in the above resolution.

**By Order of the Board of Directors,
For Allied Digital Services Limited**

**Nitin Shah
Chairman & Managing Director
DIN: 00189903**

**Mumbai
August 11, 2017**

Registered Office:

Premises No. 13A, 13th Floor, Earnest House,
NCPA Road, Block No. III, Back Bay Reclamation,
Nariman Point, Mumbai 400 021
CIN: L72200MH1995PLC085488
Website: www.allieddigital.net
Email: investor@allieddigital.net
Tel: +91 22 6681 6400
Fax: +91 22 2206 4170

ANNEXURE TO ITEMS 2:

Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting of the Company.

[In pursuance of Regulation 36 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Name of the Director	Mr. Prakash Shah
Director Identification Number (DIN)	00189842
Date of Birth	18/04/1962
Age	55 years
Nationality	Indian
Date of Appointment on Board	1 st September, 2016
Qualification	Bachelor Degree in Commerce, Diploma in Computer Management
Expertise in specific functional areas	Finance, Taxation and Accounts
Shareholding in Allied Digital Services Limited	8178348 Shares
List of Directorships held in other Companies	<ol style="list-style-type: none"> 1. En Pointe Technologies Private Limited 2. Assetlite Equipments India Private Limited 3. Allied CNT Solutions Private Limited 4. Allied-eCop Surveillance Private Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Allied Digital Services Limited	The Director is the Member of Audit Committee and Stakeholders Relationship Committee in the Company.
Relationships between the Directors inter-se	The appointee is the brother of Mr. Nitin Shah, Chairman and Managing Director
Details of Remuneration sought to be paid	₹ 26.53 Lakhs
Remuneration last drawn	₹ 29.38 Lakhs
Number of Meetings attended during the year	Five

BOARDS' REPORT

To

The Members

Allied Digital Services Limited

Your Directors have pleasure in presenting the **Twenty Third Annual Report** of Allied Digital Services Limited on the business and operations of your Company together with the Audited Standalone and Consolidated financial statements for the year ended 31st March, 2017.

1. FINANCIAL RESULT:

Indian Accounting Standards:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statement for the financial year ended 31st March, 2017 are the Company's first Ind AS compliant annual financial statements with comparative figures for the year ended 31st March, 2016 also under Ind AS, with a transition date of 01st April, 2015 and IGAAP as the previous GAAP:

The following are the areas which had an Impact on account of transition to Ind AS:

- business combinations including recording of intangible and deferred taxes and accounting for common control transactions;
- fair valuation of certain financial instruments;
- employee costs pertaining to defined benefit obligations;
- Discounting of certain long-term liabilities;
- share based payments.

The reconciliations and descriptions of the effect of transition from IGAAP to Ind AS have been provided in Note 29 in the notes to accounts in the standalone and consolidated financial statements.

Key highlights of the financial statements of the Company for the year ended 31st March, 2017:

The Company's performance for the year ended 31st March, 2017 as compared to the previous financial year, is summarized below:

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Total Operational Income	7810.42	10340.70	21530.25	23705.82
Other Income	639.22	629.34	193.65	568.07
Total Income	8449.63	10970.04	21723.90	24273.89
Less: Operating Expenditure	4897.84	7432.36	17458.49	19588.80
Profit before Interest, Depreciation, Amortization, Tax & Exceptional Item	3551.79	3537.68	4265.41	4685.09
Less: Depreciation	1355.95	1596.65	2142.49	2175.00
Less: Finance cost	1504.85	1863.66	1578.28	1908.30
Profit before Tax and Exceptional Item	690.98	77.37	544.63	601.79
Exceptional Item	-	-	-	-
Profit before Tax	690.98	77.37	544.63	601.79

Particulars	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Less: Provision for Taxation	160.00	55.00	220.61	206.67
Less: Deferred Tax Liability	354.11	(22.10)	354.00	(22.11)
Net Profit after tax	176.87	44.47	(29.98)	417.23
Other Comprehensive Income	46.98	37.89	455.33	11.52
Shares of Profit/(Loss) of Associates & Joint Ventures	-	-	(4.67)	-
Total Comprehensive Income (after tax)	223.85	82.36	420.68	428.75
Attributable to Owners of the Parent	-	-	378.03	351.75
Attributable to Non-Controlling Interest	-	-	(42.65)	(77.00)
Paid-up equity share capital (Face Value of ₹ 5/-)	2,510.28	2,510.28	2,510.28	2,510.28
Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year	42,457.41	42,591.06	41,686	41,665
Earning per Share (Refer Note 9)				
Basic	0.35	0.10	(0.07)	0.90
Diluted	0.35	0.10	(0.07)	0.90

2. RESULT OF OPERATING PERFORMANCE, ONGOING PROJECTS & STATE OF AFFAIRS:

Considering the challenging environment of the global as well as the Indian economy, the Company's performance was lower than the targets but with the strict cost control measures, the Company was able to improve its PBT margins to 8.18% of the total income as compared to less than one percent of revenue for the previous financial year.

The state of affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this report.

a. Consolidated Financial Statements:

In accordance with the Companies Act, 2013 ("the Act") and implementation of Indian Accounting Standards (Ind AS) Rules on accounting and disclosure requirements, which is applicable to the Company from the current year and as prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the audited consolidated financial statements is provided in the Annual Report.

The Consolidated Financial Statements for the financial year ended 31st March, 2017 are the Company's first Ind AS complied annual consolidated financial Statements with comparative figures for the year ended 31st March, 2016 also under Ind AS, with a transition date of 01st April, 2015 and IGAAP as the previous GAAP.

b. Revision of Financial Statement:

There was no revision of the financial statements pertaining to previous financial years during the year under review.

c. Disclosure of Internal Financial Controls

The Company has adopted policies and procedures for ensuring the orderly and effective conduct of its business, including adherence to the Company's policies for safeguarding of its assets, the prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

3. RECENT DEVELOPMENTS:

The company has strategically aligned its ship for today and next generation technologies by putting focus on training, research and new business models for services and product development. Internationally, the company has added partnerships to get new subcontract business as well as strengthened the down-stream partnerships to deliver quality services. ADiTaaS ITSM platform has acquired customers like 'Air India' in India, "Embed" in UK, "Boyd group" in UK and many indirect customers. A lot of service automation capability has been achieved this year. This has further enhanced capabilities to deliver next generation managed services and also support DevOps environments.

4. TRANSFER TO RESERVES:

The Company has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to the Profit and Loss surplus account.

5. DIVIDEND:

Considering the working capital requirement for the future businesses, it was decided to retained the profit earned in the Company for the current financial year.

6. REPORT ON HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY:

- a. As on 31st March 2017, the Company has seven subsidiaries and two associate company. The Company did not have any joint venture company. Following are the details of subsidiary and associate companies:

Sr. No.	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of becoming of Subsidiary / Joint ventures/ Associate Company.
1.	Allied Digital Services, LLC (USA)	Subsidiary	02 nd July, 2008
2.	Allied Digital INC (USA)	Subsidiary	31 st October, 2007
3.	Allied Digital Singapore Pte Limited	Subsidiary	12 th October, 2010
4.	Allied Digital Asia Pacific Pty Limited (Australia)	Subsidiary	16 th September, 2010
5.	En Pointe Technologies India Private Limited	Subsidiary	29 th December, 2006
6.	Allied-eCop Surveillance Private Limited	Subsidiary	06 th August, 2007
7.	Allied Digital Services (UK) Ltd.	Subsidiary	04 th December, 2013
8.	Assetlite Equipment India Private Limited	Associate	26 th September, 2009
9.	Soft Shell System (I) Private Limited	Associate	07 th August, 2015

The statement containing the salient features of the financial of subsidiaries and associates in the prescribed Form AOC-1 is appended as **Annexure I** to the Board's Report. The statement provides the details of performance and financial positions of each of the Subsidiaries and Associates of the Company and hence not repeated here for the sake of brevity.

b. Material Subsidiaries:

Except Allied LLC, none of the subsidiaries mentioned above is a material subsidiary whose income or net worth in the immediately preceding accounting year exceeds twenty percent of the consolidated income or net worth respectively of the Company and its subsidiaries.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link:

https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_MaterialSubsidiaries.pdf

During the year, the Board of Directors reviewed the affairs of the subsidiaries from time to time and there has been no material change in the nature of the business of subsidiaries.

7. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

There have been no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year to which the financial statements relate and date of said report.

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

The particulars as prescribed under clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are as follows:

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy:

Your Company is a service based industry and does not conduct any activities related to manufacturing. Your Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards its conservation. Even though the operations of the Company are not energy intensive, the Company on continuous basis takes measures for conservation of power and other utilities.

Your Company has taken several sustainable steps voluntarily to contribute towards better environment. Select few steps/impact are listed below:

- a) Use of natural Lightning and natural ventilation;
- b) Use of energy efficient electric equipment;
- c) Educating employees and workers for energy conservation.

(ii) Steps taken by the company for utilizing alternate sources of energy:

The Company is using electricity as main source of its energy requirement however it continuously explored the possibilities of using alternate source of energy.

(iii) Capital investment on energy conservation equipment's:

For the year under review, there was no investment in energy conservation equipment's.

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption:

The Company evaluates the best available technology for improving its performance and quality of its service operations.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has not absorbed/used or acquired any new technology during the year.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology was imported during the three preceding years under review.

iv. Expenditure incurred on Research and Development:

No expenditure was incurred on research and development by the Company during the year under review.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(₹ in Lakhs)

Particulars	2016-17	2015-16
Earnings	2732.85	2874.17
Outflow (including Capital imports)	220.31	717.37
Net Foreign Exchange Earnings (NFE)	2512.54	2156.81
NFE / Earnings (%)	92	75

9. MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on Company's performance, industry trends and other material changes with respect to Company and its subsidiaries, wherever applicable, are presented in a separate section forming a part of this Annual Report.

10. EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) and section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2017 is in Form MGT-9 which is enclosed as **Annexure II** to this report.

11. DEPOSITS:

Your Company has not accepted any deposits from public during the year under review. There are certain outstanding fixed deposits accepted in earlier years from the public, as on the Balance Sheet date falling within the ambit of Section 73(1) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

The details relating to deposits, covered under Chapter V of the Act:

(₹ in Lakhs)

Particulars	2016-17	2015-16
Deposits accepted during the year	---	---
Deposits unpaid or unclaimed at the end of the year	432.39	445.78
Default in repayment of deposits or payment of interest thereon	507.98	212.70

Further, following are the details relating to the default in repayment of deposits or payment of interest thereon:

(₹ in Lakhs)

Particulars	At the beginning of the year	Maximum during the year	At the end of the year
Total amount involved	212.70	507.98	507.98

12. BOARD MEETINGS:

The Board of Directors (herein after called as "the Board") met for Five (5) times during the year i.e. on 23rd May, 2016, 01st September, 2016, 04th November, 2016, 14th December, 2016 and 13th February, 2017. The meeting details are provided in *Corporate Governance Report* that forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed in Section 173 of Companies Act, 2013.

13. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Paresh Shah, resigned from the position of Director of the Company. However, considering his long term relations with the Company and his experience in the field, at the request of the Nomination and Remuneration Committee, he rejoined the Board as an Additional Director and has been nominated as Executive Director and Chief Executive Officer (CEO) of the Company.

The Board of Directors accepted the resignation of Mr. Ravindra Joshi, Company Secretary of the Company with effect from 08th February 2017 and consequently, pursuant to the provisions of Section 203 of the Companies Act, 2013 the Board of Directors appointed Ms. Neha Sunil Bagla as the Company Secretary and Compliance Officer of the Company w.e.f. May 26, 2017.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Prakash Shah will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

14. DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013:

The Company has received and taken on record the necessary declaration from Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, confirming their independence vis-à-vis the Company as laid out in Section 149(6) of the Companies Act, 2013.

15. INTERNAL CONTROL SYSTEMS:

The Company has robust internal control systems and procedures commensurate with the nature of the Company's business and size and complexity of its operations. The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

16. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarization Programme for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model etc. The familiarisation programme for Independent Director is available on the website of the Company on the following link:

https://www.allieddigital.net/in/downloads/Inv_Policies/Familiarisation_Programme_Independent_Directors.pdf

17. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2017, the Board of Directors to their best of knowledge and ability hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and there are no material departures;
- b. such accounting policies and applied them consistently and the Directors 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 31st March, 2017 and of the profit of the Company for that period;
- c. proper and sufficient care has been taken 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;
- d. the annual accounts on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18. COMMITTEES OF BOARD:

The Board of Directors of your Company has constituted Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently five committees of the Board namely:

- Audit Committee;
- Nomination and Remuneration Committee;
- Shareholder's Relationship Committee (formerly known as Shareholders/ Investors Grievance Committee);
- Corporate Social Responsibility Committee; and
- Management Committee.

Details of Committees along with their charter, composition and attendance at the Committee Meetings are provided in Corporate Governance Report which forms part of this Report.

I. **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board has been constituted as per the provisions of Section 178 of the Companies Act, 2016 read with Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter-alia recommends to the Board the criteria for appointment of Director(s) along with the compensation terms of Executive Directors, Managerial Personnel's.

The Board has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and all other employees of the Company. The said policy is hosted on the website of the Company. The Web link of the same is as follows:

https://www.allieddigital.net/in/downloads/Inv_Policies/Nomination_Remuneration_policy.pdf

II. **AUDIT COMMITTEE**

The Audit Committee constituted by the Board of Directors of the Company, is in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Audit Committee.

III. **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Corporate Social Responsibility Committee is duly constituted as per provisions of Section 135 of the Companies Act, 2013 consisting of three (3) Directors of which two (2) Directors are Non-Executive Independent Directors and the Chairman is an Independent Director. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The detailed report on CSR activities is attached as **Annexure III** to this report.

The key philosophy of the Company's CSR initiative is to promote development through social and economic transformation. The CSR Policy of the Company can be accessed on the Company's website in the link provided herein below:

https://www.allieddigital.net/in/downloads/Inv_Policies/CSR%20Policy.pdf

19. **THE VIGIL MECHANISM:**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns and to ensure strict compliance with ethical and legal standards across the Company. The provisions of this Policy are in line with the provisions of the Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

The employees of the Company have the right to report their concern or grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy is hosted on the website of the Company at:

https://www.allieddigital.net/in/downloads/Inv_Policies/Whistle_blower_and_vigil_mechanism.pdf

20. **AUDITORS AND REPORTS:**

The matters related to Auditors and their Reports are as under:

a. **Statutory Auditor**

Observations of Statutory Auditors on accounts for the year ended 31st March 2017:

The Auditors Report to the Shareholders for the financial year ended on 31st March, 2017 does not contain any qualification or observation. The notes to accounts referred to in Auditors' Report are self-explanatory, and therefore, do not call for any further explanation or comments from the Board except as mentioned below under Section 134(3) of the Companies Act, 2013.

Ratification of appointment of Statutory Auditor:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Shah & Taparia, Chartered Accountants, Mumbai having Firm Registration Number 109463W, the Statutory Auditors of the Company have been appointed for a term of 5 years at the Annual General Meeting held on 25th September, 2014. However, their appointment as Statutory Auditors of the Company shall require to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

b. Secretarial Auditors

Secretarial Audit Report for the year ended 31st March 2017:

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the Board of Directors has appointed M/s. Pramod S. Shah & Associates, Practicing Company Secretaries, Mumbai, as Secretarial Auditors to conduct Secretarial Audit of the Company for Financial Year 2016-17. The Report of the Secretarial Audit in Form MR-3 for the financial year ended 31st March, 2017 issued by the said Secretarial Auditors is attached as **Annexure IV** and forms part of this report. The said Secretarial Audit Report is self explanatory along with the Management Reply as required under the Companies Act, 2013.

Appointment of Secretarial Auditor of the Company:

Pursuant to the provisions of Section 204 and 179(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Board of Directors of the Company has appointed M/s. Rathi & Associates, Practicing Company Secretaries as a Secretarial Auditors of the Company for the Financial Year 2017-18.

c. Internal Auditor

Pursuant to the provisions of Section 138 and Section 179(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Directors of the Company has appointed M/s. Satya Prakash Natani & Co. (Firm Registration No. 115438W), Mumbai as Internal Auditors of the Company for the Financial Year 2017-18.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All transactions entered into with related parties during the year were on arm's length basis, in the ordinary course of business and in line with the threshold of materiality defined in the Company's policy on Related Party Transactions which can be accessed through weblink:

https://www.allieddigital.net/in/downloads/Inv_Policies/Related_Party_Transaction_Policy.pdf.

There have been no materially significant related party transactions between the Company and related parties except for those disclosed in the financial statements.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure V** of this Annual Report.

22. ANNUAL EVALUATION:

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation includes Board Composition, Strategic orientation, Board Functioning and Team Dynamics, leadership style, contribution and monitoring of corporate governance practices, fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Nomination and Remuneration Committee considered and discussed the inputs received from the Directors and outcome of such evaluation process was satisfactory, which reflected the overall engagement of the Board and its Committees with the Company.

Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

23. PARTICULARS OF LOANS, ADVANCES, GUARANTEES OR INVESTMENTS:

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), disclosure on particulars relating to Loans, advances, guarantees and investments are provided as part of the financial statements.

24. ESOP 2010:

The members at the annual general meeting held on 29th September, 2010 approved Employees Stock Option Plan (ESOP 2010). The Company had granted total 502,500 options under "ESOP 2010" to the eligible employees in tranches, out of total 3,000,000 grants allocated under the effective ESOP scheme. During the financial year ended 31st March, 2017, no options were granted to employee of the Company or its' Subsidiary. Each option entitles the holder thereof to apply for and be allotted Equity Shares of the Company upon payment of the exercise price during the exercise period.

The details of present ESOP are given in the table:-

PARTICULARS	ESOP 2010 GRANT
Total Options granted by the plan (no.)	502,500
Pricing formula on date of grant	Fair Market Value
Options granted during the year (no.)	Nil
Weighted average price per Option granted (₹)	N.A
Variation in terms of Options	N.A
Options exercised during the year (no.)	Nil
Money raised on exercise of Options (Lakhs)	Nil
Options forfeited and lapsed during the year (no.)	Nil
Total number of Options in force at the end of the year (no.)	487500
Grant to senior management	Nil
Employees receiving 5% or more of the total number of Options granted during the year	N.A
Employees granted Options equal to or exceeding 1% of the issued capital	Nil
Diluted EPS in accordance with [AS-20]	N.A

25. DISCLOSURE OF REMUNERATION PAID TO DIRECTOR AND KEY MANAGERIAL PERSONNEL AND EMPLOYEES:

Information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure VI** to this report.

The further details with regard to payment of remuneration to Directors and Key Managerial Personnel are provided in Form No. MGT-9 Extract of annual return appended as **Annexure II**.

26. PARTICIPATION IN THE GREEN INITIATIVE:

The Company continues to wholeheartedly participate in the Green Initiative undertaken by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) for correspondences by Corporate to its Members through electronic mode. Accordingly, all the Members are requested to join the said program by sending their preferred e-mail addresses to the Registrar and Share Transfer Agent.

27. CORPORATE GOVERNANCE CERTIFICATE:

As required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on corporate governance is annexed to the Boards' Report. In addition to the certificate by the auditors, the Practicing Company Secretaries has also issued a certificate on corporate governance as part of the secretarial audit.

28. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year ended 31st March, 2017, no complaints have been received pertaining to sexual harassment.

29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

30. RISK MANAGEMENT:

The Company's robust risk management framework identifies and evaluates all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, legal, regulatory, reputational and other risks. The Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is integral part of our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

31. Fraud Reporting:

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

32. GENERAL:

Your Directors state no disclosure or reporting is required in respect of the following items as there are no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
3. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.

33. ACKNOWLEDGMENT:

The Board wishes to place on record its sincere appreciation of the contributions made by the employees of the Company and its subsidiaries during the year under review. Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth.

The Directors also wish to thank the Government Authorities, Financial Institutions and Shareholders for their co-operation and assistance extended to the Company.

**For and on behalf of the Board of Directors of
Allied Digital Services Limited**

**Place: Mumbai
Date: August 11, 2017**

**Nitin Shah
Chairman & Managing Director
DIN: 00189903**

**Prakash Shah
Whole Time Director
DIN: 00189842**

ANNEXURE I FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary is presented with amounts in Lakhs)

1	Name of the subsidiary	Allied Digital Services, LLC (USA)	Allied Digital INC (USA)	Allied Digital Singapore Pte Ltd.	Allied Digital Asia Pacific PTY LTD (Australia)	Allied Digital Services (UK) Ltd.	Allied-eCop Surveillance Pvt. Ltd.	En Pointe Technologies India Pvt. Ltd.
2	Nature of the Company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
3	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries	USD @ \$ 64.84/-	USD @ \$ 64.84/-	SGD @ \$ 46.42/-	AUD @ \$ 49.47	GBP @ 80.88	₹	₹
5	Share capital	3890.32	0.00	0.00	0.05	0.81	10.75	1.00
6	Reserves & surplus	(458.97)	(932.63)	(6.91)	(368.13)	110.11	(13.62)	68.38
7	Total assets	8800.31	8431.92	11.15	20.25	151.12	11.34	69.70
8	Total Liabilities	8800.31	8431.92	11.15	20.25	151.12	11.34	69.70
9	Investments	Nil	8431.46	Nil	Nil	Nil	Nil	Nil
10	Turnover	15760.78	Nil	Nil	Nil	417.56	Nil	Nil
11	Profit before taxation	262.22	Nil	Nil	(1.22)	43.71	Nil	Nil
12	Provision for taxation	52.57	Nil	Nil	Nil	8.05	Nil	Nil
13	Profit after taxation	209.65	Nil	Nil	(1.22)	35.66	Nil	Nil
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	51	100	100	100	95	80.01	100

Notes:

- Names of subsidiaries which are yet to commence operations: **Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Information in respect of each associate is presented with amounts in Lakhs)

	Names of Associates/ Joint Ventures	Assetlite Equipment India Private Limited	Softshell Systems India Private Limited
1	Latest audited Balance Sheet Date	March 31, 2017	March 31, 2017
2	Shares of Associates/ Joint Ventures held by the company on the year end	Nil	
	No of Shares	Nil	117924
	Amount of Investment in of Associates/ Joint Venture	Nil	Rs. 600 Lakhs
	Extent of Holding %	Nil	40.68%
3	Description of how there is significant influence	Common Directorship in the Company	Equity shareholding of more than 20% of the total capital
4	Reason why the associate/ joint venture is not consolidated	Financial Statements of are Assetlite Equipment India Private Limited consolidated by the Company	Financial Statements of are Softshell Systems India Private Limited consolidated by the Company
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 51.93 Lakhs	Rs. 678.48 Lakhs
6	Profit/ Loss for the year		
	i. Considered in Consolidation	0	(4.67)
	i. Not Considered in Consolidation	-	-

**For and on behalf of the Board of Directors of
Allied Digital Services Limited**

Place: Mumbai
Date: August 11, 2017

Nitin Shah
Chairman & Managing Director
DIN: 00189903

Prakash Shah
Whole Time Director
DIN: 00189842

Annexure II

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L72200MH1995PLC085488
Registration Date	February 10, 1995
Name of the Company	Allied Digital Services Limited
Category/Sub-category of the Company	Company Limited by shares Public Non-Government Company
Address of the Registered office & contact details	Premises No.13A, 13 th Floor, Earnest House, NCPA Road, Block III, Nariman Point Mumbai – 400021 Tel: +91 22 6681 6400 Fax : +91 22 27784968 Email: cs@allieddigital.net Website: www.allieddigital.net
Whether listed company	Yes
Name, address & contact details of the Registrar & Transfer Agent	Link Intime India Private Limited CIN: U67190MH1999PTC118368 C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083. Tel. No.:+91 22 4918 6270 Fax No.:+91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in; Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Software publishing, consultancy and supply, maintenance and repair of office, accounting and computing machinery	722 and 725	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN/LLPIN	Holding / subsidiary / associate	% of shares held	Applicable section
1	Allied Digital Services, LLC (USA) Address: 680 Knox St Ste 200 Torrance, CA, 90502 United States	-	Subsidiary	51	2(87)
2	Allied Digital INC (USA) Address: 3411, Silverside Road, Rodney Building, Suite 104, Wilmington DE 19801	-	Wholly-owned Subsidiary	100	2(87)
3	Allied Digital Singapore Pte Ltd. Address: 28 Bukit Pasoh Road Yee Lan Court Singapore 089842	201021848K	Wholly-owned Subsidiary	100	2(87)
4	Allied Digital Asia Pacific PTY LTD (Australia) Address: New South Wales NSW 2000, Sydney, Australia	146376918	Wholly-owned Subsidiary	100	2(87)
5	Allied Digital Services (UK) Ltd. Address: Sinckot House, 211 Station Road, Harrow, England, HA1 2TP	07806050	Subsidiary	95	2(87)
6	Allied-eCop Surveillance Pvt. Ltd. Address: Millennium Business Park, Building No. 3, Unit No. 4, Sector No. 3, Mahape Village, M.I.D.C. Navi Mumbai – 400701	U74999MH2007PTC172890	Subsidiary	80.01	2(87)
7	En Pointe Technologies India Pvt. Ltd. Address: Prestige Meridian II, 801 & 802, 8 th Floor, M.G. Road, Bangalore Karnataka –560001	U72200KA2006FTC041333	Wholly-owned Subsidiary	100	2(87)
8	Assetlite Equipment India Private Limited* Address: Premises No. 13A, 13 th floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai– 400021	U52392MH2007PTC174580	Associate Company	Nil	2(6)
9	Softshell Systems India Private Limited Address: 50, Ravindra Nagar, Near Telecom Nagar Nagpur-440022	U72100MH1998PTC117273	Associate Company	20.34	2(6)

* Due to common Directorship the Company i.e. Assetlite Equipment India Private Limited is an Associate Company

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding as on 31st March, 2017:

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	24138868	500	24139368	48.08	24138868	500	24139368	48.08	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Person Acting in Concert)	187150	-	187150	0.37	187150	-	187150	0.37	-
Sub-total (A)(1):	24326018	500	24326518	48.45	24326018	500	24326518	48.45	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	24326018	500	24326518	48.45	24326018	500	24326518	48.45	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	39742	-	39742	0.08	5500	-	5500	0.01	(0.07)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	27642	-	27642	0.06	20000	-	20000	0.04	(0.02)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	67384	-	67384	0.14	25500	-	25500	0.05	(0.08)
(2) Non-Institutions									
a) Bodies corporates									
i) Indian	3138812	-	3138812	6.25	2385831	-	2385831	4.75	(1.50)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11497392	154	11497546	22.90	12015542	20154	12035696	23.97	1.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6472902	-	6472902	12.89	7266453	30000	7296453	14.53	1.64
c) Others									
c-i) Clearing Member	851547	-	851547	1.70	459998	-	459998	0.92	(0.78)
c-ii) Foreign Nationals	2002	-	2002	-	2002	-	2002	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2016)				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c-iii) NRI (Repat)	627112	-	627112	1.25	574377	-	574377	1.14	(0.11)
c-iv) NRI (Non-Repat)	727235	-	727235	1.45	667417	-	667417	1.33	(0.12)
c-v) Foreign Companies	-	1490000	1490000	2.97	-	1490000	1490000	2.97	-
c-vi) Hindu Undivided Family	1004470	-	1004470	2.00	941736	-	941736	1.88	(0.12)
Sub-total (B)(2):	24321472	1490154	25811626	51.41	24313356	1540154	25853510	51.50	0.08
Total Public Shareholding (B)=(B)(1)+(B)(2)	24388856	1490154	25879010	51.55	24338856	1540154	25879010	51.55	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	48714874	1490654	50205528	100	48664874	1540654	50205528	100	-

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Nitin Dhanji Shah	14783031	29.45	2.67	14783031	29.45	2.67	0
2.	Prakash Dhanji Shah	8178348	16.29	2.01	8178348	16.29	4.34	0
3.	Tejal Prakash Shah	1176000	2.34	0	1176000	2.34	0	0
4.	Vivil Investments Private Limited	187150	0.37	0	187150	0.37	0	0
5.	Dhara Shah	500	0.00	0	500	0.00	0	0
6.	Nehal Shah	489	0.00	0	489	0.00	0	0
7.	Ramesh Manilal Shah	500	0.00	0	500	0.00	0	0
8.	Rohan Shah	500	0.00	0	500	0.00	0	0
	Total	24326518	48.45	4.68	24326518	48.45	7.01	0

iii. Change in Promoters' Shareholding:

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Nitin Dhanji Shah*	14783031	29.45	14783031	29.45
		There is no change in the absolute shareholding during the year.		-	-
	At the End of the year	N.A.	N.A.	14783031	29.45
2.	Prakash Dhanji Shah*	8178348	16.29	8178348	16.29
		There is no change in the absolute shareholding during the year.		-	-
	At the end of the year	N.A.	N.A.	8178348	16.29
3.	Tejal Prakash Shah	1176000	2.34	1176000	2.34
		There is no change in the absolute shareholding during the year		-	-
	At the End of the year	N.A.	N.A.	1176000	2.34

4.	Vivil Investments Private Limited	187150	0.37	187150	0.37
		There is no change in the absolute shareholding during the year		-	-
	At the End of the year	N.A.	N.A.	187150	0.37
5.	Dhara Shah	500	0.00	500	0.00
		There is no change in the absolute shareholding during the year		-	-
	At the End of the year	N.A.	N.A.	500	0.00
6.	Rohan Shah	500	0.00	500	0.00
		There is no change in the absolute shareholding during the year		-	-
	At the End of the year	N.A.	N.A.	500	0.00
7.	Ramesh Manilal Shah	500	0.00	500	0.00
		There is no change in the absolute shareholding during the year-		-	-
	At the End of the year	N.A.	N.A.	500	0.00
8.	Nehal Shah	489	0.00	489	0.00
		There is no change in the absolute shareholding during the year		-	-
	At the End of the year	N.A.	N.A.	489	0.00

*The Company has allotted 4,018,801 Equity shares to the promoters of the Company pursuant to the conversion of convertible warrants

iv. **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change\$	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	EN POINTE TECHNOLOGIES SALES INC				
	At the beginning of the year - 01.04.2016	1490000	2.97	1490000	2.97
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017	N.A.	N.A.	1490000	2.97
2	K S GOPALASWAMY				
	At the beginning of the year - 01.04.2016	1057528	2.11	1057528	2.11
Add	29.04.2016 Market Purchase	100000	0.2	1157528	2.31
Add	10.02.2017 Market Purchase	42000	0.08	1199528	2.39
Add	17.02.2017 Market Purchase	13000	0.03	1212528	2.42
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017	N.A.	N.A.	1212528	2.41
3	JIMMY JEHangir PARAKH				
	At the beginning of the year - 01.04.2016	0	0.00	0	0
Add	27.05.2016 Market Purchase	10000	0.02	10000	0.02
Add	03.06.2016 Market Purchase	18000	0.04	28000	0.06
Add	29.07.2016 Market Purchase	50000	0.10	78000	0.16
Add	05.08.2016 Market Purchase	40000	0.08	118000	0.24
Add	19.08.2016 Market Purchase	5000	0.01	123000	0.25
Add	04.11.2016 Market Purchase	500	0.00	123500	0.25
Add	11.11.2016 Market Purchase	63671	0.13	187171	0.37

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change\$		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Add	18.11.2016	Market Purchase	26963	0.05	214134	0.43
Add	25.11.2016	Market Purchase	110363	0.22	324497	0.65
Add	02.12.2016	Market Purchase	172722	0.34	497219	0.99
Add	09.12.2016	Market Purchase	12705	0.03	509924	1.02
Add	10.03.2017	Market Purchase	9210	0.02	519134	1.03
Add	17.03.2017	Market Purchase	15790	0.03	534924	1.07
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017		N.A.	N.A.	534924	1.07
4	SURESH AYODYA MAHADEVAN					
	At the beginning of the year - 01.04.2016		520000	1.04	520000	1.04
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017		N.A.	N.A.	520000	1.04
5	BRIGHTMOON SUPPLY LIMITED*					
	At the beginning of the year - 01.04.2016		400000	0.80	400000	0.80
Less	01.04.2016	Market Sale	(100000)	(0.20)	300000	0.60
Add	15.04.2016	Market Purchase	10000	0.02	310000	0.62
Less	29.04.2016	Market Sale	(12500)	(0.02)	297500	0.59
Less	13.05.2016	Market Sale	(2500)	0.00	295000	0.59
Less	20.05.2016	Market Sale	(4000)	(0.01)	291000	0.58
Less	24.06.2016	Market Sale	(70000)	(0.14)	221000	0.44
Less	01.07.2016	Market Sale	(221000)	(0.44)	00	0.00
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017		N.A.	N.A.	00	0.00
6	NITIN GORDHANBHAI THAKKER					
	At the beginning of the year - 01.04.2016		331377	0.66	331377	0.66
Add	03.06.2016	Market Purchase	10000	0.02	341377	0.68
Less	30.06.2016	Market Sale	(5000)	(0.01)	336377	0.67
Add	12.08.2016	Market Purchase	5000	0.01	341377	0.68
Less	19.08.2016	Market Sale	(10000)	(0.02)	331377	0.66
Add	09.09.2016	Market Purchase	10000	0.02	341377	0.68
Less	09.12.2016	Market Sale	(10000)	(0.02)	331377	0.66
Less	16.12.2016	Market Sale	(30000)	-0.06	301377	0.60
Add	23.12.2016	Market Purchase	11000	0.02	312377	0.62
Add	30.12.2016	Market Purchase	9000	0.02	321377	0.64
Add	13.01.2017	Market Purchase	10000	0.02	331377	0.66
Add	24.03.2017	Market Purchase	10000	0.02	341377	0.68
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017		N.A.	N.A.	341377	0.68
7	JHAVERI SATISHKUMAR UMEDLAL					
	At the beginning of the year - 01.04.2016		250940	0.50	250940	0.50
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017		N.A.	N.A.	250940	0.50
8	SHILPA SUNIL MAJITHIA					
	At the beginning of the year - 01.04.2016		230368	0.46	230368	0.46
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017		N.A.	N.A.	230368	0.46
9	SUSHIL FINANCIAL SERVICES PRIVATE LTD (BEN A/C)					
	At the beginning of the year - 01.04.2016		243349	0.44	243349	0.44
Less	01.04.2016	Market Sale	(22079)	(0.04)	221270	0.44
Add	08.04.2016	Market Purchase	11493	0.02	232763	0.46
Add	15.04.2016	Market Purchase	4736	0.01	237499	0.47
Less	22.04.2016	Market Sale	(7686)	(0.02)	229813	0.46
Add	29.04.2016	Market Purchase	2427	0.00	232240	0.46
Add	06.05.2016	Market Purchase	21421	0.04	253661	0.51

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change\$		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Less	13.05.2016	Market Sale	(11063)	(0.02)	242598	0.48
Add	20.05.2016	Market Purchase	367	0.00	242965	0.48
Add	27.05.2016	Market Purchase	8795	0.02	251760	0.50
Add	03.06.2016	Market Purchase	16446	0.03	268206	0.53
Less	10.06.2016	Market Sale	(4307)	(0.01)	263899	0.53
Less	17.06.2016	Market Sale	(2150)	(0.00)	261749	0.52
Less	24.06.2016	Market Sale	(2914)	(0.01)	258835	0.52
Less	30.06.2016	Market Sale	(19667)	(0.04)	239168	0.48
Add	01.07.2016	Market Purchase	366	0.00	239534	0.48
Add	08.07.2016	Market Purchase	19970	0.04	259504	0.52
Less	15.07.2016	Market Sale	(9543)	(0.02)	249961	0.50
Less	22.07.2016	Market Sale	(3253)	(0.01)	246708	0.49
Less	29.07.2016	Market Sale	(3843)	(0.01)	242865	0.48
Add	05.08.2016	Market Purchase	26116	0.05	268981	0.54
Less	12.08.2016	Market Sale	(22274)	(0.04)	246707	0.49
Less	19.08.2016	Market Sale	(45247)	(0.09)	201460	0.40
Add	26.08.2016	Market Purchase	500	0.00	201960	0.40
Less	02.09.2016	Market Sale	(500)	(0.00)	201460	0.40
Add	09.09.2016	Market Purchase	35994	0.07	237454	0.47
Add	16.09.2016	Market Purchase	8309	0.02	245763	0.49
Less	23.09.2016	Market Sale	(18901)	(0.04)	226862	0.45
Add	30.09.2016	Market Purchase	37891	0.08	264753	0.53
Add	07.10.2016	Market Purchase	12240	0.02	276993	0.55
Add	14.10.2016	Market Purchase	4438	0.01	281431	0.56
Less	21.10.2016	Market Sale	(24234)	(0.05)	257197	0.51
Less	28.10.2016	Market Sale	(6025)	(0.01)	251172	0.50
Add	04.11.2016	Market Purchase	30324	0.06	281496	0.56
Less	11.11.2016	Market Sale	(10690)	(0.02)	270806	0.54
Less	18.11.2016	Market Sale	(4491)	(0.01)	266315	0.53
Add	25.11.2016	Market Purchase	3035	0.01	269350	0.54
Less	02.12.2016	Market Sale	(16478)	(0.03)	252872	0.50
Add	09.12.2016	Market Purchase	40737	0.08	293609	0.58
Less	16.12.2016	Market Sale	(13290)	(0.03)	280319	0.56
Less	23.12.2016	Market Sale	(2166)	(0.00)	278153	0.55
Less	30.12.2016	Market Sale	(38799)	(0.08)	239354	0.48
Less	06.01.2017	Market Sale	(2342)	(0.00)	237012	0.47
Add	13.01.2017	Market Sale	10362	0.02	247374	0.49
Less	20.01.2017	Market Sale	(5337)	(0.01)	242037	0.48
Add	27.01.2017	Market Sale	11591	0.02	253628	0.51
Less	03.02.2017	Market Sale	(25216)	(0.05)	228412	0.46
Add	10.02.2017	Market Sale	1035	0.00	229447	0.46
Add	17.02.2017	Market Purchase	6134	0.01	235581	0.47
Add	24.02.2017	Market Purchase	2111	0.00	237692	0.47
Less	03.03.2017	Market Sale	(1720)	(0.00)	235972	0.47
Add	10.03.2017	Market Purchase	10604	0.02	246576	0.49
Less	17.03.2017	Market Sale	(22279)	(0.04)	224297	0.45
Less	24.03.2017	Market Sale	(3754)	(0.01)	220543	0.44
Less	31.03.2017	Market Sale	(3648)	(0.01)	216895	0.43
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017		N.A.	N.A.	216895	0.43

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change\$	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	RENAISSANCE ASSET MANAGEMENT COMPANY PVT LTD*				
	At the beginning of the year - 01.04.2016	233949	0.46	233949	0.46
Less	29.07.2016 Market Sale	(233949)	(0.46)	00.00	0.00
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017	N.A.	N.A.	00.00	0.00
11	ARCO ELECTRO TECHNOLOGIES PRIVATE LIMITED				
	At the beginning of the year - 01.04.2016	219000	0.44	219000	0.44
Less	28.10.2016 Market Sale	(18000)	(0.04)	201000	0.40
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017	N.A.	N.A.	201000	0.40
12	RAJENDRA RAJARAM DHOLE				
	At the beginning of the year - 01.04.2016	160500	0.32	160500	0.32
Add	22.04.2016 Market Purchase	7865	0.02	168365	0.34
Add	29.04.2016 Market Purchase	6635	0.01	175000	0.35
Add	13.05.2016 Market Purchase	10000	0.02	185000	0.37
Add	03.06.2016 Market Purchase	12000	0.02	197000	0.39
Add	05.08.2016 Market Purchase	1500	0.00	198500	0.40
Add	02.09.2016 Market Purchase	1124	0.00	199624	0.40
Less	07.10.2016 Market Sale	(1000)	(0.00)	198624	0.40
Add	21.10.2016 Market Purchase	6600	0.01	205224	0.41
Less	04.11.2016 Market Sale	(4200)	(0.01)	201024	0.40
Less	11.11.2016 Market Sale	(6600)	(0.01)	194424	0.39
Less	18.11.2016 Market Sale	(11000)	(0.02)	183424	0.37
Less	25.11.2016 Market Sale	(19924)	(0.04)	163500	0.33
Add	23.12.2016 Market Purchase	26500	0.05	190000	0.38
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2017	N.A.	N.A.	190000	0.38

* Not in the list of Top 10 shareholders as on 31-03-2017. The same has been reflected above since the shareholder were Top 10 shareholders during 01-04-2015.

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Nitin Dhanji Shah	14783031	29.45	14783031	29.45
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	14783031	29.45
2.	Prakash Dhanji Shah	8178348	16.29	8178348	16.29
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	81,78,348	16.29
3.	Paresh Bipinchandra Shah	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	NIL	0
4.	Shrikant Navnitlal Parikh	Nil	0	Nil	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	NIL	0
5.	Venugopal Ramaswami Iyengar	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	NIL	0

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	Roopkishan Sohanlal Dave	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	NIL	0
7.	Shubhada Keshav Jahagirdar	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	NIL	0
8.	Gopal Tiwari	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2017)	N.A.	N.A.	NIL	0
9.	Ravindra Vishnuprasad Joshi	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (Resignation w.e.f. 08.02.2017)	N.A.	N.A.	NIL	0

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

			(₹ in lakhs)
	Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year (01.04.2016)	8259.37	1208.65	445.78
Change in Indebtedness during the financial year	(1373.74)	556.32	(13.39)
Indebtedness at the end of the financial year (31.03.2017)	6885.63	1764.97	432.39

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Name of the MD/WT/Manager			(₹ in lakhs)
		Nitin Shah, Chairman & Managing Director	Prakash Shah, Whole-time Director	Paresh Shah, Director & CEO	Total Amount (in Lakhs)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	43.27	26.53	11.96	81.76
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	43.27	26.53	11.96	81.76
	Overall Ceiling as per the Companies Act, 2013				81.99

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	(a) Fee for attending board/committee meetings*	Mr. Shrikant Navnitlal Parikh	1.20
		Mr. Venugopal Ramaswami Iyengar	1.10
		Ms. Shubhada Keshav Jhagirdar	0.60
		Mr. Roopkishan Sohanlal Dave	0.55
	(b) Commission		-
	(c) Others, please specify		-
	Total (1)		3.45
2	Other Executive Directors		-
	(a) Fee for attending board/committee meetings		-
	(b) Commission		-
	(c) Others please specify		-
	Total (2)		-
3	Other Non Executive Directors		-
	(a) Fee for attending board/committee meetings		-
	(b) Commission		-
	(c) Others, please specify		-
	Total (3)		-
	Total (B)=(1+2+3)		3.45
	Total Managerial Remuneration		
	Overall Ceiling as per the Companies Act, 2013\$		N.A.

* The amount includes sitting fees paid for attending Board Meeting, Audit Committee Meeting and Nomination and Remuneration Committee Meeting and Shareholders Grievance Committee and Corporate Social Responsibility Committee.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
1	Gross Salary	Gopal Tiwari (CFO)	Ravindra Joshi (CS)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24.78	1.52	26.30
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others	-	-	-
	Total	24.78	1.52	26.30

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

**For and on behalf of the Board of Directors of
Allied Digital Services Limited**

Place: Mumbai
Date: August 11, 2017

Nitin Shah
Chairman & Managing Director
DIN: 00189903

Prakash Shah
Whole Time Director
DIN: 00189842

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013]

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The Corporate Social Responsibility has been integral part of the company. The Board of Directors along with its Management and all the employees of the Company subscribe to the philosophy of compassionate care. The Company believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that work for everyone.

The Company's, CSR initiative focus on the holistic development of our host communities while creating social, environmental and economic value to the society.

The CSR policy of the Company is available on the Company's web-site and can be accessed in the provided link: https://www.allieddigital.net/in/downloads/Inv_Policies/CSR%20Policy.pdf

- The composition of the CSR Committee:**

The Corporate Social Responsibility Committee (the CSR Committee) of the Board is responsible for overseeing the execution of the Company's CSR Policy, and ensuring that the CSR Objectives of the Company are met. The CSR Committees comprises of 3 Directors as follows:

Sr. No.	Name	Designation	Category
1	Ms. Shubhada Jahagirdar	Chairman	Independent Director
2	Mr. Prakash Shah	Member	Whole-time Director
3	Dr. Shrikant Parikh	Member	Independent Director

- Average Net Profit of the Company for last three financial years: ₹ 631.79 Lakhs**
- Prescribed CSR Expenditure (2% of the amount as per item 3 above): ₹ 12.64 Lakhs**
- Details of CSR spent during the financial year:**

Sr. No.	Particulars	Amount (₹)
a)	Total amount spent for the financial year	Nil
b)	Amount unspent, if any	Nil
c)	Manner in which the amount spent during the financial year	Nil

- Reasons for not spending two percent of the average net profit of the last three financial years:**
The company is under the process of identifying the valid avenues to spend the CSR amount.
- The implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.**

For and on behalf of the Board of Directors of
Allied Digital Services Limited

Nitin Shah
Chairman & Managing
Director

DIN: 00189903

Shubhada Jahagirdar
Chairman of CSR Committee

DIN: 00895950

Place: Mumbai

Date: August 11, 2017

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Allied Digital Services Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Allied Digital Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of Companies books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed here under and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable clauses of:

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
3. The Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) (SS-1 & SS-2).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

1. *As per Section 73 (3) of the Companies Act, 2013, every deposit accepted by a company under sub-section (2) shall be repaid with interest in accordance with the terms and conditions of the agreement referred to in that sub-section. The Company has not paid the entire amount of the principal and interest. The Management has informed that the repayment of the principal and interest amount of the fixed deposit holders is in process and a majority of the amount has already been repaid by the Company and rest of the amount shall be paid at the earliest.*
2. *As per FEMA Circular of RBI pertaining to Overseas Direct Investments (ODI) dated April 13, 2016 which provides for Submission of Annual Performance Report (APR). The Company has not filed Annual Performance Report (APR) within the stipulated time. However, the Management has informed that they are in the process of filing the same.*

3. *The Company has not been regular in depositing statutory dues (Provident Fund, Employees State Insurance, Sales Tax, etc.) The Management responded that the provident fund liability has been almost paid till March, 2017 and the Company is in process of clearing all its overdue statutory liabilities.*
4. *The Company has paid excess amount of Managerial Remuneration in the Financial Year 2015-16 and the Directors have been receiving the same Remuneration for the past eight (8) years. As per Section 198 of the Act, Form MR-2 is required to be filed with Central Government for waiver for excess remuneration paid to managing director or whole time director or manager and commission or remuneration to directors, which has not been filed. However, the Management has informed that they are in the process of filing the same.*
5. *As per Employee Stock Option Purchase (ESOP) guidelines 99 Regulation 14, every Company that has passed a resolution for an Employee Stock Option Scheme (ESOS) under Clause 6.1 of these guidelines, the Board of Directors shall at each Annual General Meeting (AGM) place before the shareholders a Certificate from the Auditors of the Company that the scheme has been implemented in accordance with these guidelines and in accordance with the resolution of the Company in the General Meeting. The Company has not placed such Certificate at the AGM for the Financial Year 31st March 2016.*
6. *The Company has advanced loans to its Wholly owned Subsidiary in USA, as stated in the Notes to Consolidated Financial Statements (Note 12: Non-Current Investments) which should have been classified as Contribution towards Working Capital of Subsidiary under the head of Loans and Advances, but it has been classified as Investments. Further, no shares have been issued by the Company for the same. However, the Management has responded vide Management Representation Letter dated August 23, 2017 that the same has been erroneously printed in the Notes to Consolidated Financial Statements.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meetings were carried out unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor, Internal Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure I.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as mentioned above and listed in Annexure II.

We further report that during the audit period there were no specific events/ actions having a major bearing on the Company's affairs.

Place: Mumbai
Date: August 11, 2017

Bharat Sompura - Partner
Membership No.: A10540
C.P No.: 5540

Annexure I

To,

The Members

Allied Digital Services Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the audited accounts for the Financial Year March 31st, 2017 as provided to us by the Company.
4. Where ever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: August 11, 2017

Pramod S. Shah & Associates
(Practising Company Secretaries)

Bharat Sompura - Partner
Membership No.: A10540
C P No.: 5540

Annexure II

1. Employees' Provident Fund Act, 1952 and Rules;
2. Professional Tax Act, 1975 and Rules;
3. Payment of Gratuity Act, 1972;
4. Apprentices Act, 1961;
5. Contract Labour (R&A) Act, 1970;
6. Employees State Insurance Act, 1947;
7. Employees' Provident Fund and Misc Provisions Act, 1952;
8. Equal Remuneration Act, 1976;
9. Minimum Wages Act, 1948;
10. Payment of Bonus Act, 1965;
11. Shop and Establishment Act, 1948;
12. Income Tax Act, 1961;
13. Finance Act, 1994;
14. Information Technology Act, 2000 as amended from time to time.

Place: Mumbai
Date: August 11, 2017

Pramod S. Shah & Associates
(Practising Company Secretaries)

Bharat Sompura - Partner
Membership No.: A10540
C. P No.: 5540

ANNEXURE V FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provision thereto

1. Details of material contracts or arrangement or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

Sr. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
1.	Allied Digital Services (UK) Limited	Rendering of Services	On going	₹ 295.13 Lakhs	23 rd May 2016 1 st Sep 2016 14 th Dec 2016 13 th Feb 2017	Nil
2.	Allied Digital Services, LLC	Rendering of Services	On going	₹ 2437.72 Lakhs	23 rd May 2016 1 st Sep 2016 14 th Dec 2016 13 th Feb 2017	Nil

**For and on behalf of the Board of Directors of
Allied Digital Services Limited**

Place: Mumbai
Date: August 11, 2017

Nitin Shah
Chairman & Managing Director
DIN: 00189903

Prakash Shah
Whole-Time Director
DIN: 00189842

ANNEXURE-VI

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director during the Financial Year 2016-17 are as under:

Sr. No.	Name and Designation of Director	Remuneration (Rs. In Lakhs)	% Increase/(decrease) in Remuneration in the Financial Year 2016-17	Ratio
1.	Mr. Nitin Shah Chairman & Managing Director	43.27	(11.24)	16.17
2.	Mr. Prakash Shah Whole-time Director	26.53	(9.70)	9.92
3.	Mr. Paresh Shah Executive Director & Chief Executive Officer	11.96	Nil	4.47
4.	Mr. Venugopal Iyengar# Independent Director	N.A	-	-
5.	Dr. Shrikant Parikh# Independent Director	N.A	-	-
6.	Dr. Roopkishan Dave# Independent Director	N.A	-	-
7.	Ms. Shubhada Jahagirdar Independent Director	N.A	-	-
8.	*Mr. Ravindra Joshi Company Secretary	1.52	Nil	0.57
9.	Mr. Gopal Tiwari Chief Financial Officer	24.78	Nil	9.26

**Mr. Ravindra Joshi, Company Secretary resigned w.e.f. 08th February 2017.*

#Independent Directors have received only sitting fees and no other remuneration have been paid to them.

- ii. **The percentage increase in the median remuneration of employees in the Financial Year:**

The Median remuneration of the employees in the financial year 2016-17 was increased by 17.36% as compared to the financial year 2015-16.

The Median Remuneration of employees of the Company for the financial year 2016-17 was Rs. 2,67,570

- iii. **There were 504 permanent employees on the rolls of Company as on 31st March, 2017:**

- iv. Average percentile increase in the median remuneration of comparable employees in the Financial Year 2016-17 other than the managerial personnel was 17.36% and the decrease in the salary of the Managerial personnel was 7.36%.

The above increase in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2016-17, the individual performance of the employees, the criticality of the roles they play and skills set they possess. The decrease in the total remuneration of the MD, WTD & CEO was linked with the improvement in the overall performance of the Company and his individual performance during the previous Financial Year.

- v. **Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Policy for Nomination & Remuneration of the Directors, Key Managerial Personnel and other Employees.

**For and on behalf of the Board of Directors of
Allied Digital Services Limited**

Place: Mumbai

Date: August 11, 2017

**Nitin Shah
Chairman & Managing
Director
DIN: 00189903**

**Prakash Shah
Whole-time Director
DIN: 00189842**

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) Top ten employees of the Company in terms of remuneration drawn during the year:

Sr. No.	1	2	3	4	5	6	7	8	9	10
Name	Mohinder Chandna	Jawahar Ali	Adil Wadia	Sunil Nair	Hanoz Patel	Pratik Parikh	Pratik Pudage	Neville Clubwalla	Pawan Pal	Brahmaji Rao Yerrmsetty
Designation	VP-Operations	CEO-ISG	Country Manager - technology support	Business Head- RMS	Manager - NOC	Head- Integrated Solution Project	Technical Leader Microsoft Specialist	Sr. Manager - Technical IBMS & Control Solutions	Manager- managed Services	Operation Manager IT
Remuneration paid	2400270	240000	2040948	1696984	1382329	1500000	1384498	1572165	1333618	1293017
Nature of employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications	ME in Comp Science and Diploma in Business Management	Bachelor of Science	B.E in Electronics	Bachelor of Science	BSC Business Information System	Diploma In Mechanical Engineering	B.E in Electronics	MBA and Bachelor Degree in Commerce	MBA and Bachelor Degree in Commerce	B.Tech
Experience (years)	5	12	7	8	6	9	1	6	4	5
Date of commencement of employment	20 th August, 2012	13 th June, 2005	11 th January, 2010	3 rd August 2009	31 st October, 2011	27 th May, 2008	2 nd June, 2016	18 th July, 2011	8 th October, 2013	1 st January, 2012
Age (years)	55	65	53	42	35	50	37	53	34	36
Previous Employment	Reliance Communications	CMS Computers Ltd	CMS Computers Ltd	Zenith Infotech	Iycon India Pvt. Ltd.	Prompt Computer Services Pvt Ltd.	Capgemini India Pvt. Ltd	CMS Computers Ltd	Zenta Technologies	Enpointe Technologies
Percentage of equity shares held in the Company along with his spouse and dependent children	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Whether relative of Director or Manager	No	No	No	No	No	No	No	No	No	No

b) Employees of the Company in terms of remuneration drawn as per Sub-Rule (i) to (iii) of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Nil

**For and on behalf of the Board of Directors of
Allied Digital Services Limited**

Nitin Shah
Chairman and
Managing Director
DIN: 00189903

Prakash Shah
Whole-time Director
DIN: 00189842

Place: Mumbai
Date: August 11, 2017

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENT:

This year has been revolutionary for the Indian Economy. The major reforms being, De-monetization and the GST. These reforms have given a strong foothold enabling economic stability for India. There is huge interest in developed countries about India and its growth. The economic image of India has vastly improved. The rupee looks stable and strong. In spite of turbulence across the globe, including political, Indian economy seems to have gained good stability and promises robust growth.

While the numbers for 2016-17 showed a dip in growth in GDP, including the service sector, which dipped almost by 20 percent, however yet fiscal year 2017-18 looks to be on improvement, and GST surely once settled, will give further boost. The government has been continuously laying new initiatives for startups, skill development and Make-In-India and the agriculture sector. Due to decent monsoon season predicted this year too, the economy though currently has some volatility but overall is stable and continues to remain bullish for next 5-6 quarters.

The IT industry in India is in tough times. There is a slowdown in outsourcing. The “Trump” effect is making huge impact to staffing model based IT industries. Another major disruption is coming through automation. IT services automation is going to new levels in terms of Robotics and Artificial Intelligence.

There are more layoffs in IT in India than ever. Finding quality resources in emerging technologies is still a challenge. However, the local IT demand for government vertical projects is in top gear. Corporate IT demand still remains sluggish due to below average corporate performance across most verticals.

In the international markets, margins remain under pressure. Outsourcing is slowing down. However your company has lesser impact, since we have an onsite/offshore/hybrid operations model. Definitely, there is an upswing in local employment, which is a plus point for companies who are not dependent on visa and have a diverse business model. Your company’s global business model has got little impact on the changing labor policies of the US but it is constantly watchful.

COMPANY STRUCTURE, DEVELOPMENT AND PERFORMANCE

Allied Digital is a comprehensive IT services and solutions company. The company undertakes IT services contracts as well as provides transformative solutions to its customers. Allied Digital has 6 key faces of offerings named as “ADiCube”. The below offering-wise description gives more understanding of the company’s performance.

ADiInfra offering deals with remote managed services contracts. Close to 12 customers, small and large got added last year. The Network operations center at Mumbai handles hundreds of devices of each customer for supporting their enterprise applications, servers, storage, networks and security. Also, many transformative projects including data center migration were completed this year. A lot of service automation capability has been achieved this year. This has further enhanced capabilities to deliver next generation managed services and also support DevOps environments.

ADiUser offering is one of the company’s flagship offering. The company continues to handle million plus end user service calls this year too. The center in Europe is now also poised to handle European language calls. The company has done some exciting transformation projects such as Uniform Microsoft Platform management, Windows 10 global migration and Office365 support.

ADiTaaS ITSM platform has acquired customers like ‘Air India’ in India, “Embed” in UK, “Boyd group” in UK and many indirect customers, as today all infrastructure business of the company rides on this software platform. In the mid of third quarter, a new release (Version 4.0) of ADiTaaS is planned, that will address improved user interface, extended mobility features and cheaper offering. By the way, there is a new roadmap for ADiTaaS to emerge as a digital service management platform.

ADiCloud business deals with cloud services. There is plenty of competition. The company is trying to create a niche in the cloud DevOps, and have now good expertise in both, Amazon and Microsoft cloud platforms. New tie-ups are envisioned in this market. Cloud services still has huge scope in India and globally.

ADiApps offering implemented a complex project for one of their construction companies in the US. This was a major achievement this year. It was a comprehensive solution for one of the construction testing companies.

ADiInsight offering specifically remains the big driver for Allied digital. With the increased attention to IoT and growing projects in smart city solutions, as well as building management solutions, the company is strategically poised to deliver state-of-the-art technology solutions for government as well as real-estate and retail sector. The company has acquired a home automation company to further enhance its outreach into building automation and high-end home automation. The company also got engaged in another sub-contract for smart city and is presently actively involved in multiple government smart city projects. Due to high level of Master Systems Integration capability, the company is taking up exciting initiatives in large smart city projects.

Disruption is the key today for every business to survive, and IT remains the key enabler. Technologies such as Analytics, Mobility, Artificial Intelligence and IoT are the key drivers. There is a rising interest in IT security, more than ever, where the company's SOC is well poised to get projects. The company recently delivered the first phase of a large transformation project in India. The company has strategically aligned its ship for today and next generation technologies by putting focus on training, research and new business models for services and product development. Internationally, the company has added partnerships to get new subcontract business as well as strengthened the down-stream partnerships to deliver quality services. The company plans to open an R&D center in Finland for ADiTaaS which will bring a strong footage into blending service management and systems integration into the digital world. Further, the company also has plans to nurture startups.

RISKS AND CONCERNS

The company is exposed to interest rate risk, currency fluctuations, credit risk and regulatory risks. The risk management plans are under execution, with multiple internal audits. Risks are monitored at various control points and reviewed quarterly basis by the management. The new regulatory policies especially the GST implementation, mandate careful and continuous cashflow management and meticulous budgetary planning.

As the technology is making revolutionary change, the company has been on constant endeavor to adopt change and innovate, in this respect, it is ensuring, there is potential for new business opportunities.

Delivery risks, as ensuring high quality service by delivering top SLAs have been challenging but the company has been performing consistently well and has been able to get timely payments from government and corporates, thus controlling the receivables risk. Global delivery poses multiple challenges but current success stories assures confidence in delivering complex, global large scale projects that span 80 plus countries.

Being in services industry, loosing good talent is always a risk. Measures are in place to mitigate this risk. Cross training and new skill-training is the key which is rigorously followed.

Adequate business insurance policies are also in place on errors and omissions and general liability.

SWOT Analysis of Indian IT Industry

India's IT industry is growing and will continue the same growth as last year. However, there are certain challenges which are being addressed here as part of the analysis.

Strengths:

- India has sufficient talent pool and related education establishments to match the global demands of sourcing talent for IT.
- India is on cutting edge of technology. Companies like Google, Amazon and Apple are doing huge investments in India. Electronics manufacturing, for IoT is on the rise.
- English language communication is a major advantage.
- Technology is the enabler for change in almost all businesses globally, hence there is tremendous opportunity for creating disruption for every business.
- The push for "Digital India", "Make In India", "Skill India" are pumping new energy into the Indian IT industry. The government is proactive in supporting Indian IT industry through global political and economic challenges.

Weaknesses

- Quality of Talent in new technologies such as Domain based Analytics is a challenge.
- Special skill resources such as security, robotics and data scientists are still a challenge
- Cost of resources is ever increasing, while margins are not increasing. IT industry.
- Outsourcing and traditional software development work is reducing.
- While startups have some support from the Indian finance bodies, the mid-size businesses still face a lot of challenge in funding.

Opportunities

- Demand for IT will continue to grow as most businesses cannot survive without IT.
- The transformation wave, is opening up new opportunities for businesses to spend on new technologies to generate new business growth in e-commerce, business automation and analytics.

- New opportunities in African continent as well as in middle east.
- Segments such as IT security, Analytics, Artificial Intelligence are in high demand.

Threats

- Other countries are fast picking up in their global market share for IT.
- A lot of innovation is happening in countries like China.
- Immigration laws in countries like US and UK are a challenge for Indian IT industry.
- ITeS business is still diverted to other countries due to higher cost of manpower in India. Due to some job opportunity challenges, labor cost growth is in better control than last year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Your company has put a lot of emphasis on improving the internal control systems in multiple areas such as finance, sales, legal and HR.

- In the areas of finance, the company has taken large steps in strengthening the internal audits. Accounting practices are in place and well adopted. Alert mechanism is in place for regulatory changes. Regular collection process is setup. GST related change was timely well handled.
- On the sales front, more emphasis is put in customer credit checks, profitability and sales closures. Pre-sales process is undergoing costing process.
- On the delivery and operations side, while we improved on our soft skills and alerts communication, we have also made good progress into automation and customer systems health checks. This has vastly improved our overall quality of delivery, reducing customer concerns.
- New software is implemented for managing contracts, in the US. This year we plan to implement the same in India.
- We have embarked on a major initiative of CMMI Level 3 compliance for our software this year. The work is on the last stage for achieving the certification before this year end.

Other initiatives such as management performance audit were also successfully implemented last year. The ISO certification is already in place each year.

ENVIRONMENT AND SAFETY

The company is specifically focusing on continuously contributing to the environment by implementing strong environment and safety policies globally. Your company advocates various employee initiated environment drives. Also, every facility has clear safety mandate in place which is periodically made "employee aware" through campaigns. Adequate equipment such as field jackets and bags have been constantly provisioned for on-the-field personnel. New medical insurance program was rolled out last year for employee health safety. Insurance plans were reviewed. Better life/health coverage options are now provided to the employees.

HUMAN RESOURCES

As your company being in IT services, is human capital centric, hiring and retaining talent is the very important function. Various training and skill development programs are in place. Key Responsibility Areas for most employees are in place. More automation for employees and mobile app enhancements are in place. New augmented welfare programs, in the area of employee insurance, bus transportation and "star employee" are in place.

Your company this year will focus on strengthening the resources in technical skills, restructuring and raise new bars for performance. As global presence is getting increased, global HR policies are taking shape.

In this disruptive global economy, the company continues to share the motto of "Commitment", "Passion", "Teamwork" and "Innovation" as its core pillars for growth and continues to take pride in the achievements of its employees globally the total permanent employee strength as on March 31, 2017 is 504

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation")

The Board of Directors present the Allied Digital Services Limited ("the Company") Report on Corporate Governance for the year ended March 31, 2017.

The Company believes in adopting best practices of corporate governance and focus on enhancement of long term stakeholder value without compromising on ethical standards and corporate social responsibilities.

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building an efficient and sustainable environment.

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximize value for all its stakeholders.

The Corporate Governance philosophy of the Company is based on the following principles:

- Follow the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- Be transparent and maintain high degree of disclosure levels. When in doubt, disclose it.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is running internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws in all the countries in which the Company operates.
- Management is the trustee of shareholders' capital and not the owner.

We are committed to defining, following and practicing the highest level of corporate governance across all our business functions. Our corporate governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are keys to our corporate governance practices and performance and we ensure that we retain and gain the trust of our stakeholders at all times.

2. BOARD OF DIRECTORS:

The Board of Directors ('the Board') determines the purpose and values of the Company. The primary role of the Board is that of trusteeship so as to protect and enhance stakeholders' value through the strategic supervision of the Company and its subsidiaries.

The affairs of the Company is managed by the Board of Directors that exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short term and long term interests of shareholders and other stakeholders. This is reflected in the Company's governance practices, through which it strives to maintain an active, informed and independent Board. They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs, directions and performance of the Company and has been vested with the requisite powers, authorities and duties.

a) Board Size and Composition:

The Board of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have profound knowledge of business, in addition to the expertise in their areas of specialization. Independent Directors

play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, standards of the Company, conduct etc.

As on March 31, 2017, the Board consists of seven (7) Directors, out of which four (4) are Non-Executive Independent Directors including a woman Director and three (3) are Executive Directors. The Chairman of the Company is Executive Director. The composition of the Board reflects the judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The Composition of the Board is in conformity with the provisions of Companies Act, 2013 and Regulation 17 (1) of the Listing Regulation.

Composition of the Board and the Directorship(s)/ Committee Membership(s)/ Chairmanship(s) held as on March 31, 2017 is as follows:

Name of Director	Category/Designation	No. of Directorship(s) in other Companies ¹		No. of Membership(s) / Chairmanship(s) of other Board Committees ^{1*}	
		Public	Private	Member	Chairman
Mr. Nitin Shah	Promoter, Chairman & Managing Director	-	4	-	-
Mr. Prakash Shah	Promoter & Whole-time Director	-	4	-	-
Mr. Paresh Shah	Additional Executive Director & Chief Executive Officer (CEO)	-	-	-	-
Ms. Shubhada Jahagirdar	Non-Executive Independent Director	1	-	1	-
Dr. Shrikant Parikh	Non-Executive Independent Director	-	1	-	-
Prof. Venugopal Iyengar	Non-Executive Independent Director	-	1	-	-
Dr. Roopkishan Dave	Non-Executive Independent Director	1	2	2	-

¹excluding directorship/ chairmanship of other Board committees in Allied Digital Services Limited

^{1*}Chairmanship(s) / Membership(s) of only Audit Committee and Stakeholders' Relationship Committee of the Indian public limited companies have been considered.

Declaration by Independent Directors

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulation. The Company has received the necessary declarations from each Independent Director that he meets the criteria of independence in terms of the above mentioned provisions.

Independent Directors' Meeting

In terms of the Section 149 of the Companies Act, 2013 read with Schedule IV of the Act and Regulation 25 of the Listing Regulation, the meeting of Independent Directors of the Company was held on December 14, 2016 inter-alia to discuss the following:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairperson of the Company;
- The quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the board to effectively and reasonably perform their duties.

The required information as enumerated in Regulation 17(7) read with Schedule II of the Listing Regulation is made available to the Board of Directors for discussions and consideration at the Board Meetings.

b) Number of Board Meetings:

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional board meetings are convened to address the specific requirement of the Company.

There is a structured manner in which the agenda items are prepared and presented. The Company Secretary in consultation with the Chairman and Whole-time Director prepares the detailed agenda for the meetings. All the agenda items are backed by comprehensive agenda notes and relevant supporting papers containing all the vital information, so as to enable the Directors to have focused discussion at the meeting and take informed decisions. The agenda along with the notes to agenda for each Board meeting is circulated in advance to the Board members. In case of sensitive agenda matters, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. Further the members of the Board are free to suggest any item to be included in the agenda and to bring up matters for discussion at the meeting with permission of the Chairman. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting.

The Directors are provided free access to officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered. The Members of the Board have complete freedom to express their opinion and have unfettered access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at their meetings.

The draft minutes of each Board/ Committee meeting is circulated to all Directors/members for their comments within 15 days of the respective meeting. The Company Secretary, after incorporating comments, received if any, from the Directors/ members, records the minutes of each Board/ Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board/ Committee meetings are communicated to the concerned departments promptly.

Five Board Meetings were held during the financial year ended March 31, 2017. These were held on May 23, 2016, September 1, 2016, November 4, 2016, December 14, 2016 and February 13, 2017 and the intervening gap between two board meetings did not exceed one hundred and twenty days (120 days). The Previous Annual General meeting of the Company was held on September 26, 2016.

The following table gives the attendance record of the Board Meetings and the last Annual General Meeting (AGM):

Name of Directors	No. of Board Meetings attended	Attended Previous AGM
Mr. Nitin Shah	5	Yes
Mr. Prakash Shah	5	Yes
Mr. Paresh Shah	4	Yes
Ms. Shubhada Jahagirdar	5	Yes
Dr. Shrikant Parikh	5	Yes
Prof. Venugopal Iyengar	5	Yes
Dr. Roopkishan Dave	4	Yes

c) Relationship between the Directors inter-se:

Mr. Nitin Shah, Chairman & Managing Director, Mr. Prakash Shah, Whole-time Director of the Company are related to each other as they are brothers.

None of the Directors other than the above mentioned Directors are related to each other.

d) Number of shares and convertible instruments held by Non-Executive Directors:

None of the Non-Executive Directors of the Company hold any shares and convertible instruments in the Company.

e) Familiarization programme imparted to Independent Directors:

The Directors are apprised regarding their roles and responsibilities pursuant to the provisions of the Companies Act, 2013 and Listing Regulation.

All Independent Directors are made aware about the new projects to be undertaken by the Company and about various departments of the Company and their functioning. Further Independent Directors are briefed regarding the operations of various departments under respective functional heads.

The details of such familiarization programme for Independent Directors are posted on the website of the Company and the web link for the same is as follows:

https://www.allieddigital.net/in/downloads/Inv_Policies/Familiarisation_Programme_Independent_Directors.pdf

f) Risk Management:

The Company's robust risk management framework identifies and evaluates all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, legal, regulatory, reputational and other risks. The Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth of the Company. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is integral part of our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

3. COMMITTEES OF THE BOARD:

The Board Committees play a vital role in improving Board's effectiveness in areas where more focused and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees. Board's Committees ensures focussed discussion and expedient resolution of diverse matters. Each Committee except Management Committee is guided by the provisions of the Companies Act, 2013 and Listing Regulation, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

The Company has following Board-level Committees, namely:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committee);
- iv. Corporate Social Responsibility Committee;
- v. Management Committee.

■ **AUDIT COMMITTEE:**

a) Brief Description:

The Audit Committee of the Board, reviews and reports to our Board with respect to various auditing and accounting matters. The Audit Committee acts as a link between the Management, Auditors and the Board of Directors.

b) Terms of reference:

The primary responsibilities of the Committee, inter-alia, are:

- i. Oversight of 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, terms of appointment and if required, the replacement or removal of the auditors and fixation of audit fees;
- iii. Approval of payment to statutory auditors for any other non-audit services rendered by the statutory auditors;
- iv. Reviewing with the management, the quarterly/annual standalone and consolidated financial result/statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters to be specified in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- b. Changes, if any, in accounting policies and practices and reasons for the same;
- c. Major accounting entries involving estimates based on the exercise of judgment by management;
- d. Significant adjustments made in the financial statements arising out of audit findings;
- e. Compliance with listing and other legal requirements relating to financial statements;
- f. Disclosure of any related party transactions;
- g. Modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. 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;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower Mechanism;
- xix. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

- i. Management Discussion and Analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

vi. Statement of deviations:

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

c) **Composition and Meetings:**

The composition of the Audit Committee of the Company is in accordance with the provisions of Section 177 of the Companies Act, 2013 and in terms with Regulation 18 of Listing Regulation. The Audit Committee comprises of three Members out of which two are Independent Director and one Executive Director of the Company.

Four meetings of the Audit Committee were held during the financial year. These were held on May 23, 2016, September 1, 2016, December 14, 2016 and February 13, 2017. The attendance at each committee member was as under:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Dr. Shrikant Parikh	Chairman	Non-Executive, Independent Director	4	4
2.	Prof. Venugopal Iyengar	Member	Non-Executive Independent Director	4	4
3.	Mr. Prakash Shah	Member	Executive Director	4	4

The Managing Director and the Chief Financial Officer are the permanent invitees to the Audit Committee. The Company Secretary acts as the secretary to the Committee. The Statutory Auditors, the Internal Auditors and Executives of the Company are also invited to the Audit Committee Meetings, whenever it considers appropriate. The Quorum for the Audit Committee meeting is two members.

■ **NOMINATION & REMUNERATION COMMITTEE:**

a) **Brief Description:**

The Nomination and Remuneration Committee ("NR Committee") of the Company has been constituted and its composition is in accordance with the provisions of Regulation 19 of Listing Regulation and Section 178 of the Companies Act, 2013. The said Committee of the Company is entrusted with role of formulating criteria for determining for appointment and re-appointment of Directors, Key Managerial Personnel and senior management personnel along with devising a policy for remuneration payable to them. The Committee also monitors the performance of the Independent Directors, the Board of Directors, the Board as a Whole of the Company and may have requisite parameters as it may deem fit.

b) **Terms of reference:**

The purpose and responsibilities of the Committee shall include matters as prescribed under applicable law or by the Board in compliance with applicable law from time to time, which *inter-alia* includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a Policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a Policy on diversity of Board of Directors;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- v. Whether to extend or continue the terms of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

c) Composition and Meetings:

The composition of the NR Committee of the Company is in accordance with the provisions of Section 178 of the Companies Act, 2013, and in terms with Regulation 19 of Listing Regulation. The NR Committee comprises of three Independent Directors of the Company. The Company Secretary acts as the Secretary to the Committee.

Four meetings of the Nomination and Remuneration Committee were held during the financial year 2016-2017. These were held on May 23, 2016, September 01, 2016, November 04, 2016 and December 14, 2016. The attendance of each committee member was as under:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Dr. Shrikant Parikh	Chairman	Non-Executive Independent Director	4	4
2.	Prof. Venugopal Iyengar	Member	Non-Executive Independent Director	4	4
3.	Dr. Roopkishan Dave	Member	Non-Executive Independent Director	4	3

d) Performance Evaluation Criteria for Independent Directors:

One of the key functions of the Board is to monitor and review the Board Evaluation framework. The Board works with the NR Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees and Executive/ Non-Executive/ Independent Directors through a peer evaluation excluding Director being evaluated.

Independent Directors have three key roles- governance, control and guidance. Some of the performance indicators based on which the independent indicators are evaluated include:

- Possession of sufficient skills, experience and level of preparedness which allows the person to clearly add value to discussions and decisions
- Attendance and active contribution to all Board debates and discussions
- Collaboration and encouragement of healthy discussion among Board members
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings

To improve the effectiveness of the Board and its Committees as well as individual Directors, a formal and rigorous Board review/ evaluation is internally undertaken on an annual basis. For the financial year 2016-17, the process took the form of questionnaires followed by structured review with Independent and Executive Directors, Board of the Company and Committees of the Board.

e) Disclosure of Remuneration paid to Director:

- **There are no pecuniary relationship or transactions of the non-executive directors vis-a-vis the Company**
- **The criteria for making payments to Executive Directors of the Company are as under:**

The remuneration of the Executive Directors is determined and recommended by the NR Committee to the Board. The Board considers and if deems fit approves the recommendation of NR Committee subject to the approval of the members of the Company.

Mr. Nitin Shah, Chairman and Managing Director, and Mr. Prakash Shah, Whole-time Director, were appointed w.e.f. April 01, 2016 and Mr. Paresh Shah, Executive Director and Chief Executive Officer (CEO) was appointed w.e.f. November 05, 2016.

Details of remuneration paid to Executive Directors for the year ended March 31, 2017 are as under:

Executive Director	Designation	Remuneration during 2016-17			
		All Elements of remuneration package i.e. salary, allowances and other benefits, etc.	Fixed Component and performance linked incentives along with the performance criteria	Service Contract, Notice Period, severance fees	Stock Options details, if any
Mr. Nitin Shah*	Chairman & Managing Director	43.27 lakhs (Refer Note a) to c)	Nil	Refer Note b)	Nil
Mr. Prakash Shah*	Whole-time Director	26.53 lakhs (Refer Note a) to c)	Nil	Refer Note b)	Nil
Mr. Paresh Shah	Executive Director & Chief Executive Director	11.96 Lakhs (Refer note a) to c)	Nil	Refer Note c)	Nil

- a) The amount include perquisite includes allowances in respect of rent-free furnished accommodation owned, leased or rented by the Company or House Rent Allowances in lieu thereof, repairs and maintenance of accommodation including furniture, fixtures and furnishings and provision of gas, electricity and water, medical reimbursement, health insurance premium, group personal accident insurance, telephone facility at residence, mobile phone, leave travel concession, for himself and his family, education of self and family, fees for two clubs, fees for two credit cards, Company's car with a driver and maintenance, and any other reimbursements, allowances or perquisites in terms of the Company's Rules.
- b) The tenure of Managing Director and Whole-time Director is for 5 years from their respective date of appointment and can be terminated by six months' notice on either side. No severance fees is payable to the Managing Director or Whole-time Director.
- c) Mr. Paresh Shah, Executive Director and Chief Executive Director can be terminated by six months' notice on either side.

The details and criteria for making payments to Non-Executive Directors of the Company are as under:

Non-Executive Directors are paid remuneration by way of sitting fees for attending the Board and Committee meetings which is well within the limits prescribed under the Companies Act, 2013. The details of the sitting fees paid to the Non-Executive Directors for the financial year ended March 31, 2017 are as under:

Name of the Non-Executive Director	Sitting Fees paid for the F.Y. 2016-17
Prof. Venugopal Iyengar	₹ 1.10 Lakhs
Dr. Shrikant Parikh	₹ 1.20 Lakhs
Dr. Roopkishan Dave	₹ 0.55 Lakhs
MS. Shubhada Jahagirdar	₹ 0.60 Lakhs

■ **STAKEHOLDERS RELATIONSHIP COMMITTEE (Formerly known as Shareholders' Investors' Grievance Committee):**

a) **Brief Description:**

The primary objective Stakeholders Relationship Committee of the Company is to consider and resolve the grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

b) **Terms of reference:**

The Stakeholders Relationship Committee has been formed to undertake the following activities:

The Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

c) **Composition and Meetings:**

As on March 31, 2017, the Stakeholders' Relationship Committee comprises of two Independent Directors and one Executive Director. The Company Secretary is the Secretary to the said Committee.

Four meetings of the Shareholders' Grievance Committee were held during the financial year. These were held on May 23, 2016, September 1, 2016, December 14, 2016 and February 13, 2017. The attendance of each committee member was as under:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Prof. Venugopal Iyengar	Chairman	Non-Executive Independent Director	4	4
2.	Dr. Shrikant Parikh	Member	Non-Executive Independent Director	4	4
3.	Mr. Prakash Shah	Member	Executive Director	4	4

d) **Compliance Officer:**

The Compliance Officer briefs the Committee on the grievances /queries of the investors and the steps taken by the Company for redressing the grievances.

Details of Compliance Officer as per Listing Regulation are as follows:

Mr. Ravindra Joshi resigned w.e.f. February 08, 2017

Ms. Neha Bagla appointed w.e.f. May 26, 2017

Company Secretary & Compliance Officer

Premises No.13A, 13th Floor, Earnest House,

NCPA Road, Block III, Nariman Point

Mumbai – 400021

Tel : +91 22 6681 6400

Fax : +91 22 2206 4170

Email : investors@allieddigital.net

e) **Investor's/ Shareholders' Grievance Redressal:**

During the financial year under review, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to the non-receipt of annual report. All the complaints were resolved to the satisfaction of the investors.

The Status of the Investors Complaints as on March 31, 2017 is as follows:

Source of Complaint	No. of Complaints received	No. of Complaints resolved	Not resolved to the satisfaction of shareholders	No. of Complaints Pending
Directly from Investors	45	45	0	0
Through SEBI, Stock Exchanges	0	0	0	0
Total	45	45	0	0

To redress the shareholders grievances, the company has a dedicated Email Id i.e. investors@allieddigital.net to which investors may send complaints.

• **MANAGEMENT COMMITTEE:**

a) **Brief Description:**

The Management Committee was constituted by the Board on April 28, 2009. Committee is entrusted with the operational and administrative power. The Committee comprises of three Executive Directors of the Company i.e. Mr. Nitin Shah, Mr. Prakash Shah and Mr. Paresh Shah.

b) **Meeting of the Management Committee:**

During the Financial Year 2016-17, no Management Committee Meeting was held.

c) **Terms of reference of the Committee, inter alia, includes the following:**

- i. To borrow monies not exceeding specified sum or such other amount as may be authorized by the Shareholders at the General Meeting, together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from Financial Institutions / Banks and others from time to time;
- ii. To authorize Employees of the Company for purchase whether on hire purchase or otherwise or sale of vehicle;
- iii. To open Bank Accounts and to authorize Directors/Authorized Signatories to operate the Bank Accounts;
- iv. To withdraw / change the authority to operate any of the Company's Bank Account;
- v. To appoint attorney for and on behalf of the Company for specific power or for general purposes;
- vi. To authorize Company Executives to represent the Company and sign and execute all the documents and papers related to the Central Government, State Government, Local Authority or any other authority in relation to the business of the Company;
- vii. To take premises on leave and license / lease to be used as office/store / godown of the company or for the purpose of residence of employees or for any other purpose;
- viii. To decide on opening Branches/Godowns at different places in the country or abroad subject to such permission as may be required from different authorities;
- ix. To authorize company's Executives for obtaining Telephone / Electricity connections or other permissions in the name of the Company;
- x. To decide on filing recovery suits against distributors / dealers / customers and to authorize company's executives to prosecute the same;
- xi. To launch criminal proceedings against those misusing the company's rights under the Design, Patents, Trademarks and Copyright Laws;
- xii. To authorize company's executives to defend civil suits filed by third parties against the company;
- xiii. Other general day-to-day affairs of the Company.

• **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

a) Brief Description:

The CSR Committee's prime responsibility is to assist the Board in discharging its social responsibilities by formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

b) Terms of reference:

The Terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a CSR Policy;
- Recommend the amount of expenditure to be incurred on activities referred under the CSR Policy;
- Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company;
- Monitor the CSR policy from time to time.

c) Composition and Meetings:

In compliance with the requirement of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee ('CSR Committee') consisting of three Directors out of which two directors are Independent Directors. The Company Secretary acts as the Secretary to the Committee.

During the year under review, two meetings of CSR Committee were held on December 14, 2016 and February 13, 2017 to consider the CSR Expenditure to be incurred by the Company during the year 2016-17. The detailed composition and attendance of the CSR Committee is given below:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Ms. Shubhada Jahagirdar	Chairperson	Non-Executive & Independent Director	2	2
2.	Dr. Shrikant Parikh	Member	Non-Executive & Independent Director	2	2
3.	Mr. Prakash Shah	Member	Executive Director	2	2

The Company is under recovering stage pursuant to the cash crunch faced by the Company for execution of Pune City Surveillance Project simultaneously the company is also under the process of identifying the valid avenues to spend the CSR amount.

4. GENERAL BODY MEETINGS:

Details of Annual General Meetings held in last 3 years along with Special Resolutions passed thereat are as follows:

Financial Year	Day, Date, Time and Venue of AGM	Particulars of Special Resolution(s)
2015-16	Day and Date Monday, September 26, 2016 Time 04:00 P.M. Venue: Walchand Hirachand Hall, 4 th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai – 400020	1. To re-appoint Mr. Nitin Shah (DIN: 00189903) as Managing Director of the Company; 2. To re-appoint Mr. Prakash Shah (DIN: 00189842) as Whole-time Director of the Company; 3. To make application to the Central Government for waiver of excess Managerial Remuneration paid to Mr. Nitin Shah, Managing Director, Mr. Prakash Shah, Whole-time Director and to Mr. Paresh Shah, Whole-time Director of the Company for the F.Y. 2012-13, F.Y. 2014-15 and F.Y. 2015-16.

2014-15	Day and Date Thursday, September 24, 2015 Time 03:00 P.M. Venue: IMC Building, IMC Marg, Churchgate, Mumbai – 400020	No Special Resolution was passed
2013-14	Day and Date Thursday, September 25, 2014 Time 03:30 P.M. Venue: IMC Building, IMC Marg, Churchgate, Mumbai – 400020	No Special Resolution was passed

During the year under review, No Extra-Ordinary General Meeting (“EGM”) of the Shareholders was held.

Postal Ballot: There was no special resolution passed through the Postal Ballot during the Financial Year 2016-17.

5. DISCLOSURES:

i. Related Party Transactions:

Details of related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Note no. 28 forming part of financial statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the year under review, the Company has not entered into any transaction of a material nature with its subsidiaries, promoters, Directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the Company.

The Company's Policy on materiality of related party transactions and on dealing with related party transactions is hosted on its website and can be accessed at the link:

https://www.allieddigital.net/in/downloads/Inv_Policies/Related_Party_Transaction_Policy.pdf

ii. Compliances by the Company:

The Company has complied with the requirements of the Stock Exchanges (BSE Limited & National Stock Exchange of India Limited), The Securities and Exchange Board of India (SEBI) and Regulatory Authorities on matters related to the capital market and no penalties / strictures have been imposed against the Company during the last three years.

iii. Accounting treatment in preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Accounting Standards) Rules, 2015. The financial statements for all periods upto and including year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act (“the Act”), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) (“previous GAAP”). The financial statements for the year ended March 31, 2017 are the first financial statements prepared by the Company in accordance with Ind AS.

iv. Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

During the year under review, no employee was denied access to the Audit Committee.

v. Mandatory & Non-mandatory requirement:

The Company has complied with all the mandatory corporate governance requirements under the Listing Regulation. Specifically, the Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub Regulation (2) of Regulation 46 of Listing Regulation.

Adoption of non-mandatory requirements as prescribed under Listing Regulation are reviewed by the Board from time to time.

vi. Web link for policy for determining 'material' subsidiaries:

The Company has formulated and adopted a Policy for determining Material Subsidiary in line with the requirements of the Listing Regulation. The Policy aims to set out the principles for determining a material subsidiary. The Policy on the Material Subsidiary is available on the website of the Company at

https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_Material_Subsidiaries.pdf

However, during the year, none of the subsidiaries was a material non-listed Indian Subsidiary Company as per the criteria given in Regulation 16 of the Listing Regulation.

vii. Disclosure of commodity price risks and commodity hedging activities:

The Company is not dealing in commodities and hence disclosure relating to Commodity price risks and commodity hedging activities is not required.

viii. Means of Communication:

Financial Results: The Company's quarterly / half yearly / annual financial results are sent to the Stock Exchanges and published in 'Business Standard' (English language) and 'Nava Kaal' (Marathi language) and are simultaneously displayed on its website www.allieddigital.net on timely basis.

Website: Company's corporate website www.allieddigital.net provides comprehensive information on company's portfolio of businesses. The website has an entire section dedicated to Company's profile, its core values, vision and mission, corporate governance, business lines and industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website in a user-friendly and downloadable form.

The Press Releases giving an analysis of the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges. The Company does not have any presentation which is made to institutional investors or to the analysts and thus no presentations are communicated to the Stock Exchanges.

Intimation to the Stock Exchanges: The Company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders and are required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulation.

NSE Electronic Application Processing System: As per the mandate received from National Stock Exchange of India Limited ('NSE'), the Company has been uploading its Financial Information, Shareholding Pattern, Report on Corporate Governance, other material events / information, press releases and other mandatory compliances on the dedicated website of NSE i.e. <https://www.connect2nse.com/LISTING/>.

Online Portal-BSE Corporate Compliance & Listing Centre: As per the mandate received from BSE Limited ('BSE'), the Company has been uploading its financial information, shareholding pattern, Report on Corporate Governance, other material events/ information, press releases and other mandatory compliances on the dedicated website of BSE i.e. <http://listing.bseindia.com/login.aspx>.

Designated Exclusive email-id: The Company has the following designated e-mail ID: investors@allieddigital.net exclusively for investors servicing.

ix. Code of Conduct:

The Code of Business Conduct for Directors and Senior Management Personnel (“the Code”), as adopted by the Board, is a comprehensive Code applicable to all Directors and Senior Management Personnel. The Code lays down the standard of conduct which is expected to be followed by the Directors and by the Senior Management Personnel in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board of Directors and Senior Management Personnel have affirmed compliance to the Code. The Code has also been hosted on the Company’s website at www.allieddigital.net

6. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting detail:

Date :	September 20, 2017										
Time:	04:00 P.M.										
Venue:	Walchand Hirachand Hall, 4 th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai – 400020										
Financial Year :	<p>April 1, 2016 to March 31, 2017 Financial Calendar (Tentative): F.Y. 2017-18</p> <table> <tr> <th>For the Quarter ended</th><th>Tentative Date</th></tr> <tr> <td>June 30, 2017</td><td>By August 14, 2017</td></tr> <tr> <td>September 30, 2017</td><td>By November 14, 2017</td></tr> <tr> <td>December 31, 2017</td><td>By February 14, 2018</td></tr> <tr> <td>March 31, 2018</td><td>By May 30, 2018</td></tr> </table>	For the Quarter ended	Tentative Date	June 30, 2017	By August 14, 2017	September 30, 2017	By November 14, 2017	December 31, 2017	By February 14, 2018	March 31, 2018	By May 30, 2018
For the Quarter ended	Tentative Date										
June 30, 2017	By August 14, 2017										
September 30, 2017	By November 14, 2017										
December 31, 2017	By February 14, 2018										
March 31, 2018	By May 30, 2018										
Book Closure date:	September 13, 2017 to September 20, 2017										
Registered Office of the Company:	<p>Premises No. 13A, 13th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai – 400021. Email: investors@allieddigital.net Website: www.allieddigital.net</p>										
List of Stock Exchanges where the Shares of the Company are listed:	<p>National Stock Exchange of India Limited (NSE) (Stock Code/ Symbol: ADSL) Address: Exchange Plaza, Plot No. C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051 Tel.: +91-22- 26598100/8114, Fax: +91-22-26598120</p>										
	<p>BSE Limited (BSE) (Stock Code/ Script Code: 532875) Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel.: +91-22-22721233/4, Fax: +91-22- 22721919</p>										
Listing Fees	The Company has paid Annual Listing Fees to both the Stock Exchanges.										
Custodian Fees to Depositories	The Company has paid fees for year ended 2016-17 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in time.										
ISIN of Company’ Equity Shares:	INE102I01027										
Corporate Identification Number (CIN):	L72200MH1995PLC085488										

B. Registrar and Share Transfer Agent:

For both Physical and Demat (Common Registry)

Link Intime India Private Limited,

C-101, 247 Park, L B S Marg,

Vikhroli West,

Mumbai- 400083.

Tel. No. : +91-22-49186270

Fax No. : +91-22-49186060

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

C. Dividend:

With a view to conserve cash reserves to meet current financial obligations of the Company, the Directors of the Company do not recommend any dividend for financial year 2016-17.

D. Share Transfer System:

The Company has a Stakeholder's Relationship Committee to examine and redress complaints by shareholders and investors. The Stakeholder's Relationship Committee meets as often as required to approve share transfers and the status of share transfers is reported to the Board, Transfers of dematerialized shares are done through the depositories with no involvement of the Company.

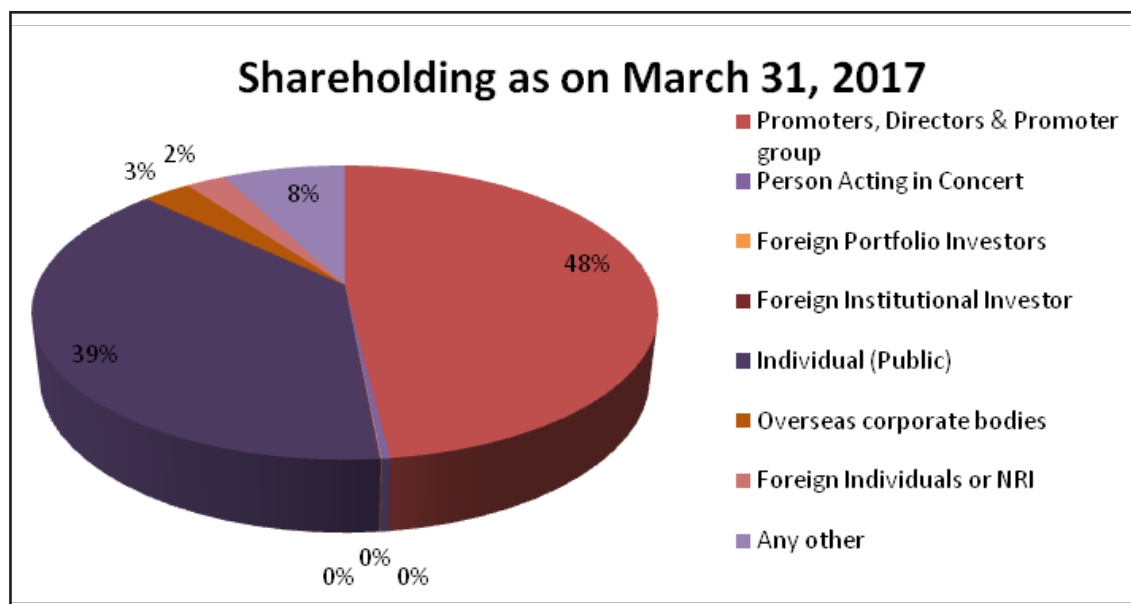
The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40(9) of the Listing Regulation, the Company has obtained half-yearly certificates from the Practising Company Secretary for due compliance of share transfer formalities and has also filed the same with the Stock Exchanges.

E. Distribution of Share Holding as on March 31, 2017:

Equity Shares slabs	Shareholders		Shares	
	Number	Percentage (%)	Number	Percentage (%)
1-500	20328	80.29	2876486	5.73
501-1000	2226	8.79	1872813	3.73
1001-2000	1231	4.86	1905440	3.80
2001-3000	446	1.76	1145505	2.28
3001-4000	266	1.05	962318	1.92
4001-5000	206	0.81	983395	1.96
5001-10000	318	1.26	2397699	4.77
> 10001	292	1.17	38061872	75.81
TOTAL	25313	100.00	50205528	100.00

F. Category wise Shareholding as at March 31, 2017:

Category	No. of Shares Held	Percentage to total Number of Shares (%)
Promoters, Directors & Promoter Group*	2,41,39,368	48.08
Person Acting in Concert	1,87,150	0.37
Foreign Portfolio Investors	20,000	0.04
Foreign Institutional Investor	0	0
Individual (Public)	1,93,32,149	38.51
Overseas corporate bodies	14,90,000	2.97
Foreign Individuals or NRI	12,43,796	2.47
Any other	37,93,065	7.56
Total	50205528	100.00



G. Dematerialization of Shares:

As on March 31, 2017, 44,646,073 equity shares representing 88.93% of the total equity share capital of the Company were held in dematerialised form with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The break-up of equity shares held in physical and dematerialized form as of March 31, 2017 is given below.

Particulars	No. of Share	Percentage (%) of Total Shares
Physical Segment	15,40,654	03.07
*Equity Shares allotted to promoters	40,18,801	08.00
Held in dematerialised form in CDSL	89,64,717	17.86
Held in dematerialised form in NSDL	3,56,81,356	71.07
Total	5,02,05,528	100.00

**4018801 Equity shares are allotted in dematerialised form to promoters pursuant to conversion of warrants for which an application for listing has been made to the stock exchange and the listing approval is received from BSE Limited on June 05, 2017 and the Listing Approval for National Stock Exchange of India Limited is awaited.*

H. Outstanding Global Depository receipt (GDRs)/American Depository Receipt (ADRs) /Warrants or any Convertible Instruments, conversion date, likely impact on equity:-

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

I. Plant Location: The Company is into providing IT services only hence does not have any plant.

J. E-mail Id for Investor's Grievances:

The Company has designated separate E-mail Id for the investor grievance and to improve the quality of the services to the investor. The e-mail address for investor grievance is investors@allieddigital.net

K. Address for Correspondence

For any other query relating to shares: For general correspondence:

Company Secretary

Allied Digital Services Limited,

Premises No. 13A, 13th Floor, Earnest House, NCPA Road,
Block III, Nariman Point, Mumbai – 400 021

Tel: +91 22 6681 6400

Fax: +91 22 2206 4170

Email: investors@allieddigital.net

Website: www.allieddigital.net

Link Intime India Pvt. Ltd.

C-101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai-400083.

Tele: +91 22 49186270

Fax: +91 22 49186060

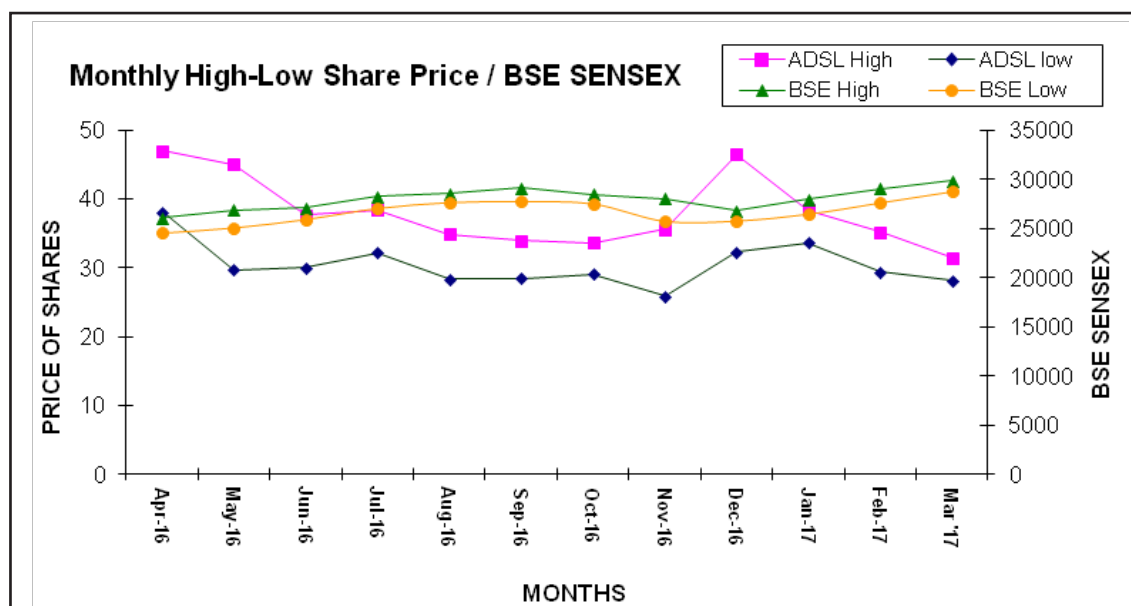
E-mail: rnt.helpdesk@linkintime.co.in

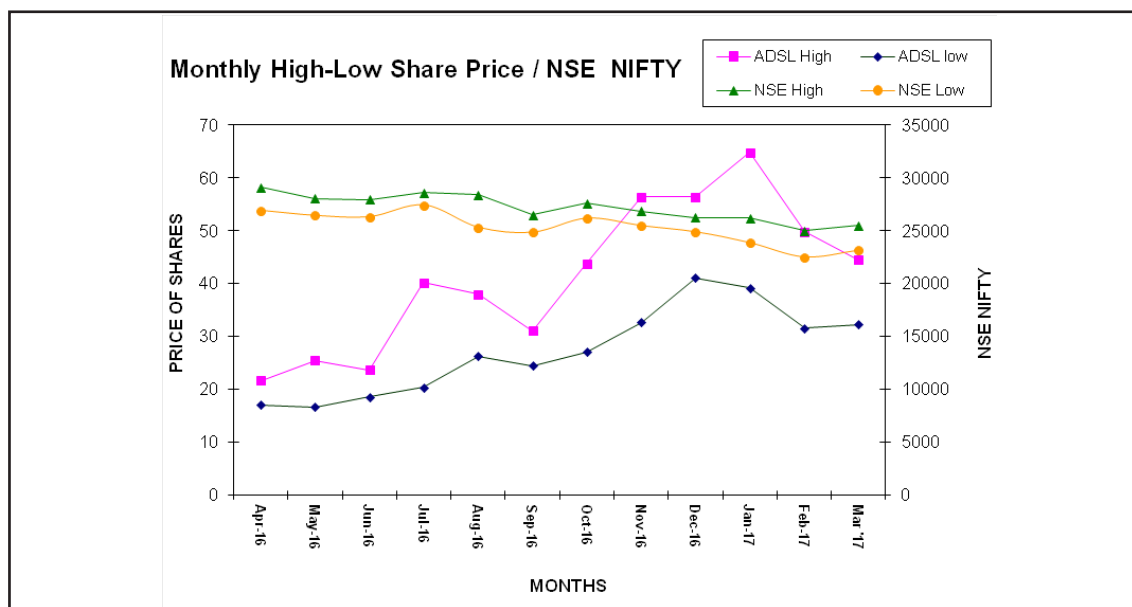
Website: www.linkintime.co.in

L. Market information:

Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from April 01, 2016 to March 31, 2017 are noted herein below:

Month	ADSL on BSE		SENSEX		Volume	ADSL on NSE		S & P CNX Nifty		Volume
	High	Low	High	Low		High	Low	High	Low	
Apr-16	47.00	38.05	26100.54	24523.20	1217366	47.00	39.25	7992.00	7516.85	2835667
May-16	44.95	29.70	26837.20	25057.93	1025803	44.90	29.65	8213.60	7678.35	2722012
Jun-16	37.70	30.00	27105.41	25911.33	1801926	37.80	29.30	8308.15	7927.05	4716097
Jul-16	38.40	32.20	28240.20	27034.14	2012071	38.45	33.10	8674.70	8287.55	4771746
Aug-16	34.85	28.35	28532.25	27627.97	947747	34.90	28.50	8819.20	8518.15	2615379
Sep-16	33.90	28.50	29077.28	27716.78	1230669	33.70	28.00	8968.70	8555.20	3626355
Oct-16	36.60	29.10	28477.65	27488.30	1772441	36.75	29.05	8806.95	8506.15	5206735
Nov-16	35.60	25.85	28029.80	25717.93	1399004	35.85	25.00	8669.60	7916.40	3573755
Dec-16	46.40	32.25	26803.76	25753.74	4090202	46.40	32.05	8274.95	7893.80	10886325
Jan-17	38.40	33.60	27980.39	26447.06	490673	37.75	33.50	8672.70	8133.80	674742
Feb-17	35.20	29.40	29065.31	27590.10	401272	35.35	29.90	8982.15	8537.50	506108
Mar-17	31.50	28.15	29824.62	28716.21	857823	31.55	28.35	9218.40	8860.10	704670





7. Discretionary Requirements under Regulation 27 of Listing Regulation:

The status of compliance made by the Company with discretionary recommendations of the Regulation 27 of the Listing Regulation is provided below:

The Board: The position of the Chairman of the Board of Directors and the CEO are separate.

Shareholders' Rights: As the quarterly half yearly and yearly financial performance along with significant events are published in the newspaper and are also posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditor's Report: The Auditors' Report on Company's Standalone and Consolidated Financial Statements for the financial year ended March 31, 2017 is unmodified.

Separate posts of Chairman and Chief Executive Officer (CEO): The Chairman of the Board is an Executive Director and his position is separate from that of the CEO.

Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee of the Company.

8. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulation:

The Company has complied with all the requirements in this regard, to the extent applicable.

9. Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulation:

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/N.A	Compliance observed for the following during the Financial Year 2016-17
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> - Board Composition - Meeting of Board of Directors - Review of compliance reports - Code of Conduct - Fees/compensation to Non-Executive Directors - Minimum information to be placed before the Board

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/N.A	Compliance observed for the following during the Financial Year 2016-17
				<ul style="list-style-type: none"> - Compliance Certificate - Risk Assessment & Minimization procedures - Performance Evaluation of Independent Directors
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> - Composition - Meeting of Audit Committee - Powers of Audit Committee - Role of Audit Committee and review of information by the Committee
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> - Composition - Role of the Committee
4	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> - Composition - Role of the Committee
5	Risk Management Committee	21	N.A.	<ul style="list-style-type: none"> - The Company is not in the list of top 100 listed entities by market capitalisation
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> - Formulation of Vigil Mechanism for Directors and employees - Direct access to Chairperson of Audit Committee
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> - Policy on materiality of related party transactions and dealing with Related Party Transactions - Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee, Board of Directors and Shareholders of the Company - Review of transactions pursuant to aforesaid contracts
8	Subsidiary of the Company	24	Yes	<ul style="list-style-type: none"> - At least one Independent Director of the Company shall be on the Board of Subsidiary. - Review of the financial statement by the Audit Committee of the Company - Minutes of the Subsidiary to be placed at the Board Meeting of the Company. - Significant transactions and arrangements entered into by the subsidiary.
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> - Maximum Directorship and Tenure - Meeting of Independent Directors - Familiarisation of Independent Directors

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/N.A	Compliance observed for the following during the Financial Year 2016-17
10	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> - Memberships / Chairmanships in Committees - Affirmation with compliance to Code of Business Conduct and Ethics from Directors and Management Personnel - Disclosure of shareholding by Non-executive Directors - Disclosures by Senior Management about potential - Conflicts of Interest
11	Other Corporate Governance requirements	27	Yes	Filing of quarterly compliance report on Corporate Governance
12	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> - Terms and conditions for appointment of Independent Directors - Composition of various Committees of Board of Directors - Code of Business Conduct and Ethics for Directors and Management Personnel - Details of establishment of Vigil Mechanism/ Whistle Blower Policy - Policy on dealing with Related Party Transactions - Policy for determining 'material' subsidiaries - Details of familiarization programmes imparted to Independent Directors

10. CEO and CFO Certification:

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulation. The CEO and CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulation. The annual certificate given by the CEO and CFO forms part of this report and marked as **Annexure I**.

11. Certificate on Corporate Governance:

Certificate from the M/s. Pramod S. Shah & Associates, Practicing Company Secretary, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Listing Regulation, forms part of this report and marked as **Annexure II**.

ANNEXURE I

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

*(Pursuant to Part B Schedule II read with Regulation 17 (8) of SEBI (Listing
Obligations and Disclosure Requirements) Regulations, 2015)*

To
The Board of Directors
Allied Digital Services Limited

We, Paresh Shah, CEO and Gopal Tiwari, CFO, of **Allied Digital Services Limited**, to the best of our knowledge and belief, hereby certify that:

- I. We have reviewed Financial Statements and the cash flow statement for the year ended March, 2017 and that to the best of our knowledge and belief :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- II. 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 violate the Company's code of conduct.
- III. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- IV. We have indicated to the Auditors and audit committee-
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - No instances of significant fraud were observed during the year under review.

For Allied Digital Services Limited

Place: Mumbai
Date: August 11, 2017

Paresh Shah
Chief Executive Officer

Gopal Tiwari
Chief Financial Officer

Annexure II

CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Schedule II read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,

Allied Digital Services Limited

We have examined all the relevant records of Allied Digital Services Limited for the purpose of certifying compliance of the conditions of the Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the provisions as specified in the above mentioned Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pramod S. Shah & Associates

Practising Company Secretaries

Place: Mumbai

Date: August 11, 2017

Pramod S. Shah

Partner

Membership No. 334

COP No: 3804

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V THE SEBI LISTING REGULATIONS

To
The Members,
Allied Digital Services Limited

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2017.

For Allied Digital Services Limited

Place: Mumbai
Date: August 11, 2017

Nitin Shah
Chairman & Managing Director

Independent Auditor's Report

To the Members of

ALLIED DIGITAL SERVICES LTD

Report on the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of ALLIED DIGITAL SERVICES LTD ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, profit or loss, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our Audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

Without qualifying our opinion we invite attention to the following matters:

1. Balances relating to Trade Receivables and Loans and Advances are pending for confirmations from the respective parties. Adjustments if any will be made in the year in which the confirmations are received.

2. In respect of Investment in subsidiaries, the Company has not made any provisions for diminution in the value of Investments inspite of there being negative net worth, in view of future business plan of said subsidiary company.
3. Intellectual Property rights (IPRs) Rs. 37.69 Crores, which have been capitalized during the year, being technical in nature, we have relied on the estimates and assumptions made by the management in determining the amount capitalized.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the order') issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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 account 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 and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 28 to the financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as on 31.03.2017
 - d. The Company has provided requisite disclosures in the standalone financial statements (Refer Note No. 30) as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the books of account maintained by the Company.

For SHAH & TAPARIA

Chartered Accountants
FRN: 109463W

Ramesh Pipalawa

Partner
Membership No. : 103840

Place: Mumbai
Date: May 26, 2017

“Annexure A” to Independent Auditor’s Report

Referred to in paragraph 1 under the heading “Report on Other Legal and regulatory Requirements” of our Report of even date to the financial statements of the company for the year ended March 31, 2017

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets were physically verified during the year by management. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventory have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. As per the information an explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) The company has granted interest free unsecured loan to one party covered in the register maintained under section 189 of the Companies Act:
 - a) The terms and conditions of the grant of such loans are not prejudicial to the Company’s interest.
 - b) The terms of arrangements do not stipulate any repayment schedule and these are repayable on demand. Accordingly reporting requirements of clause 3(iii) (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to information and explanation given to us, the provisions of Sections 185 and 186 of the Act are not applicable to the company.
- (v) The company has not accepted any deposits from the public during the FY 2016-17. However, in respect of existing deposits, the Company has defaulted in repayment of Principal and Interest due thereon as under:

Principal amount due as on 31.03.2017	Interest due upto 31.03.2017	Total dues as at 31.03.2017
Rs 432.39 lacs	Rs 75.59 lacs	Rs 507.98 lacs

- (vi) As informed to us, the maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act, in respect of any of the activities carried out by the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues,
 - (a) The Company has not generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax and Value Added Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities.

There were undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Sales Tax and Value Added Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable. Details are as under:-

Particulars	Period	Amount (Rs. In Lacs)
Provident Fund	2013-14	2.72
Provident Fund	2014-15	52.16
Provident Fund	2015-16	58.58
Provident Fund	2016-17	82.00
ESIC	2014-15	15.97
ESIC	2015-16	9.80
ESIC	2016-17	10.02
Profession Tax	2013-14	0.57
Profession Tax	2014-15	0.42
Profession Tax	2015-16	5.64
Profession Tax	2016-17	7.36
Service Tax	2015-16	183.88
Service Tax	2016-17	104.42

- (c) Details of dues of Sales Tax and Value Added Tax, Service Tax and Income Tax which have not been deposited as at March 31, 2017 on account of disputes are given as below:

S. No.	Name of the Statute	Nature of Dues	Amount (Rs. In lacs)*	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	153.56	AY 2006-07, 2008-09, 2011-12, 2012-13	Income Tax Appellate Tribunal
4	MVAT Act, 2002	Value Added Tax, Penalty, Interest	271.38	FY 2012-13, 2014-15, 2015-16, 2016-17	Additional Commissioner, GST.
	Total		424.94		

*net of amounts paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to bank for the FY 2016-17. The amount of default in repayment of principal sum is Rs 2.91 crores and the estimated amount of default in payment of interest is Rs 5.40 crores. The Company has not taken any loan from financial institution or the government and has not issued any debentures during the year.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company did not raise any money by way of initial public offer or further public offer including debt instruments. The term loans outstanding at the beginning of the current year and those raised during the current year have been applied for the purposes for which those were raised.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for the managerial remuneration as provided under section 197 (read with Schedule V) of the Act.
- (xii) In our opinion and according to the information and explanations give to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company has not made preferential allotment or private placement of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

For SHAH & TAPARIA
Chartered Accountants
FRN: 109463W

Ramesh Pipalawa
Partner
Membership No. : 103840
Place: Mumbai
Date: May 26, 2017

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Allied Digital Services Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Allied Digital Services Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matter

Without qualifying our report we invite attention to the following matters;

- a. There are some inherent bugs in the accounting software which is being used by the company. These relate to errors in processing of data which sometimes results in providing wrong information, non- generation of audit trail including lack of availability of appropriate audit evidence. The management is of the opinion that these errors are not material and it may not have a material impact on the financial statements presented.

Our opinion is not modified in respect of these matters.

For SHAH & TAPARIA

Chartered Accountants
FRN: 109463W

Ramesh Pipalawa

Partner
Membership No. : 103840

Place: Mumbai

Date: May 26, 2017

Balance Sheet as at March 31, 2017

(₹ In lakh)

Particulars	Note No.	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
ASSETS				
Non-Current assets				
Property, Plant and Equipment	2	5,678	6,205	7,156
Investment Property	3	8,383	8,477	8,914
Capital Work in Progress		-	3,769	3,769
Intangible Assets	4	6,760	3,708	4,248
Financial Assets				
Investments	5	15,479	15,565	15,349
Loans	6 (i)	570	539	2,544
Other Financial Assets	7 (i)	369	455	926
Other Non-Current Assets	8 (i)	0	0	3,434
Advance Income Tax Assets (Net of provisions)	9	1,692	1,638	1,562
Total Non-Current Assets		38,931	40,356	47,902
Current assets				
Inventories	10	3,296	3,394	3,790
Financial Assets				
Trade Receivables	11	14,876	12,827	28,207
Cash and Cash Equivalents	12 (i)	146	326	60
Other bank balances	12 (ii)	1,067	835	698
Loans	6 (ii)	170	254	1,006
Other Financial Assets	7 (ii)	2,427	1,715	242
Other Current Assets	8 (ii)	731	922	1,031
Total Current Assets		22,714	20,273	35,034
Total Assets		61,645	60,630	82,936
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	13	2,510	2,510	2,309
Other Equity	14	42,457	42,591	64,996
Total Equity		44,968	45,101	67,306
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	15(i)	258	1,198	1,637
Other Financial Liabilities	16(i)	2	1	2
Provisions	17(i)	1	0	1
Deferred Tax Liabilities (Net)	18	1,953	1,229	1,251
Total Non-Current Liabilities		2,215	2,429	2,891
Current Liabilities				
Financial Liabilities				
Borrowings	15(ii)	8,825	8,715	9,180
Trade Payables	20	2,768	1,387	1,331
Other Financial Liabilities	16(ii)	790	1,228	1,662
Other Current Liabilities	19	948	1,067	240
Provisions	17(ii)	1,132	702	326
Total Current Liabilities		14,462	13,100	12,739
Total Equity and Liabilities		61,645	60,630	82,936

See accompanying notes from 1 to 30 forming part of financial statements

As per our report of even date
For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date : May 26, 2017

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Whole Time Director

sd/-
Neha Bagla
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

(₹ In lakh)

Particulars	Note No.	For the year ending March 31, 2017	For the year ending March 31, 2016
INCOME			
Revenue from Operations	21	7,810	10341
Other Income	22	639	629
Total Revenue		8450	10970
Expenses			
Purchase of stock-in-trade	23	1,325	2946
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	98	396
Employee benefits expense	25	2,254	2435
Finance Costs	26	1,505	1864
Depreciation and amortisation expense	4	1,356	1597
Other expenses	27	1,221	1655
Total Expenses		7759	10893
Profit / (Loss) from ordinary activities after finance costs but before exceptional items		691	77
Exceptional Items		0	0
Profit / (Loss) from ordinary activities before tax		691	77
Tax expense			
Tax expense for current year		160	55
Deferred Tax		354	-22
Net Profit / (Loss) from ordinary activities after tax		177	44
Other Comprehensive Income (after tax)			
Items that will not be Reclassified to P&L			
Actuarial Gain/(Loss) on Gratuity		47	38
Items that will be Reclassified Subsequently to P&L		-	-
Total Other Comprehensive Income		47	38
Total Comprehensive Income (after tax)		224	82
Paid-up equity share capital (Face Value of Rs.5/-)		2510	2510
Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year		42,457	42591
Earning per Share (Refer Note 9) (of Rs. 5/- each)			
Basic		0.35	0.10
Diluted		0.35	0.10

See accompanying notes from 1 to 30 forming part of financial statements

As per our report of even date
For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date : May 26, 2017

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Whole Time Director

sd/-
Neha Bagla
Company Secretary

STATEMENT OF CHANGE IN EQUITY For the year ended 31st March, 2017

(₹ In lakh)

A. EQUITY SHARE CAPITAL		Balance				
As at 1 st April 2015		2,309				
Change in Equity share Capital During the year		201				
As at 31 st March, 2016		2,510				
Change in Equity share Capital During the year		-				
As at 31 st March, 2017		2,510				
B. Other Equity		Capital Redemption Reserve	Securities Premium	General Reserves	Retained Earning	Total
As at 1 st April, 2015		30	36,617	1,338	26,357	64,342
Profit for the year		-	-	-	44	44
Securities premium credited on allotment of equity shares		-	402	-	-	402
Bad debts and other balances Adjusted		-	-	-	(22,942)	(22,942)
Total Comprehensive Income for the Year		30	37,019	1,338	3,459	41,846
Dividend on equity shares for the year		-	-	-	-	-
Dividend distribution tax		-	-	-	-	-
Issue of Equity shares on exercise of equity stock option		-	-	-	-	-
As at 31 st March, 2016		30	37,019	1,338	3,459	41,846
Profit for the year		-	-	-	177	177
Adjustments for Prior period taxes		-	-	-	(370)	(370)
Total Comprehensive Income for the Year		30	37,019	1,338	3,265	41,652
Dividend on equity shares for the year		-	-	-	-	-
Dividend distribution tax		-	-	-	-	-
Issue of Equity shares on exercise of equity stock option		-	-	-	-	-
As at 31 st March, 2017		30	37,019	1,338	3,265	41,652

The accompanying notes are an integral part of these financial statements

As per our report of even date
For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date : May 26, 2017

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Whole Time Director

sd/-
Neha Bagla
Company Secretary

Cash Flow Statement for the year ended March 31, 2017

(₹ In lakh)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
I	CASH INFLOW FROM OPERATING ACTIVITIES		
(a)	Profit/Loss as per Profit & Loss Account after Tax	208.56	41.81
	Adjustments:		
	Bad Debts Written off adjusted from Surplus in P&L	-	(22,942)
	Adjustments for Prior period taxes & IND As effect from Surplus in P&L	(497)	-
	Bad Debt Written off during the year	67	-
	Depreciation and amortization	1,356	1,597
	Income from Investing Activities	(224)	(775)
	Deferred Tax	354	(22)
	Finance Cost	1,505	1,864
	Expense on Employee stock option plan	13	203
	Loss on sale of Investment	37	-
	Actuarial gain through OCI	47	38
(b)	Changes in Assets and Liabilities		
	Inventories	98	396
	Trade receivables	(2,049)	15,380
	loans and advances	85	2,757
	Other Financial Assets	(712)	(1,002)
	Other Assets	192	3,542
	Trade payables	1,381	56
	Liabilities & Provisions	430	767
	Income Tax Assets	(54)	(131)
	Income Tax Liabilities	85	55
	Net Cash generated by Operating Activities	2,291	1,826

Cash Flow Statement for the year ended March 31, 2017

(₹ In lakh)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
II	CASH INFLOW FROM INVESTING ACTIVITIES		
	Proceeds from sale of fixed assets	-	345
	Payment toward acquisition of Fixed Assets	(17)	(13)
	Disposal of the Investment/Changes due to Ind As in Investments	86	(216)
	Dividend received	14	58
	Interest received	85	177
	Other Non-Operating Income	124	540
	Net Cash generated by Investing Activities	292	892
III	CASH INFLOW FROM FINANCING ACTIVITIES		
	Share Issued against Share Warrant	-	603
	Share application money pending allotment	-	(151)
	Proceeds from borrowings	(940)	(904)
	Finance Cost	(1,505)	(1,864)
	Net Cash generated by Financing Activities	(2,445)	(2,315)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)	138	402
	Add: Cash and cash equivalents at the beginning of the period (B)	1,160	758
	Cash and cash equivalents at the end of the period (A+B)	1,214	1,160

As per our report of even date

For Shah & Taparia
Chartered Accountants

For Allied Digital Services Ltd.

sd/-
Ramesh Pipalawa
M. No. 103840

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Prakash Shah
Whole Time Director

Place: Mumbai
Date : May 26, 2017

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Neha Bagla
Company Secretary

Note 29 Reconciliation Statement of Profit As per GAAP & AS per IND AS

Sr. No.	Particulars	Standalone Year Ended 31 st March 2016 Unaudited			Standalone Period Ended (Year to Date) 31 st March-17 Audited		
		IGAAP	Effect of Transition to Ind AS	IND AS	IGAAP	Effect of Transition to Ind AS	IND AS
1	Income from Operations						
a)	Net Sales/Income from Operations	10,341		10,341	7,810		7,810
b)	Other Operating Income	(146)		(146)	415		415
	Total income from Operations (net)	10,195		10,195	8,226	-	8,226
2	Expenses						
a)	Cost of Materials consumed						
b)	Purchase of stock-in-trade	2,946		2,946	1,325		1,325
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	396		396	98		98
d)	Employee benefits expense	2,193	241	2,434	2,194	60	2,254
e)	Depreciation and amortisation expense	1,597		1,597	1,356	0	1,356
f)	Other expenses	1,653	3	1,656	1,219	2	1,221
	Total Expenses	8,784	244	9,029	6,192	62	6,254
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	1,410	(244)	1,166	2,034	(62)	1,972
4	Other Income	699	76	775	147	77	224
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	2,110	(169)	1,941	2,180	15	2,195
6	Finance Costs	1,788	76	1,864	1,431	74	1,504
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	322	(245)	77	750	(59)	691
8	Exceptional Items						
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	322	(245)	77	750	(59)	691
10	Tax expense						
	Tax expense for current year	55		55	160	-	160
	MAT credit						
	Deferred Tax	58	(80.42)	(22)	-	354	354
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	209		45	590	(413)	177
12	Other Comprehensive Income (after tax)						
a)	Items that will not be Reclassified to P&L Gratuity Actuarial Gain/(Loss)		38	38		47	47
b)	Items that will be Reclassified Subsequently to P&L Total Comprehensive Income (after tax)	209		83	590	(366)	224

Footnotes to the reconciliation between previous GAAP and Ind AS:

First time adoption of Ind AS

The Company has prepared its first Indian Accounting Standards (Ind AS) compliant Financial Statements for the periods commencing April 1, 2016 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. The company had prepared these financial statements in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013. Accordingly, the Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of company's transition to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented below a reconciliation of net profit as presented in accordance with Accounting Standards notified under the Companies (Accounting standards) Rules, 2006 ("Previous GAAP") to total comprehensive income for the year ended March 31, 2016 and reconciliation of shareholders funds as per the previous GAAP to equity under Ind AS as at March 31, 2016 and April 1, 2015.

Exemptions Availed

1. Cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2015.
2. The Company is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the 2010 plan. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP. The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.
3. Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.
4. Company has opted for Historical Cost of Property, plant and equipment, Investment Property & Intangible Assets as per Indian GAAP as the deemed cost on the opening balance sheet date.
5. Employee Benefits Expense
Under the Previous GAAP, the company was not required to present other comprehensive income (OCI) separately. As per Ind AS 1, Presentation of Financial statements, Ind AS 19, Employee Benefits and Ind AS 109, actuarial gain/loss been shown separately and routed through OCI. Under OCI it has been shown after considering the tax effect.
6. Other Income, Other Expenses & Finance Cost
Under the Previous GAAP, the Company accounted for Other financial assets and Other financial liability measured at cost. Under Ind AS, the Company has signated such deposits (other than subsidiaries and associates) as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value and accordingly, the difference (gain) has been recognised in equity amounting to and as at March 31, 2017 and April 1, 2015 respectively and which has the effect on Otehr Income, Other Expenses and the Finance costs.
7. Deferred Tax
Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Tax adjustments are primarily on account of deferred taxes liability recognised on undistributed earnings of company.

NOTE - 2 : PROPERTY PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	As at 31-03-2016	Addition during the year 2016-2017	Deduction/Adjustment/Deletion during the year 2016-2017	As at 31-03-2017	Upto 31-03-2016	For the year 2016-2017	As at 31-03-2017	As at 31-03-2016
Premises Lease Hold	2,734	-	-	2,734	225	34	2,475	2,509
Civil and Plumbing Work	1,818	-	-	1,818	139	36	1,643	1,679
Furniture and Fixtures	3,214	-	-	3,214	1,561	401	1,252	1,654
Office Equipments	920	-	-	920	893	6	21	27
Motor Vehicles	135	-	-	135	122	7	6	13
Computers and IT Equipments	9,605	12	-	9,617	9,282	60	281	323
Computers (Given on lease)	156	-	-	156	156	-	-	-
Total	18,584	12	-	18,595	12,378	545	5,678	6,205

NOTE - 3 : INVESTMENT PROPERTY

Particulars	Gross Block			Depreciation			Net Block	
	As at 31-03-2016	Addition during the year 2016-2017	Deduction/Adjustment/Deletion during the year 2016-2017	As at 31-03-2017	Upto 31-03-2016	For the year 2016-2017	As at 31-03-2017	As at 31-03-2016
Leasehold Land	2,278	-	-	2,278	150	26	2,102	2,128
Premises Lease Hold	6,873	-	-	6,873	525	68	6,281	6,349
Total	9,151	-	-	9,151	675	94	8,383	8,477

NOTE - 4 : INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 31-03-2016	Addition during the year 2016-2017	Deduction/Adjustment/Deletion during the year 2016-2017	As at 31-03-2017	Upto 31-03-2016	For the year 2016-2017	As at 31-03-2017	As at 31-03-2016
Computer Software Licenses	76	-	-	76	74	1	2	3
Intellectual Property Rights	5,362	3,769	-	9,131	1,657	717	6,758	3,705
Total	5,438	3,769	-	9,207	1,730	717	6,760	3,708

Note 1:

- 1) Transfer of Capital Work in Progress to the respective Heads of Assets (if any) during the year under consideration is as per the representations made and certified by the Management.
- 2) As per the representation made by the Management the Intellectual Property Rights (IPR) in its current form can be put to use or sold to its customers. The management has informed that the active utility life of this IPR is 10 years from the date it was first put to use.

Note 05: Investments

i) Non Current Investments		(₹ in Lakh)		
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
1.	Non- Quoted, Long Term, Trade: (at Cost)			
(a)	Investment in Subsidiaries			
(i)	Allied Digital Services LLC (USA) 306017 (Previous year: 306017) Equity shares of USD 10 each, fully paid up	7,531 -	7,531	7,531
(ii)	Allied Digital Inc (USA) 10,000 (Previous year: 10,000) equity shares of USD 0.0001/- each fully paid up (Refer Note)	7,075 -	7,075	7,075
(iii)	Allied Digital Singapore Pte Limited 100 (Previous year: 100) shares of SGD 1 each, fully paid up (Refer Note)	6 -	6	6
(iv)	Allied Digital Asia Pacific Pty Limited (Australia) 100 (Previous year: 100) shares of AUD 1 each, fully paid up (Refer Note)	128 -	128	128
(v)	AlliedE-Cop Surveillance India Pvt. Ltd 86010 (Previous year: 86010) equity shares of Rs. 10/- each fully paid up	1 -	1	1
(vi)	Allied Digital Services (UK) Ltd. 900 (Previous year: 900) shares of GBP 1 each fully paid up	1 -	1	1
	Total Investment in Subsidiaries	14,742	14,742	14,742
(b)	Investment in Associates: (Carried at Cost)			
(i)	Soft Shell System (I) Pvt Ltd 117,924 (Previous year: 98,269) shares of 10/- each fully paid up at a premium of Rs 498.81 per share	600	500	-
	Total Investment in Associates	600	500	-
	Investment in Others (Unquoted)			
(i)	Uthopia Green Trans pvt Ltd	0	196	500
(ii)	Digicomp Complete Solutions Limited (Previous year: 3,250 Pref. Shares) of Rs. 100/- each fully paid up. Uthopia green Trans pvt Ltd (Investment)	-		3
	Total Investment in Others	0	196	503

Note:

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

i) Non Current Investments		(₹ in Lakh)		
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(2)	Investment carried at fair value through profit and loss			
(a)	Investment in Mutual Funds			
(i)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 0.181 (Previous year: 0.181) units of Rs. 1080.22 each	-	-	-
(ii)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend 12.9610 (Previous year: 12.9610) units of Rs. 105.7358 each	-	0	0
(iii)	ICICI Prudential Income Opportunities Fund Institutional Growth 154.952 (Previous year: 154.952) units of Rs. 17.0532 each	-	0	0
(iv)	BSL Floating Rate Fund - Long Term - INSTL-Weekly Dividend 23.0680 (Previous year: 23.0680) units of Rs. 100.2903 each	-	0	0
(v)	DSP Black Rock Income Opportunities Fund - Institutional Plan - Daily Dividend 3.6440 (Previous year: 3.6440) units of Rs. 1012.266 each	-	0	0
(vi)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend 64.826 (Previous year: 64.826) units of Rs. 10.1227 each	-	0	0
(vii)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend 0.118 (Previous year: 0.118) units of Rs. 1240.71 each	-	-	-
(viii)	Canara Robeco Short Term Institutional Growth Fund 124.2276 (Previous year: 124.2276) units of Rs. 10.80 each	-	0	0
(ix)	SBI-SHF-Ultra Short Term Fund - Institutional Plan - Daily Dividend 2.5020 (Previous year: 2.5020) units of Rs. 1000.2718 each	-	0	0
(x)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend 0.28 (Previous year: 0.28) units of Rs. 150 each	-	-	-
	Total Investment in Mutual Funds	-	0	0

Note:

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

i) Non Current Investments

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(3)	Investment carried at amortised cost			
(i)	450,0000 Preference Shares @ 100/- of Devyog Builders Pvt Ltd	137	127	104
	Total Investment in Preference Shares	137	127	104
	Total Non Current Investments	15,479	15,565	15,349
	Aggregate amount of quoted investments	-	0.15	500.15
	Aggregate market value of quoted investments	-	0.15	500.15

Note 1 Amounts extended to wholly owned Subsidiary Companies has been shown under the head investment as the same is long term in nature, though there is no issue of shares to the Company on account of these advances.

Note 2 Investments in Mutual Funds are stated at the lower of cost and fair value, determined on a portfolio basis.

Note 6: Loans

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(i)	Non-Current			
(a)	Loans and advances to related parties Unsecured, considered good	255	227	198
(b)	Others			
(i)	Inter Corporate Deposits	314	276	2,310
	Repayable on Demand	-	35	35
(ii)	Loans and advances to employees	1	-	-
	Total Others	315	312	2,345
	Total Long Term Loans and Advances	570	539	2,544
(ii)	Current			
a	Loans and advances to related parties Subsidiaries & Associates	81	168	645
	Other related parties	-	7	3
b	Loans and advances (others) Unsecured, considered good			
(i)	Loans and advances to employees	89	79	358
	Total Short-term loans and advances	170	254	1,006
	Total loans	740	793	3,550

Long Term Loans & Advances:

In respect of other loans and advances as appearing above, the Company has not produced the confirmations for the same. The management is of the opinion that these Loans and Advances are good and recoverable.

In respect of confirmation for other Loans and Advances, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the management of the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Short Term Loans & Advances:

In respect of confirmation for Loans and Advances the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Note 7: Other Financial Assets

(₹ in Lakh)				
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(i)	Non-Current			
(a)	Security Deposits Unsecured, considered good*	8	18	409
(b)	Rental Security Deposits Unsecured, considered good	-	3	-
(c)	Deferred Interest Exp (Preference Shares)	250	267	294
(d)	Deferred Interest Exp (Loan to Related Party)	48	72	96
(e)	Deferred Interest Exp (Security Deposits given Other)	-	-	1
(D)	Deferred Interest Exp (Inter Corporate Loan Given)	63	95	126
(g)	Deferred Interest Exp (Security Deposits Rent Given)	1	0	1
	Total	369	455	926
(ii)	Current			
(a)	Rental Security Deposits Unsecured, considered good*	13	27	53
(b)	Unbilled revenue	2,196	1,543	46
(c)	Deferred Interest Exp (Preference Shares)	18	18	18
(d)	Deferred Interest Exp (Loan to Related Party)	24	24	24
(e)	Deferred Interest Exp (Security Deposits given Other)	-	1	1
(D)	Deferred Interest Exp (Inter Corporate Loan Given)	31	31	32
(g)	Deferred Interest Exp (Security Deposits Rent Given)	1	1	3
(h)	Deferred Interest Exp (Loan to Employees)	0	0	-
(i)	Interest Accrued	143	70	65
	Total	2,427	1,715	242
	Total Other Financial Assets	2,796	2,170	1,168

* Financial assets carried at amortized cost

Unbilled Revenue of Rs.2196 Lakhs has been considered as certified and represented by the Management.

Note 8: Other Assets

(₹ in Lakh)				
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(i)	Non-Current			
(a)	Advance given to a Suppliers Unsecured, considered good	0	0	3,434
	Total	0	0	3,434
(ii)	Current			
(a)	MAT Credit Entitlement	730	730	730
(b)	Prepaid expenses	1	192	301
	Total	731	922	1,031
	Total Other Assets	731	922	4,465

Note:

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 9: Income Tax Assets

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
	Advance Income Tax Assets (Net of provisions)	1,692	1,638	1,562
	Total	1,692	1,638	1,562

Note 10: Inventories

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
	Stock in Trade (For Trading)	3,126	3,160	3,556
	Stock in Trade (For Service)	170	234	234
	Total Inventories	3,296	3,394	3,790

Note 1 Inventories are valued at lower of cost and net realizable value

Note 2 The value of the Inventory as on 31st March 2017 includes certain slow moving items which has not been provided for during the valuation of the same.

Note 3 The valuation of the Inventory is as certified by the management.

Note 11: Trade Receivables

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
	Trade receivables outstanding for a period less than six months from the date they are due for payment			
	Unsecured, considered good	3,687	6,814	7,651
	Less: Provision for doubtful debts	-	-	-
		3,687	6,814	7,651
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	11,190	6,782	21,325
	Unsecured, considered doubtful			
	Less: Provision for doubtful debts	-	(769)	(769)
		11,190	6,013	20,556
	Total Trade Receivable	14,877	12,827	28,207

Trade Receivable stated above include debts due from:

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
	Directors	-	-	0
	Private Company in which director is a member	1,898	1,368	626
		1,898	1,368	626

Note (i) In respect of confirmation for Sundry Debtors, the Company has not produced the same till the signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the management of the company. However, the management is of the opinion that all the Sundry Debtors, as appearing in the Balance Sheet are good and recoverable.

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 12 (i): Cash and Cash Equivalents:

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(a)	Balances with Banks			
(i)	In Current Account	142	293	34
(b)	Cash on hand	4	32	27
	Total Cash and Cash Equivalents	146	326	60

Note 12 (ii): Other Balances with Bank:

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(a)	Balances with Banks			
(i)	In fixed deposit accounts (pledge with bank against guarantees given by bank)	1,067	835	698
		1,067	835	698

Note 13: Share Capital

(a) Authorised, Issued, Subscribed & Paid - up and par value per share

(₹ In lakh)

Share Capital	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity shares of Rs. 5 each with voting rights	60,000,000	3,000	60,000,000	3,000	60,000,000	3,000
Issued						
Equity shares of Rs. 5 each with voting rights	50,205,528	2,510	50,205,528	2,510	46,186,727	2,309
Subscribed & Paid up						
Equity shares of Rs. 5 each with voting rights	50,205,528	2,510	50,205,528	2,510	46,186,727	2,309

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(₹ In lakh)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights					
Year ended 31 March, 2017					
- Number of shares	50,205,528	-	-	-	50,205,528
- Amount in Rs. Lakh	2,510	-	-	-	2,510
Year ended 31 March, 2016					
- Number of shares	50,205,528	-	-	-	50,205,528
- Amount in Rs. Lakh	2,510	-	-	-	2,510

(c) Rights, Preferences and restrictions related to equity shares

The company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity shares is entitled to one vote per share.

(d) Details of shares held by each shareholder holding more than 5% shares:

(₹ In lakh)

Share Capital	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights						
Nitin Dhanji Shah	14,783,031	29.45	14,783,031	29.45	12,596,364	27.27
Prakash Dhanji Shah	8,178,348	16.29	8,178,348	16.29	6,346,214	13.74

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

The Company by a Special Resolution passed at Annual General Meeting held on 29th September 2010 approved the Employee Stock Option Scheme under section 79A of the Companies Act 1956 to be read along with SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 whereby 30,00,000 options convertible into Equity Shares of Rs. 5/- each to be granted to eligible employees of the Company. This stock option scheme is titled as "ESOP 2010". Out of the same 4,87,500 options have been granted during the financial year 2012-13. Of these 1,87,500 options have lapsed as the employees holding the said number of grants have been terminated during FY 2015-16.

(₹ In lakh)

Particular	2016-2017	2015-2016
Opening Outstanding option	2,512,500	2,512,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	-
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	-	-
Closing Outstanding option	2,512,500	2,512,500

(e) Issue of Shares other than Cash

Details of Shares allotted as fully paid up by way of bonus shares before March 31, 2014

The Company allotted 13,22,300 equity shares of Rs. 10 each as fully paid-up bonus shares by capitalisation of reserves in 1999-2000

The Company allotted 71,05,605 equity shares of Rs. 10 each as fully paid-up bonus shares by capitalisation of reserves in 2006-2007

(f) Buy- Back of Equity Shares

The Board of Directors of the Company in their meeting held on February 18, 2011 had resolved to buyback ("Buyback") its fully paid-up equity shares of the face value of ₹ 5/- each (Equity Shares) from the existing Equity Share owners of the Company, other than Promoters of the Company. This Buy back was to be made from the stock exchange in accordance with the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Buy Back of Securities) Regulation, 1998 ("the Regulation") and the relevant provisions of Memorandum of Association and Articles of Association of the Company. The maximum price at which this buy back was to be executed was not to exceed Rs 140/- per Equity Share ("Maximum Buyback Price") payable in cash, and the maximum amount allocated for the Total Buy Back was Rs.2,800 Lakhs ("Offer size"). The Date of Opening of the buyback was April 25, 2011 and last Date for the Buyback was February 17, 2012. No buy back of shares was made by the Company during the year under consideration.

During the financial year 2011-2012, the Company has bought back 5,97,075 Equity Shares for a Total Consideration of Rs.324.87 Lakhs. The Bought back shares have been duly extinguished by the Company.

Note 14: Other Equity

(i) Reserves and Surplus

(₹ in Lakh)				
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(a)	Capital Redemption Reserve			
	Opening Balance	30	30	30
	Closing Balance	30	30	30
(b)	Securities Premium Account			
	Opening Balance	37,019	36,617	36,617
	(+) Securities premium credited on allotment of equity shares	-	402	-
	Closing Balance	37,019	37,019	36,617
(c)	General Reserves			
	Opening Balance	1,338	1,338	1,338
	Closing Balance	1,338	1,338	1,338
(d)	Surplus			
	Opening balance	3,459	26,357	28,708
	(+) Net Profit/(Net Loss) For the current year	177	44	(617)
	(-) Adjustment for Depreciation	-	-	1,734
	(-) Bad debts and other balances Adjusted **	-	(22,942)	-
	(-) Adjustments for Prior period taxes	(370)	-	-
	Closing Balance	3,265	3,459	26,357
	Total Reserves and Surplus	41,652	41,846	64,342
(e)	Share Warrant Application Money			
	Opening Balance	-	151	151
	(-) Current Year Transfer	-	(151)	-
	Closing Balance	-	-	151

(i) Reserves and Surplus

				(₹ in Lakh)
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(a)	Employee Stock Options Outstanding Opening	707	504	-
	Add: During the Year	13	203	504
	Total ESOP Outstanding	720	707	504
(b)	Accumulated Other Comprehensive Income			
	Opening	38	-	-
	Add: During the Year	47	38	-
	Total Other Comprehensive Income	85	38	-
	Total Other Component of Equity	805	745	504
	Total Other Component of Equity	805	745	504
	Total	42,457	42,591	64,997

** Sundry Debtors amounting to Rs. 229.42 Crores outstanding for over 5 years, considered bad and doubtful by the management, had been written off during year 2015-16.

Note 15: Borrowings

(₹ in Lakh)				
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(i)	Non-Current Borrowings			
	Secured			
A	Cosmos Bank	-	464	690
	Security details			
i.	1st Pari pasu charge on the Escrow account for amount receivable from Govt. of Maharashtra.			
ii.	Plot No 13/5 and 22/1 at Rajiv Gandhi Infotech Park, Hinjewadi, Pune and Plot No. A-24 & A-25 at Talewadi Software Park, Pune.			
	Terms of Repayment:			
	Repayment in 24 months in 8 equal quarterly installments for principal amount and interest to be paid on monthly basis at actual. Repayment has commenced during FY 2015-16.			
B	Bank of India	258	734	947
	Security details			
1.	Shared pari passu with Cosmos Bank as per Note 3.A.i above.			
2.	Equitable mortgage of the immovable property situated at Office no. 405 & 406, 4th Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai-400096.			
3.	Pledge of 20,00,000 shares held by the promoter of the Company.			
4.	Personal Guarantee of Promoters			
	Terms of Repayment:			
	Repayment through 16 Quarterly Installments for principal amount and interest to be serviced on monthly basis. Repayment has commenced during FY 2015-16.			
	Total Non-Current Borrowings	258	1,198	1,637
(ii)	Current Borrowings			
	Secured			
a	Loans repayable on demand (Refer Note (a))	6,627	7,061	8,408
	Unsecured			
a	Loans and advances from related parties (Repayable on Demand)	1,655	1,138	254
b	Unsecured Loan Others	110	70	40
c	Fixed Deposits from public	432	446	478
	Total Current Borrowings	8,824	8,715	9,180
	Total Borrowings	9,082	9,913	10,817

In respect of the Fixed Deposits from public amount overdue as at 31.03.2017; Principal sum overdue Rs 432.39 lakh and Interest overdue Rs 75.59 lakh.

(a) Details of Secured short-term borrowings alongwith Security and Terms of repayment:

(₹ in Lakh)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
Loans repayable on demand			
From banks for working capital facility from:			
State Bank of India	4,719	5,076	5,237
Barclays Bank Foreign Currency Loan	1,907	1,984	1,821
Standard Chartered Bank	-	-	1,348
Loans repayable on demand from banks	6,627	7,061	8,408

(i) Details of Security Offered to Banks for Working Capital Facilities

Following securities have been offered to above banks with the first charge with State Bank of India and pari pasu charged with Barclays Bank

- (a) Mortgage of Gala no 4, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- (b) Mortgage of Gala no 3, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- (c) Mortgage of Gala no 301,302,305,306,307,308, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- (d) Mortgage of Gala no 7, Bldg No 3, Plot No MBP 2, Mahape, Navi Mumbai
- (e) Hypothecation Charge on Movable assets except Vehicles
- (f) Hypothecation Charge on Current Assets
- (g) Personal Guarantee of directors Mr. Prakash D Shah and Mr. Nitin D Shah
- (h) Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai
- (i) Mortgage of Earnest House, 13A, 13 Floor, Nariman Point, Mumbai

Note 16: Other Financial Liabilities

(₹ in Lakh)

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(i)	Other Non-Current Financial Liabilities			
(a)	Security deposit for rented property	-	1	1
(b)	Deferred Rent Income- Security Deposits Rent	2	0	1
	Total Non-Current Borrowings	2	1	2
(ii)	Other Current Financial Liabilities			
(a)	Current Maturities of Long term Debts	745	1,037	1,500
(b)	Security deposit for rented property	12	158	156
(c)	Unpaid Dividend	-	-	4
(d)	Deferred Rent Income- Security Deposits Rent	1	1	2
(e)	Interest Payable	33	33	-
	Total Other Current Financial Liabilities	790	1,228	1,662
	Total Borrowings	792	1,229	1,664

Note:

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 17: Provisions

(₹ in Lakh)				
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(i)	Non-Current Provisions			
(a)	Provision for employee benefits:			
	- Provision for gratuity	1	0	1
	Total Non-Current Provisions	1	0	1
(ii)	Current Provisions			
(a)	Provision for employee benefits			
(i)	Contribution to Provident Fund	283	296	153
(ii)	Contribution to Employee State Insurance Corporation	40	23	8
(iii)	Profession Tax	23	17	10
(iv)	Leave Travel Allowance	8	8	12
(v)	Provision for gratuity	152	148	144
(b)	Others			
(i)	Provision for Interest expenses	500	-	-
(ii)	Provision for Interest expenses	126	210	-
	Total Current Provisions	1,132	702	326
	Total Provisions	1,133	702	327

On account of the severe Financial crunch faced by the Company, regular delays have been noted in making the payment towards the Contributions payable by the Company on account of Employee Benefits, Profession Tax and other statutory dues.

Note 18: Deferred tax liabilities

The net deferred tax as at 31st March, 2017, comprises of the following components:

(₹ in Lakh)			
Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
Deferred Tax Asset			
Disallowance u/s 43b of the Income Tax Act 1961 and Provision for employee benefits	-	100	128
Total Deferred Tax Asset	-	100	128
Deferred Tax Liability			
Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,953	1,329	1,379
Total Deferred Tax Liability	1,953	1,329	1,379
Net Deferred Liability/ (Asset)	1,953	1,229	1,251

Note 19: Other liabilities

(₹ in Lakh)				
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(i)	Other Current Liabilities			
(a)	Advance received from Customer	574	765	-
(b)	Duties & Taxes	367	302	240
(c)	Unpaid Dividend	8	-	-
	Total Other Current Liabilities	949	1,067	240
	Total Other Liabilities	949	1,067	240

Note:

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 20: Trade Payables

(₹ in Lakh)				
Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
a	Trade payables			
	-Trade payables to Micro and Small enterprises	-	-	-
	-Trade payables to other than Micro and Small enterprises	2,768	1,387	1,331
	Total Trade Payables	2,768	1,387	1,331

The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end, together with interest payable, as required under the said Act, have not been given.

Note 21: Operating Income

(₹ in Lakh)			
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Services, Solutions and Sales	7,807	10,327
	Lease Rent	4	13
	Total Operating Income	7,810	10,341

Note 22 : Other Income

(₹ in Lakh)			
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Interest Income (Refer Note 22.A)	159	177
	Dividend Income	14	58
	Net gain on foreign currency transactions	415	(146)
	Other non-operating income (Refer Note 22.B)	50	540
	Total Other Income	639	629

Note 22.(A)

(₹ in Lakh)			
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Interest Income comprises:		
	Interest on deposits from banks	85	106
	Interest on financial asset carried at amortised cost	74	71
	Total - Interest Income	159	177

Note 22.(B)

(₹ in Lakh)			
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Other non-operating income comprises:		
	Income from Office Rent	27	511
	Miscellaneous Income	23	1
	Total Other non-operating income	50	512

Note 23 Purchase of Traded Goods

		(₹ in Lakh)	
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Purchase of Traded Goods and Services	1,115	2,570
	Other Direct Cost	210	376
	Total Purchase of Traded Goods	1,325	2,946

Note 24 Changes in Inventories of Stock-in-Trade

		(₹ in Lakh)	
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Closing Stock	3,296	3,394
	Less : Opening Stock	3,394	3,790
	Net (increase) / decrease	98	396

- (i) Inventories are valued at lower of cost and net realizable value.
- (ii) The value of the Inventory as on 31st March 2017 includes certain slow moving items which has not been provided during the valuation of the same. The valuation of the Inventory is as certified by the management.

Note 25 : Employee Benefits Expenses

		(₹ in Lakh)	
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
(a)	Salaries and wages (Including Directors' Remuneration) (Refer note (25A))	2,087	2,084
(b)	Contributions to Provident Fund	40	79
(c)	Contributions to ESIC	21	8
(d)	Contributions to Labour Welfare Fund	0	0
(e)	Contributions to Gratuity	52	41
(D)	Staff welfare expenses	41	20
(g)	ESOP Expenses	13	203
	Total Employee Benefit Expenses	2,254	2,435

(25A) Details of Managerial Remuneration:

		(₹ in Lakh)	
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Salaries	82	90
	Total	82	90

Note 26 : Finance Cost

		(₹ in Lakh)	
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
(a)	Interest expense on Borrowings	1,369	1,820
(b)	Other borrowing costs	136	44
	Total Finance Cost	1,505	1,864

Note:

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 27 Other expenses

		(₹ in Lakh)	
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
	Rent including Lease Rentals	63	126
	Repairs and Maintenance	30	73
	Insurance	35	16
	Communication	50	66
	Travelling and Conveyance	106	91
	Electricity Expenses	143	188
	Freight and Forwarding	25	46
	Advertisement Expenses	101	205
	Legal and Professional Fees	252	275
	Payments to Auditors (Refer Note (23A) below)	10	6
	Rates and Taxes	59	84
	Brokerage Charges	9	3
	Security Charges	11	9
	Printing & Stationery Expenses	14	7
	Business Promotion Expenses	35	5
	Office Expenses	52	17
	Equipment Hire Charges	-	39
	Labour Charges	78	325
	Loss on Sale of Asset	-	53
	Sundry Balance W/off	1	-
	Bad debt W/off	66	-
	Donation	0	-
	Loss on Sales on Investment	37	-
	Miscellaneous Expenses	43	22
Total Other Expenses		1,221	1,655

27A Details of Auditors' Remuneration:

		(₹ in Lakh)	
Sr. No.	Particulars	For the year ending Mar 31, 2017	For the year ending Mar 31, 2016
Payments to the Auditors			
(a)	For Statutory Audit	10	5
(b)	For Taxation Matters	-	1
Total		10	6

Note:

Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 1 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1) Corporate information

Allied Digital Services Limited (referred to as “ADSL” or the “Company”) is renowned as a leading Global IT Transformation Architect, having its operations in pan India, USA, Australia, Europe and Middle east Asia with an impeccable track record for designing, developing, deploying digital solutions and delivering end-to-end IT infrastructure services. It provides wide range of information technology and consultancy services including Infrastructure Services, End user IT Support, IT asset life cycle, enterprise applications and integrated solutions.

The Company’s registered office is in Mumbai and has presence in pan India, and it has Subsidiary companies in USA, UK, Singapore and Australia.

2) Significant Accounting Policies

Basis of preparation and presentation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

For all the periods upto the year ended March 31, 2016, the Company had earlier prepared and presented its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 (Indian GAAP). Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 38.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

1. Derivative financial instruments;
2. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
3. Share based payment transactions and
4. Defined benefit and other long-term employee benefits

c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Summary of significant accounting policies

- (i) Functional and presentation currency Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- (ii) Foreign currency transactions and balances are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

- (iii) Investment in subsidiaries: Investment in subsidiaries is measured at cost. Dividend income from subsidiaries (if any) is recognised when its right to receive the dividend is established.
- (iv) Financial instruments: All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs. For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.
- (v) Debt instruments at FVTOCI**
- A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:
- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
 - the asset's contractual cash flow represent Solely Payments of Principal and Interest (SPPI)
- Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.
- (vi) Equity instruments at FVTOCI**
- All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.
- (vii) Financial assets at FVTPL**
- FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.
- In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.
- Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.
- a) Non-derivative financial liabilities**
- Financial liabilities at amortised cost: Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
 - Financial liabilities at FVTPL: Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

b) Derivative financial instruments:

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

(v) Property, plant and equipment

- a) Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.
- b) Depreciation: The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives for the current and comparative period of significant items of property, plant and equipment are as follows

Type of Asset	Method	Estimated useful life
Leasehold Land	Straight line	99 Years
Freehold & Leasehold Buildings	Straight line	60 Years
Furniture and Fixtures	Straight line	10 Years
Computers and IT Equipment's	Straight line	3 Years
Servers	Straight line	6 Years
Motor Vehicles	Straight line	8 Years
Office Equipment's	Straight line	5 years
Civil and Plumbing Work	Straight line	60 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress (if any).

(vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The estimated useful lives of intangibles are as follows:

Type of Asset	Method	Estimated useful life
Intellectual Property	Straight line	10 Years

(vii) Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease

payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(viii) Impairment

Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ix) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

(x) Share based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss.

(xi) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(xii) Revenue

The Company derives revenue primarily from IT Infrastructure Services, Enterprise Application & Integrated Solutions and related services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

a) Fixed-price contracts

Revenues from fixed-price contracts are recognized using the “percentage-of-completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates. ‘Unbilled revenues’ represent cost and earnings in excess of billings as at the end of the reporting period. ‘Unearned revenues’ represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as ‘Advance from customers’.

b) Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the “percentage-of-completion” method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion. In arrangements for soft ware development and related services and maintenance services, the Company has applied the guidance in Ind AS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering soft ware development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale. Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances. The Company accrues the estimated cost of post contract support services at the time when the revenue is recognized. The accruals are based on the Company’s historical experience of material usage and service delivery costs.

(xv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary difference arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary difference. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(xvi) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

B) Notes on Accounts

Note 28 Employee Benefits

Gratuity Plan

- (i) An amount of Rs.lakhs has been recognized towards the Employees Gratuity Fund against the liability of Rs.lakhs as per the Actuarial Valuation for Gratuity as on 31st March 2017. The Company has its Employees Gratuity Fund managed by Birla Sun Life Insurance Company. The particulars under AS 15 (Revised) furnished below are those which are relevant and available to the company and which are as per the Actuarial Valuation Report:-

	Valuation Date 31 st March, 2017	Valuation Date 31 st March, 2016
I Assumptions as at		
Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
Discount Rate	8%	8%
Rate of increase in compensation	5%	5%
Rate of return (expected) on plan assets	9%	9%
Withdrawal rates	1 to 6%	1 to 6%
II Changes in present value of obligations		
PVO at beginning of period	14782818	14,514,732
Interest cost	1148115	1,142,717
Current Service Cost	2855133	3,023,263
Benefits Paid	(862760)	(99,914)
Actuarial (gain)/loss on obligation	(2614792)	(3,797,980)
PVO at end of period	15308514	14,782,818
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	358	101,991
Adjustment to Opening Fair Value of Plan Assets	916426	(364)
Expected Return on Plan Assets	82511	4,700
Contributions	-	-
Benefit Paid	(862760)	(99,914)
Actuarial gain/(loss) on plan assets	(34544)	(6,055)
Fair Value of Plan Assets at end of period	101991	358
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	358	101,991
Adjustment to Opening Fair Value of Plan Assets	916426	(364)
Actual Return on Plan Assets	47967	(1,355)

	Valuation Date 31 st March, 2017	Valuation Date 31 st March, 2016
Contributions	-	-
Benefit Paid	(862760)	(99,914)
Fair Value of Plan Assets at end of period	101991	358
Funded Status	(15206523)	(14,782,460)
Excess of actual over estimated return on Plan Assets	(34544)	(6,055)
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	2,614,792	3,797,980
Actuarial Gain/(Loss) for the period (Plan Assets)	(34544)	(6,055)
Total Gain/(Loss) for the period	2,580,248	3,791,925
Actuarial Gain/(Loss) recognized for the period	2,580,248	3,791,925
Unrecognized Actuarial Gain/(Loss) at end of period		-
VI Amounts to be recognized in the Balance Sheet and statement of Profit & Loss Account		
PVO at end of period		145,14,732
Fair Value of Plan Assets at end of period	101991	358
Funded Status	(15206523)	(14,782,460)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	(15206523)	(14,782,460)
VII Expense recognized in the statement of P & L A/C		
Current Service Cost	2855133	3,023,263
Interest cost	1074772	1,142,717
Expected Return on Plan Assets	(82511)	(4,700)
Net Actuarial (Gain)/Loss recognized for the period	(2,580,248)	(3,791,925)
Expense recognized in the statement of P & L A/C	525696	369,355
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	14782460	14,412,741
Adjustment to Opening Fair Value of Plan Assets	(916426)	364
Expenses as above	-	369,355
Contribution paid	-	-
Closing Net Liability	15206523	14,782,460
IX Experience Analysis - Liabilities		
Actuarial (Gain)/Loss due to change in basis		
Experience (Gain) / Loss due to change in Experience		
Total		(172,732)
Experience Analysis – Plan Assets	(2,580,248)	(3,625,248)
Experience (Gain) / Loss due to change in Plan Assets	(2,614,792)	(3,797,980)
	34544	6,055
X Schedule VI Details		
Current Liability		
Non-current Liability	15206523	14,782,460

1) Additional Information pursuant to the provisions of part II of the Schedule III of the Companies Act 2013:-

(Rs. In Lakh)

Particular	Year ended 31.03.17	Year ended 31.03.16
i Income in Foreign Currency (Exports)		
Sales of Services and products	2,733	2,874
ii Expenditure in Foreign Currency		
(subject to deduction of tax where applicable)		
a Professional & Consultation Fees		
b Travelling	13	30
c Cloud Computing	207	285
d Other Expenses		0
iii Value of Imports calculated on C.I.F. basis - Traded Goods	-	402

Segment report

S r. No.	Particular	Year ended 31.03.17	Year ended 31.03.16
1	Segment Revenue		
	Enterprise Computing based Solutions	5,467	7,214
	Infrastructure Management based Solutions	2,343	3,127
	Unallocated	639	629
	Net Segment Revenue	8,450	10,970
2	Profit before Interest, un-allocable expenses & Tax		
	Enterprise Computing based Solutions	3,443	3,739
	Infrastructure Management based Solutions	1,330	1,454
		4,773	5,193
	Less : i) Interest	1,505	1,864
	ii) Un-allocable Expenses (net of un-allocable income)	3,044	3,247
	Total Profit Before Tax	224	82
3	Capital Employed		
	Un-allocable	47,183	47,530
	Total Capital Employed	47,183	47,530

Earnings Per Share

Sr. No.	Particular	2016-17	2015-16
A	Weighted average number of equity shares of Rs. 5/- each		
I	Number of shares at the beginning of the year (Nos.) of Rs.5/- each (Previous Year of Rs. 5/- each)	5,02,05,528	4,61,86,727
II	Number of Shares at the end of the year (Nos.) of Rs.5/- each	5,02,05,528	5,02,05,528
III	ESOP outstanding to employees	Nil	Nil
IV	Weighted average number of Equity Shares of Rs.5/- each (Previous Year Rs.5/- each) outstanding during the year (Nos) for Basic EPS	5,02,05,528	5,02,05,528
V	Weighted average number of Equity Shares of Rs.5/- each (Previous Year Rs. 5/- each) outstanding during the year (Nos) for Dilutive EPS	5,02,05,528	4,67,15,227
B	Net Profit after tax available for equity shareholders (In Rs. Lakh)	177	44
C	Basic income per share (in rupees) [B/A (v)]	0.35	0.10
D	Diluted income per share (in rupees) [B/A (vi)]	0.35	0.10

Contingent Liabilities and commitment

Contingent liabilities (to the extent not provided for)

Contingent liability

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
(a) Guarantees	2575	2,535	2,792
(b) Letter of Credit		-	161
(c) Sales Tax	-	11,545	11,545
(d) Income Taxes	154	511	591
Total Contingent liabilities and commitments	2,729	14,591	15,089

Ass. Year	Income tax Demanded as per revised Order of the A.O
2006-7	18
2008-09	4
2011-12	52
2012-13	79
Total	154

Summary of Related Party transaction

B) Nature of transaction with the Related Parties

Year Ended March 31, 2017	Subsidiary	Rs in Lakhs Associate
Revenue		
2016-17	2,732.85	-
2015-16	2,741.29	130.69
2014-15	1,293.82	1,087.37
Purchase of Goods, Services and Facilities		

2016-17	15.84	
2015-16	-	9.43
2014-15	-	20.76
loan and advance		
2016-17	-	-
2015-16	-	5.87
2014-15	-	1.28

Balance with Related Party

	Rs in Lakhs	
	Subsidiary	Associate
Sundry Debtors		
2016-17	1,892.99	5.23
2015-16	1,397.79	1,375.64
2014-15	479.38	1,450.15
Sundry Creditors		
2016-17	15.84	56.15
2015-16	1,833.05	(22.09)
2014-15	2,204.69	55.53
Loan and advance		
2016-17	-	54.02
2015-16	-	353.15
2014-15	644.58	347.27
Short Term Borrowing		
2016-17	1,555.67	-
2015-16	960.25	54.37
2014-15	75.70	53.85
Non-current investment		
2016-17	14,741.96	-
2015-16	14,741.96	-
2014-15	14,741.96	-

Disclosure require under clause 32 of the listing agreement regarding related parties

Amount of loan/ advances in the nature of loan outstanding from subsidiaries and associates:

Particular	Outstanding as at the end of the year	Maximum amount outstanding during the year	Rs in Lakhs
			Investment in shares of the company
Subsidiaries			
Digicom Complete Solutions Ltd.			
2016-17	-	-	-
2015-16	-	-	-
2014-15	-	-	3.25
Allied Digital INC			
2016-17	-	-	7,530.79
2015-16	884.56	884.56	7,530.79
2014-15	-	-	7,530.79
En Point Technologies India Pvt Ltd			
2016-17	61.71	61.71	-

2015-16	62.22	62.22	-
2014-15	62.22	62.22	-
Allied Digital Singapore Pte Ltd			
2016-17	13.47	13.47	6.47
2015-16	13.47	13.47	6.47
2014-15	13.47	13.47	6.47
Allied Digital Asia Pacific Pty Ltd			
2016-17	-	-	127.84
2015-16	-	-	127.84
2014-15	-	-	127.84
Allied Digital e-Cop Surveillance India Pvt Ltd			
2016-17	-	-	1.01
2015-16	-	-	1.01
2014-15	-	-	1.01
Allied Digital Services (UK) Ltd			
2016-17	-	-	1.01
2015-16	-	-	1.01
2014-15	-	-	1.01
Associates			
Assetlite Equipment India Private Ltd.			
2016-17	54.02	54.02	
2015-16	54.37	189.58	
2014-15	53.85	53.95	

Note 30: Disclosure of specified notes

Particular	SBN's (Rs. 500/- and Rs. 1000/-)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016		248,805	248,805
Add: Permitted Receipt		214,486	214,486
Less: Permitted Payment		(422,512)	(422,512)
Less: Amount deposited in bank			-
Closing cash in hand as on 30-12-2016			40,779

Independent Auditors' Report on Consolidated Financial Statements

To the Members of

ALLIED DIGITAL SERVICES LTD

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of ALLIED DIGITAL SERVICES LTD ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Company" or "the Group"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state affairs of the Company as at 31st March, 2017, and its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

Without qualifying our opinion we invite attention to the following matters:

Balances relating to Trade Receivables and Loans and Advances are pending for confirmations from the respective parties. Adjustments if any will be made in the year in which the confirmations are received.

In respect of Investment in subsidiaries, the Company has not made any provisions for diminution in the value of these Investments inspite of there being negative net worth, in view of future business plan of said subsidiary company.

Intellectual Property rights (IPRs) Rs. 37.69 Crores, which have been capitalized during the year, being technical in nature, we have relied on the estimates and assumptions made by the management in determining the amount capitalized.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements / financial information of Two subsidiaries, whose financial statements / financial information reflect total assets of Rs 8951.43 Lakh as at 31st March, 2017, total revenues of Rs 16173.37 Lakh and net cash flows amounting to Rs (264) Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

We did not audit the financial statements / financial information of Six subsidiaries, whose financial statements / financial information reflect total assets of Rs. 8544.36 Lakh as at 31st March, 2017, total revenues of Rs NIL and net cash flows amounting to Rs NIL for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements / financial information provided to us by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

The consolidated balance Sheet, the consolidated Statement of Profit and Loss including consolidated Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 26 to the financial statements;

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as on 31.03.2017.

The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the group entities as applicable. Based on audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements.

For SHAH & TAPARIA

Chartered Accountants

FRN: 109463W

Ramesh Pipalawa

Partner

Membership No.: 103840

Mumbai

May 26th, 2017

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Allied Digital Services Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Allied Digital Services Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matter

Without qualifying our report we invite attention to the following matters in respect of the Holding Company:

There are some inherent bugs in the accounting software which is being used by the company. These relate to errors in processing of data which sometimes results in providing wrong information, non-generation of audit trail including lack of availability of appropriate audit evidence. The management is of the opinion that these errors are not material and it may not have a material impact on the financial statements presented.

Our opinion is not modified in respect of these matters.

Other Matters:

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For SHAH & TAPARIA

Chartered Accountants

FRN: 109463W

Ramesh Pipalawa

Partner

Membership No. : 103840

Mumbai

May 26th, 2017

Consolidated Balance Sheet as at 31st March, 2017

(₹ In lakhs)

Particulars	Note	As at 31 st March 2017	As at 31 st March 2016	As at 1 st April 2015
ASSETS				
Non-Current assets				
Property, Plant and Equipment	2	14,145	14,759	16,199
Investment Property				
Capital Work in Progress	3	-	3,769	3,769
Intangible Assets	4	7,239	4,321	4,942
Goodwill		9,622	9,622	9,622
Financial Assets				
Investments	5	737	823	604
Trade Receivables		-	-	-
Loans	6 (i)	6,960	3,026	2,544
Other Financial Assets	7 (i)	370	455	926
Other Non-Current Assets	8 (i)	-	1,627	4,729
Total Non-Current Assets		39,073	38,402	43,336
Current assets				
Inventories	9	3,351	3,415	3,819
Financial Assets				
Investments				
Trade Receivables	10	30,236	16,170	31,203
Cash and Cash Equivalents	11	571	1,067	1,623
Other bank balances	12	1,067	835	698
Loans	6 (ii)	1,010	567	1,016
Other Financial Assets	7 (ii)	2,427	1,715	242
Other Current Assets	8 (ii)	853	1,623	1,607
Total Current Assets		39,516	25,393	40,209
Total Assets		78,589	63,795	83,545
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	13	2,510	2,510	2,309
Other Equity	14	41,686	41,665	63,813
Equity Attributable to Shareholders		44,196	44,175	66,122
Non-Controlling Interest		674	648	547
Total Equity		44,870	44,823	66,669
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	15 (i)	1,008	1,971	2,550
Trade Payables		-	-	-
Other Financial Liabilities	17 (i)	2	1	2
Provisions	18 (i)	1	0	1
Deferred Tax Liabilities (Net)	19	1,668	1,077	1,013
Other Non-Current Liabilities	20 (i)	100	20	-
Total Non-Current Liabilities		2,779	3,069	3,566
Current Liabilities				
Financial Liabilities				
Borrowings	15 (ii)	18,530	7,790	9,242
Trade Payables	16	6,090	4,212	873
Other Financial Liabilities	17 (ii)	2,085	1,589	1,975
Other Current Liabilities	20 (ii)	581	1,293	468
Provisions	18 (ii)	3,654	1,018	752
Total Current Liabilities		30,940	15,902	13,310
Total Equity and Liabilities		78,589	63,795	83,545

See accompanying notes from 1 to 31 forming part of financial statements

As per our report of even date

For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: May 26, 2017

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Whole Time Director

sd/-
Neha Bagla
Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31st March, 2017

(₹ In lakhs)

Particulars	Note	Year Ended	
		31 st March, 2017 (Audited)	31 st March, 2016 (Audited)
Income from Operations			
Net Sales/Income from Operations (Inclusive of Excise duty)	21	21,530	23,706
Other Income	22	194	568
Total income from Operations (net)		21,724	24,274
Expenses			
Cost of Materials consumed		-	-
Purchase of stock-in-trade	23	11,026	12,596
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	98	396
Employee benefits expense	25	3,477	3,668
Finance Costs	26	1,578	1,908
Depreciation and amortisation expense		2,142	2,175
Other expenses	27	2,858	2,929
Total Expenses		21,179	23,672
Profit / (Loss) from operations before exceptional items		545	602
Exceptional Items		-	-
Profit / (Loss) from ordinary activities before tax		545	602
Tax expense			
Tax expense for current year		221	207
MAT credit		-	-
Deferred Tax		354	(22)
Net Profit / (Loss) from ordinary activities after tax		(30)	417
Shares of Profit/(Loss) of Associates & Joint Ventures		(5)	-
Net Profit / (Loss) for the Period		(35)	417
Other Comprehensive Income (after tax)			
Items that will not be Reclassified to P&L			
Gratuity Actuarial Gain/(Loss)		47	38
Items that will be Reclassified Subsequently to P&L			
Exchange Difference on Monetary Items		450	62
Foreign Currency Translation Difference		(42)	(88)
Total Comprehensive Income (after tax)		421	429
Net Profit/(Loss) attributable to:			
Owners		378	352
Non-Controlling Interest		(43)	(77)
Paid-up equity share capital		2,510	2,510
(Face Value of Rs.5/-)			
Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year		41,686	41,665
Earning per Share (of Rs. 5/- each) (not annualised):			
Basic		(0.07)	0.90
Diluted		(0.07)	0.90

See accompanying notes from 1 to 31 forming part of financial statements

As per our report of even date

For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: May 26, 2017

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Whole Time Director

sd/-
Neha Bagla
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2017

S r. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
I	CASH INFLOW FROM OPERATING ACTIVITIES		
(a)	Profit/Loss as per Profit & Loss Account after Tax	331	302
	Adjustments:		
	Bad Debts Written off adjusted from Surplus in P&L		(22,942)
	Adjustments for Prior period taxes & IND As effect from Surplus in P&L	(497)	-
	Bad Debt Written off during the year	271	-
	Depreciation and amortization	2,142	2,175
	Income from Investing Activities	(229)	(700)
	Deferred Tax	591	(22)
	Finance Cost	1,578	1,908
	Income tax paid	(221)	-
	Expense on Employee stock option plan	13	203
	Loss on sale of investment	37	-
	Acturial gain through OCI		100
	FCTR	(408)	(326)
(b)	Changes in Assets and Liabilities		
	Inventories	64	403
	Trade receivables	(14,066)	15,033
	loans and advances	(4,377)	(33)
	Other Financial Assets	(712)	(1,002)
	other assets	2,483	3,090
	Trade payables	1,879	3,338
	Other Current liability	(142)	-
	Liabilities & Provisions	2,636	724
	Net Cash generated by Operating Activities	(8,627)	2,252
II	CASH INFLOW FROM INVESTING ACTIVITIES		
	Proceeds from sale of fixed assets	-	345
	Payment toward acquisition of Fixed Assets	(83)	(33)
	Disposal of the Investment\Changes due to Ind As in Investments	90	(196)
	Dividend received	14	58
	Interest received	85	106
	Other Non-Operating Income	129	536
	Net Cash generated by Investing Activities	237	816
III	CASH INFLOW FROM FINANCING ACTIVITIES		
	Share Issued against Share Warrant	-	603
	Share application money pending allotment	-	(151)
	From borrowings	9,776	(2,031)
	Finance Cost	(1,650)	(1,908)
	Net Cash generated by Financing Activities	8,126	(3,487)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)	(264)	(419)
	Add: Cash and cash equivalents at the beginning of the period (B)	1,902	2,321
	Cash and cash equivalents at the end of the period (A+B)	1,638	1,902

As per our report of even date

For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: May 26, 2017

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Whole Time Director

sd/-
Neha Bagla
Company Secretary

Statement of Change in Equity

A. Equity Share Capital

Balance as at 01.04.2015	2,309
Add: Shares issued against share warrant	201
Balance as at 31.03.2016	2,510
Change in equity share capital during the year	-
Balance as at 31.03.2017	2,510

B. Other Equity

Particulars	Share warrant application money	Securities premium account	Other Equity					
			Reserve and Surplus				Other Comprehensive Income	
			Retained Earnings	Capital Redemption Reserve	General Reserve	Employee Stock Options Outstanding	Equity Instruments through other comprehensive income	Other items of other comprehensive income
Balance as at 01.04.2015	151	36,654	25,137	30	1,338	504	-	-
For the Year			328			203		
Allowances for credit losses on Financial Assets								
Adjustment for Depreciation			(22,942)					
Issue of Equity Shares against warrants	(151)							
Securities Premium received on Shares Allotment		402						
Compensation cost related to employee share based payment								
Other Comprehensive Income								100 (88)
Balance as at 31.03.2016	-	37,056	2,523	30	1,338	707	-	100 (88)
Balance as at 01.04.2016	-	37,056	2,523	30	1,338	707	-	100 (88)
For the Year	0		(77)			13		497 (42)
Other Comprehensive Income								
Adjustment for Prior Period Debt			(370)					
Balance as at 31.03.2017	-	37,056	2,076	30	1,338	720	-	597 (130)

C Rights, Preferences and restrictions related to equity shares

The company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity shares is entitled to one vote per share.

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

The Company by a Special Resolution passed at Annual General Meeting held on 29th September 2010 approved the Employee Stock Option Scheme under section 79A of the Companies Act 1956 to be read along with SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 whereby 30,00,000 options convertible into Equity Shares of Rs. 5/- each to be granted to eligible employees of the Company. This stock option scheme is titled as "ESOP 2010". Out of the same 4,87,500 options have been granted during the financial year 2012-13. Of these 1,87,500 options have lapsed as the employees holding the said number of grants have been terminated during FY 2015-16.

Statement of Change in Equity

Particular	(Rs. In lakh)	
	2016-2017	2015-2016
Opening Outstanding option	2,512,500	2,512,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	-
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	-	-
Closing Outstanding option	2,512,500	2,512,500

D Issue of Shares other than Cash

Details of Shares allotted as fully paid up by way of bonus shares before March 31, 2014

The Company allotted 13,22,300 equity shares of ₹ 10 each as fully paid-up bonus shares by capitalisation of reserves in 1999-2000

The Company allotted 71,05,605 equity shares of ₹ 10 each as fully paid-up bonus shares by capitalisation of reserves in 2006-2007

E Buy-Back of Equity Shares

The Board of Directors of the Company in their meeting held on February 18, 2011 had resolved to buyback ("Buyback") its fully paid-up equity shares of the face value of ₹ 5/- each (Equity Shares) from the existing Equity Share owners of the Company, other than Promoters of the Company. This Buy back was to be made from the stock exchange in accordance with the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Buy Back of Securities) Regulation, 1998 ("the Regulation") and the relevant provisions of Memorandum of Association and Articles of Association of the Company. The maximum price at which this buy back was to be executed was not to exceed Rs 140/- per Equity Share ("Maximum Buyback Price") payable in cash, and the maximum amount allocated for the Total Buy Back was ₹ 2,800 Lakhs ("Offer size"). The Date of Opening of the buyback was April 25, 2011 and last Date for the Buyback was February 17, 2012. No buy back of shares was made by the Company during the year under consideration.

During the financial year 2011-2012, the Company has bought back 5,97,075 Equity Shares for a Total Consideration of ₹ 324.87 Lakhs. The Bought back shares have been duly extinguished by the Company.

Note 29: Reconciliation Statement of P & L

Sr. No.	Particulars	Consolidated Period Ended (Year to Date) 31 st March 2016 Unaudited			Consolidated Period Ended (Year to Date) 31 st March 2017 Unaudited		
		IGAAP	Effect of Transition to Ind AS	IND As	IGAAP	Effect of Transition to Ind AS	IND As
1	Income from Operations						
a)	Net Sales/Income from Operations	23,706	-	23,706	21,530		21,530
b)	Other Operating Income	(146)	(62)	(208)	415	(450)	(35)
	Total income from Operations (net)	23,560	(62)	23,498	21,946	(450)	21,495
2	Expenses						
a)	Cost of Materials consumed			-			
b)	Purchase of stock-in-trade	12,596	-	12,596	11,026		11,026
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	396	-	396	98		98
d)	Employee benefits expense	3,427	241	3,668	3,417	60	3,477
e)	Depreciation and amortisation expense	2,175	-	2,175	2,142		2,142
f)	Other expenses	2,926	3	2,929	2,856	2	2,858
	Total Expenses	21,520	244	21,764	19,539	62	19,601
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	2,040	(306)	1,734	2,407	(512)	1,894
4	Other Income	700	76	776	152	77	229
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	2,740	(230)	2,510	2,558	(435)	2,123
6	Finance Costs	1,832	76	1,908	1,504	74	1,578
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	908	(306)	602	1,054	(509)	545
8	Exceptional Items						
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	908	(306)	602	1,054	(509)	545
10	Tax expense						
	Tax expense for current year	207	-	207	221		221
	MAT credit						
	Deferred Tax	58	(80)	(22)		354	354
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	643	(226)	417	833	(863)	(30)
12	Shares of Profit/(Loss) of Associates & Joint Ventures					(5)	(5)
13	Net Profit / (Loss) for the Period (11- 12)	643	(226)	417	833	(868)	(35)
14	Other Comprehensive Income (after tax)						
a)	Items that will not be Reclassified to P&L						
	Gratuity Actuarial Gain/(Loss)		38	38		47	47

Reconciliation Statement of P & L

Sr. No.	Particulars	Consolidated Period Ended (Year to Date) 31 st March 2016 Unaudited			Consolidated Period Ended (Year to Date) 31 st March 2017 Unaudited		
		IGAAP	Effect of Transition to Ind AS	IND As	IGAAP	Effect of Transition to Ind AS	IND As
b)	Items that will be Reclassified Subsequently to P&L						
	Exchange Difference on Monetary Items		62	62		450	450
	Foreign Currency Translation Difference		(88)	(88)		(42)	(42)
15	Total Comprehensive Income (after tax)	643	(214)	429	833	(413)	421
16	Net Profit/(Loss) attributable to:						
	Owners	566		352	791		378
	Non-Controlling Interest	(77)		(77)	(43)		(43)
17	Paid-up equity share capital (Face Value of Rs.5/-)	2,510		2,510	2,510		2,510

Notes :

Footnotes to the reconciliation between previous GAAP and Ind AS:

First time adoption of Ind AS

The Company has prepared its first Indian Accounting Standards (Ind AS) compliant Financial Statements for the periods commencing April 1, 2016 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. The company had prepared these financial statements in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013. Accordingly, the Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of company's transition to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented below a reconciliation of net profit as presented in accordance with Accounting Standards notified under the Companies (Accounting standards) Rules, 2006 ("Previous GAAP") to total comprehensive income for the year ended March 31, 2016 and reconciliation of shareholders funds as per the previous GAAP to equity under Ind AS as at March 31, 2016 and April 1, 2015.

Exemptions Availed

- Cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2015.
- The Company is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the 2010 plan. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP. The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.
- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.
- Company has opted for Historical Cost of Property, plant and equipment, Investment Property & Intangible Assets as per Indian GAAP as the deemed cost on the opening balance sheet date.
- Employee Benefits Expense**
Under the Previous GAAP, the company was not required to present other comprehensive income (OCI) separately. As per Ind AS 1, Presentation of Financial statements, Ind AS 19, Employee Benefits and Ind AS 109, actuarial gain/loss been shown separately and routed through OCI. Under OCI it has been shown after considering the tax effect.
- Other Income, Other Expenses & Finance Cost**
Under the Previous GAAP, the Company accounted for Other financial assets and Other financial liability measured

at cost. Under Ind AS, the Company has signated such deposits (other than subsidiaries and associates) as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value and accordingly, the difference (gain) has been recognised in equity amounting to and as at March 31, 2017 respectively and which has the effect on Other Income, Other Expenses and the Finance costs.

7. Foreign currency translation:

In accordance with Ind AS 21, The Effects of Changes in Foreign Exchange Rates, Goodwill arising on acquisition of foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate in accordance with the standard. In the case of the Group, Goodwill arising on acquisition of foreign operation has been translated at closing rate and corresponding effect has been given in Other Income and it has been separately shown under the Other Comprehensive Income.

In Previous GAAP, assets of integral foreign operations were carried at historical exchange rates and non-integral foreign operations at closing exchange rates. Now in accordance with Ind AS 21, Property, Plant and Equipment of integral foreign operations has been restated at closing rate and corresponding effect (gain) has been given Other Income and it has been separately shown under the Other Comprehensive Income.

8. Deferred Tax

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Tax adjustments are primarily on account of deferred taxes liability recognised on undistributed earnings of company.

NOTE - 2 : PROPERTY PLANT & EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block									
	As at 01-04-2015	Addition during the year 2015-2016	Deduction/Adjustment/Deletion during the year 2015-2016	As at 31-03-2016	Addition during the year 2016-2017	Deduction/Adjustment/Deletion during the year 2016-2017	As at 31-03-2017	Upto 31-03-2015	For the year 2015-2016	Depreciation adjustments	Retained Earnings	Upto 31-03-2016	For the year 2016-2017	Deduction/Adjustment/Deletion during the year 2016-2017	Upto 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2015
PREMISES LEASE HOLD	18	-	-	18	-	-	18	3	0	-	-	3	0	-	3	14	14	15
PREMISES LEASE HOLD	1,092	-	-	1,092	-	-	1,092	76	18	-	-	94	18	-	112	980	998	1,016
PREMISES LEASE HOLD	58	-	-	58	-	-	58	7	1	-	-	7	1	-	8	50	50	51
PREMISES LEASEHOLD 3	31	-	-	31	-	-	31	4	0	-	-	5	0	-	5	26	26	27
PREMISES LEASEHOLD 4	24	-	-	24	-	-	24	3	0	-	-	4	0	-	4	20	21	21
PREMISES LEASE HOLD	753	-	-	753	-	-	753	49	7	-	-	56	7	-	64	690	697	705
PREMISES LEASE HOLD	752	-	-	752	-	-	752	49	7	-	-	56	7	-	63	688	696	703
PREMISES LEASE HOLD	6	-	-	6	-	-	6	0	0	-	-	0	0	-	0	6	6	6
Civil and Plumbing Work	1,818	-	-	1,818	-	-	1,818	95	43	-	-	139	36	-	175	1,643	1,679	1,723
Furniture and Fixtures	3,308	2	6	3,315	1	(2)	3,314	1,222	419	4	-	1,645	412	(2)	2,055	1,259	1,670	2,085
Office Equipments	949	2	2	953	-	(1)	952	642	282	2	-	926	6	(1)	931	21	27	307
Motor Vehicles	131	4	0	136	-	-	136	105	17	0	-	123	7	-	130	6	13	26
Computers and IT Equipments	10,377	25	46	10,448	81	(19)	10,510	9,794	245	40	-	10,079	110	(25)	10,164	346	369	583
Computers (Given on lease)	156	-	-	156	-	-	156	156	-	-	-	156	-	-	156	0	0	0
Total	19,473	33	54	19,560	83	(22)	19,620	12,205	1,041	46	-	13,292	605	(28)	13,870	5,750	6,267	7,268

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[illegible]

NOTE - 3: Capital Work in Progress

Particulars	Gross Block				Depreciation				Net Block							
	As at 01-04-2015	Addition during the year 2015-2016	Deduction/Adjustment/Deletion during the year 2015-2016	As at 31-03-2016	Addition during the year 2016-2017	Deduction/Adjustment/Deletion during the year 2016-2017	As at 31-03-2017	Upto 31-03-2015	For the year 2015-2016	Depreciation adjustments Retained Earnings Upto 31-03-2016	For the year 2016-2017	Adj. during the year	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016	As at 31-03-2015
Capital Work in Progress	3,769	-	-	3,769	-	-	(3,769)	-	-	-	-	-	-	-	3,769	3,769
Total	3,769	-	-	3,769	-	-	(3,769)	-	-	-	-	-	-	-	3,769	3,769

NOTE - 4: Intangible Assets

Particulars	Gross Block				Depreciation				Net Block						
	As at 01-04-2015	Addition during the year 2015-2016	Deduction/Adjustment/Deletion during the year 2015-2016	As at 31-03-2016	Addition during the year 2016-2017	Deduction/Adjustment/Deletion during the year 2016-2017	As at 31-03-2017	Upto 31-03-2015	For the year 2015-2016	Depreciation adjustments Retained Earnings Upto 31-03-2016	For the year 2016-2017	Adj. during the year	Upto 31-03-2017	As at 31-03-2016	As at 31-03-2015
Other Intangible Assets	1,041	62	1,103	(28)	1,076	347	119	24	490	124	(18)	596	479	613	694
Computer Software Licenses	76	-	76	-	76	70	1	3	74	1	-	74	2	3	7
Intellectual Property Rights	5,362	-	5,362	3,769	9,131	1,120	536	-	1,657	717	-	2,373	6,758	3,705	4,241
Total	6,480	-	6,542	3,769	10,283	1,537	656	27	2,221	841	(18)	3,044	7,239	4,321	4,942

Note :

- 1) Transfer of Capital Work in Progress to the respective Heads of Assets (if any) during the year under consideration is as per the representations made and certified by the Management.
- 2) As per the representation made by the Management the Intellectual Property Rights (IPR) in its current form can be put to use or sold to its customers. The management has informed that the active utility life of this IPR is 10 years from the date it was first put to use.

Note 05: Investments

i) Non Current Investments

Rs. In lakh

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(a) Investment in Associates				
(i)	Soft Shell System (I) Pvt Ltd	600	500	-
	98269 (Previous year: Nil) shares of 10/- each fully paid up at a premium of Rs 498.81 per share*	-		
(ii)	Digicomp Complete Solutions Limited	-	-	-
	(Previous year: 3,250 Pref. Shares) of ₹ 100/- each fully paid up	-		
	Total Investment in Associates	600	500	-
	Investment carried at fair value through profit and loss			
(b) Investment in Mutual Funds				
(i)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 0.181 (Previous year: 0.181) units of ₹ 1080.22 each	-	-	-
(ii)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend 12.9610 (Previous year:12.9610) units of Rs. 105.7358 each	-	0	0
(iii)	ICICI Prudential Income Opportunities Fund Institutional Growth 154.952 (Previous year: 154.952) units of Rs. 17.0532 each	-	0	0
(iv)	BSL Floating Rate Fund - Long Term - INSTL-Weekly Dividend 23.0680 (Previous year: 23.0680) units of Rs. 100.2903 each	-	0	0
(v)	DSP Black Rock Income Opportunities Fund - Institutional Plan - Daily Dividend 3.6440 (Previous year: 3.6440) units of ₹ 1012.266 each	-	0	0
(vi)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend 64.826 (Previous year: 64.826) units of ₹ 10.1227 each	-	0	0
(vii)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend 0.118 (Previous year: 0.118) units of Rs. 1240.71 each	-	-	-
(viii)	Canara Robeco Short Term Institutional Growth Fund 124.2276 (Previous year: 124.2276) units of Rs. 10.80 each	-	0	0
(ix)	SBI-SHF-Ultra Short Term Fund - Institutional Plan - Daily Dividend 2.5020 (Previous year: 2.5020) units of ₹ 1000.2718 each	-	0	0
(x)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend 0.28 (Previous year: 0.28) units of Rs. 150 each	-	-	-
(c) Investment in Others (Unquoted)				
(i)	Uthopia green Trans pvt ltd	0	196	500
	Total Investment in Mutual Funds	0	196	500
	Investment carried at amortised cost			
(i)	4,50,000 Preference Shares @ of 100/- Devyog Builders Pvt Ltd	137	127	104
	Total Investment in Preference Shares	137	127	104
	Total Non Current Investments	737	823	604

Note 1 Amounts extended to wholly owned Subsidiary Companies has been shown under the head investment as the same is long term in nature, though there is no issue of shares to the Company on account of these advances.

Note 2 Investments in Mutual Funds are stated at the lower of cost and fair value, determined on a portfolio basis.

Note 3 Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 6: Loans

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	Non-Current			
(a)	Loans and advances to related parties			
	Unsecured, considered good	2,951	1,498	198
(b)	Others	-	-	-
(i)	Inter Corporate Deposits	314	276	2,310
(ii)	Allied CNT	-	35	35
(iii)	Other Loans and Advances	-	1,216	-
(iv)	Unsecured, considered good	0	-	-
(v)	Advance income tax of prior years receivable	3,694	-	-
(vi)	Employees Loan and advances	1	-	-
	Total Others	3,695	-	-
	Total Long Term Loans and Advances	6,960	3,026	2,544
(ii)	Current			
a	Loans and advances to related parties			
	Subsidiaries & Associates	922	168	645
	Other related parties	-	7	3
b	Loans and advances (others)			
	Unsecured, considered good	-	-	-
(i)	Loans and advances to employees	89	90	369
(ii)	Unreconciled Balances	-	302	-
		89	392	369
	Total Short-term loans and advances	1,010	567	1,016
	Total loans	7,970	3,593	3,560

Long Term Loans & Advances:

In respect of other loans and advances as appearing above, the Company has not produced the confirmations for the same. The management is of the opinion that these Loans and Advances are good and recoverable.

In respect of confirmation for other Loans and Advances, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the management of the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Short Term Loans & Advances:

In respect of confirmation for Loans and Advances the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Note : Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 7: Other Financial Assets

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	Non-Current			
(a)	Security Deposits			
	Unsecured, considered good	8	19	409
(b)	Rental Security Deposits			
	Unsecured, considered good	-	3	-
(c)	Deferred Interest Exp (Preference Shares)	250	267	294
(d)	Deferred Interest Exp (Loan to Related Party)	48	72	96
(e)	Deferred Interest Exp (Security Deposits given Other)	63	-	1
(f)	Deferred Interest Exp (Inter Corporate Loan Given)	1	95	126
(g)	Deferred Interest Exp (Security Deposits Rent Given)	0	0	1
	Total	370	455	926
(ii)	Current			
(a)	Rental Security Deposits			
	Unsecured, considered good	13	27	53
(b)	Unbilled revenue	2,214	1,543	46
(c)	Deferred Interest Exp (Preference Shares)	24	18	18
(d)	Deferred Interest Exp (Loan to Related Party)	-	24	24
(e)	Deferred Interest Exp (Security Deposits given Other)	31	1	1
(f)	Deferred Interest Exp (Inter Corporate Loan Given)	1	31	32
(g)	Deferred Interest Exp (Security Deposits Rent Given)	0	1	3
(h)	Interest Accrued	143	70	66
(i)	Deferred Interest Exp (Loan to Employees)	-	0	-
	Total	2,427	1,715	243
	Total Other Financial Assets	2,797	2,170	1,169

Unbilled Revenue of Rs.2,196 Lakhs has been considered as certified and represented by the Management.

Note 8: Other Assets

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	Non-Current			
(a)	Advance given to a Suppliers	-	0	3,434
	Unsecured, considered good	-	-	-
(b)	Others	-	-	-
	Advance income tax of prior years receivable	-	1,627	1,296
	Interest Accrued	-	-	-
	Total	-	1,627	4,729
(ii)	Current			
(a)	MAT Credit Entitlement	736	736	736
(b)	Income Taxes	-	75	319
(c)	Prepaid expenses	117	583	524
(d)	Other	-	229	28
	Total	853	1,623	1,607
	Total Other Assets	853	3,250	6,337

Note: Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 9: Inventories

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Stock in Trade (for Trading)	3,181	3,181	3,584
	Stock in Trade (for Service)	170	234	234
	Total Inventories	3,351	3,415	3,819

Note 1 Inventories are valued at lower of cost and net realizable value

Note 2 The value of the Inventory as on 31st March 2017 includes certain slow moving items which has not been provided for during the valuation of the same.

Note 3 The valuation of the Inventory is as certified by the management.

Note 10: Trade Receivables

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Trade receivables outstanding for a period less than six months from the date they are due for payment			
	Unsecured, considered good	3,357	9,371	11,718
	Less: Provision for doubtful debts	-	-	-
		3,357	9,371	11,718
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	26,701	7,683	20,261
	Unsecured, considered doubtful	(46)	(54)	3
	Less: Provision for doubtful debts	225	(831)	(778)
		26,880	6,799	19,486
	Total Trade Receivable	30,236	16,170	31,203

Trade Receivable stated above include debts due from:

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Directors	-	-	0
	Private Company in which director is a member	1,898	1,368	626
		1,898	1,368	626

Note (i) In respect of confirmation for Sundry Debtors for the balance amount, the Company has not produced the same from any of these other parties till the signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the management of the company. However, the management is of the opinion that all the Sundry Debtors, as appearing in the Balance Sheet are good and recoverable.

Note 11: Cash and Cash Equivalents:

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(a)	Balances with Banks			
(i)	In fixed deposit accounts (pledge with bank guarantees given by bank)	1	-	-
(ii)	In Current Account	566	1,034	1,596
(b)	Cash on hand	4	32	27
	Total Cash and Cash Equivalents	571	1,067	1,623

Note: Wherever the amount is '0', it denotes value less than Rs. 50,000/- as all values is rounded off to the nearest Rs. 1 Lakh.

Note 12: Other Balances with Bank:

Sr. No.	Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at March 31, 2015
(a)	Balances with Banks			
(i)	In fixed deposit accounts (pledge with bank against guarantees given by bank)	1,067	835	32
(ii)	In fixed deposit accounts (pledge with banks as security for borrowings)	-	1	666
		1,067	835	698

Note 13: Share Capital

(a) Authorised, Issued, Subscribed & Paid - up and par value per share

(Rs. In lakh)

Share Capital	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
Equity shares of Rs. 5 each with voting rights	60,000,000	3,000	60,000,000	3,000	60,000,000	3,000
Issued						
Equity shares of Rs. 5 each with voting rights	50,205,528	2,510	50,205,528	2,510	46,186,727	2,309
Subscribed & Paid up						
Equity shares of Rs. 5 each with voting rights	50,205,528	2,510	50,205,528	2,510	46,186,727	2,309

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(Rs. In lakh)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights					
Year ended 31 March, 2017					
- Number of shares	46,186,727		4,018,801	-	50,205,528
- Amount in Rs. Lakh	2,309		201	-	2,510
Year ended 31 March, 2016					
- Number of shares	46,186,727		4,018,801	-	50,205,528
- Amount in Rs. Lakh	2,309		201	-	2,510
Year ended 31 March, 2015					
- Number of shares	46,186,727		-	-	46,186,727
- Amount in Rs. Lakh	2,309		-	-	2,309

(d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights						
Nitin Dhanji Shah	14,783,031	29.45	14,783,031	29.45	12,596,364	27.27
Prakash Dhanji Shah	8,178,348	16.29	8,178,348	16.29	6,346,214	13.74

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

The Company by a Special Resolution passed at Annual General Meeting held on 29th September 2010 approved the Employee Stock Option Scheme under section 79A of the Companies Act 1956 to be read along with SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 whereby 30,00,000 options convertible into Equity Shares of Rs. 5/- each to be granted to eligible employees of the Company. This stock option scheme is titled as "ESOP 2010". Out of the same 4,87,500 options have been granted during the financial year 2012-13. Of these 1,87,500 options have lapsed as the employees holding the said number of grants have been terminated during FY 2015-16.

Particular	2016-2017	2015-2016	2014-2015
Opening Outstanding option	2,512,500	2,512,500	2,512,500
Employee Stock Option Scheme announced during the Year	-	-	-
Granted during the year	-	-	-
Exercised during the year (Post - split)	-	-	-
Forfeited/lapsed during the year (Post - split)	-	-	-
Closing Outstanding option	2,512,500	2,512,500	2,512,500

(e) Issue of Shares other than Cash

Details of Shares allotted as fully paid up by way of bonus shares.

The Company allotted 13,22,300 equity shares of Rs. 10 each as fully paid-up bonus shares by capitalisation of reserves in 1999-2000

The Company allotted 71,05,605 equity shares of Rs. 10 each as fully paid-up bonus shares by capitalisation of reserves in 2006-2007

(f) Buy- Back of Equity Shares

The Board of Directors of the Company in their meeting held on February 18, 2011 had resolved to buyback ("Buyback") its fully paid-up equity shares of the face value of ₹ 5/- each (Equity Shares) from the existing Equity Share owners of the Company, other than Promoters of the Company. This Buy back was to be made from the stock exchange in accordance with the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Buy Back of Securities) Regulation, 1998 ("the Regulation") and the relevant provisions of Memorandum of Association and Articles of Association of the Company. The maximum price at which this buy back was to be executed was not to exceed Rs 140/- per Equity Share ("Maximum Buyback Price") payable in cash, and the maximum amount allocated for the Total Buy Back was Rs.2,800 Lakhs ("Offer size"). The Date of Opening of the buyback was April 25, 2011 and last Date for the Buyback was February 17, 2012. No buy back of shares was made by the Company during the year under consideration.

During the financial year 2011-2012, the Company has bought back 5,97,075 Equity Shares for a Total Consideration of Rs.324.87 Lakhs. The Bought back shares have been duly extinguished by the Company.

Note 14: Other Equity

(i) Reserves and Surplus

		(Rs. In lakh)		
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(a) Capital Redemption Reserve				
	Opening Balance	30	30	30
	Closing Balance	30	30	30
(b) Securities Premium Account				
	Opening Balance	37,056	36,654	36,654
	(+) Securities premium credited on allotment of equity shares	-	402	-
	Closing Balance	37,056	37,056	36,654
(c) General Reserves				
	Opening Balance	1,338	1,338	1,338
	Closing Balance	1,338	1,338	1,338
(d) Surplus				
	Opening balance	2,523	25,137	27,566
	Minority Interest	-	-	-
	(+) Net Profit/(Net Loss) For the current year	(77)	328	(695)
	(-) Adjustment for Depreciation	-	0	1,734
	(-) Bad debts and other balances Adjusted	-	(22,942)	-
	(-) Adjustment of Prior Period Debt	(370)	-	-
	Closing Balance	2,076	2,523	25,137
(e) Foreign Currency Translation Reserve				
		-	-	-
	Total Reserves and Surplus	40,499	40,946	63,158

(ii) Other component of equity

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(a) Employee Stock Options Outstanding				
	Opening	707	504	-
	Add: During the Year	13	203	504
	Total ESOP Outstanding	720	707	504
(b) Accumulated Other Comprehensive Income				
	Opening	100	-	-
	Add: During the Year	497	100	-
	Total Other Comprehensive Income	597	100	-
(c) Foreign Currency Translation Reserve				
		(88)	(88)	-
		(42)	-	-
(d) Foreign Exchange Difference				
		-	-	-
	Total Other Component of Equity	1,187	719	504
	Share Warrant Application Money			
	Opening Balance	-	151	151
	(-) Current Year Transfer	-	(151)	-
	Closing Balance	-	-	151
	Total Reserve and Surplus	41,686	41,665	63,813

Note 15: Borrowings

		(Rs. In lakh)		
Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	Non-Current Borrowings			
	Secured			
A	Cosmos Bank	-	464	690
	<u>Security details</u>			
	i. 1st Pari pasu charge on the Escrow account for amount receivable from Govt. of Maharashtra.			
	ii. Plot No 13/5 and 22/1 at Rajiv Gandhi Infotech Park, Hinjewadi, Pune and Plot No. A-24 & A-25 at Talewadi Software Park, Pune.			
	<u>Terms of Repayment:</u>			
	Repayment in 24 months in 8 equal quarterly installments for principal amount and interest to be paid on monthly basis at actual. Repayment has commenced during FY 2015-16.			
B	Bank of India	258	734	947
	<u>Security details</u>			
	1. Shared pari passu with Cosmos Bank as per Note 3.A.i above.			
	2. Equitable mortgage of the immovable property situated at Office no. 405 & 406, 4th Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai-400096.			
	3. Pledge of 20,00,000 shares held by the promoter of the Company.			
	4. Personal Guarantee of Promoters			
	<u>Terms of Repayment:</u>			
	Repayment through 16 Quarterly Installments for principal amount and interest to be serve on monthly basis as and when applied. Repayment has commenced during FY 2015-16.			
C	Avid Bank	749	773	913
	Secured by all the assets of the company			
	Total Non-Current Borrowings	1,008	1,971	2,550
(ii)	Current Borrowings			
	Secured			
a	Loans repayable on demand (Refer Note (a))	6,627	7,089	8,471
	Unsecured			
a	Loans and advances from related parties (Repayable on Demand)	11,360	185	254
b	Unsecured Loan Others	110	70	40
c	Fixed Deposits from public	432	446	478
	Total Current Borrowings	18,530	7,790	9,242
	Total Borrowings	19,538	9,761	11,793

In respect of the Fixed Deposits from public amount overdue as at 31.03.2017; Principal sum overdue Rs 432.39 lakh and Interest overdue Rs 75.59 lakh.

(a) Details of Secured short-term borrowings alongwith Security and Terms of repayment:

Particulars	(Rs. In lakh)		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<u>Loans repayable on demand</u>			
<u>From banks for working capital facility from:</u>			
State Bank of India	4,719	5,077	5,238
Barclays Bank Foreign Currency Loan	1,908	1,984	1,821
Standard Chartered Bank		-	1,349
Loans repayable on demand from banks	6,627	7,061	8,408

(i) Details of Security Offered to Banks for Working Capital Facilities

Following securities have been offered to above banks with the first charge with State Bank of India and pari pasu charged with Barclays Bank

- Mortgage of Gala no 4, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 3, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 301,302,305,306,307,308, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 7, Bldg No 3, Plot No MBP 2, Mahape, Navi Mumbai
- Hypothecation Charge on Movable assets except Vehicles
- Hypothecation Charge on Current Assets
- Personal Guarantee of directors Mr. Prakash D Shah and Mr. Nitin D Shah
- Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai
- Mortgage of Earnest House, 13A, 13th Floor, Nariman Point, Mumbai

Note 16: Trade Payables

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
a	Trade payables			
	-Trade payables to Micro and Small enterprises			
	-Trade payables to other than Micro and Small enterprises	5,721	2,472	861
b	Other Liabilities	369	1,740	12
	Total Trade Payables	6,090	4,212	873

The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end, together with interest payable, as required under the said Act, have not been given.

Note 17: Other Financial Liabilities

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	Other Non-Current Financial Liabilities			
(a)	Security deposit for rented property	2	1	1
(b)	Deferred Rent Income- Security Deposits Rent	-	0	1
	Total Non-Current Borrowings	2	1	2
(ii)	Other Current Financial Liabilities			
(a)	Current Maturities of Long term Debts	1,652	1,431	1,813
(b)	Advance from Customer	-	-	-
(c)	Security deposit for rented property	12	158	156
	Income received in Advance	367	-	-
	Duties and taxes	-	-	-
(d)	Unpaid Dividend	20	-	4
(e)	Deferred Rent Income- Security Deposits Rent	1	1	2
	Cumulative interest on FD	33	-	-
	Total Other Current Financial Liabilities	2,085	1,589	1,975
	Total Borrowings	2,087	1,590	1,977

Note 18: Provisions

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	Non-Current Provisions			
(a)	Provision for employee benefits:			
	- Provision for gratuity	1	-	1
	Total Non-Current Provisions	1	-	1
(ii)	Current Provisions			
(a)	Provision for employee benefits			
(i)	Provision for Salaries	307	288	241
(ii)	Contribution to Provident Fund	283	296	153
(iii)	Contribution to Employee State Insurance Corporation	40	23	8
(iv)	Profession Tax	23	17	10
(v)	Leave Travel Allowance	8	8	12
(vi)	Leave encashment	221	183	145
(vii)	Provision for gratuity	152	148	144
(b)	Others			
(i)	Provision for Income Tax Previous Year	1,834	55	40
(ii)	Current year provision for Income tax	160	-	-
(iii)	Provision for Interest expenses	500	-	-
(iv)	Provision for other expenses	126	-	-
	Total Current Provisions	3,654	1,018	752
	Total Provisions	3,655	1,018	753

On account of the severe Financial crunch faced by the Company, regular delays have been noted in making the payment towards the Contributions payable by the Company on account of Employee Benefits, Profession Tax and other statutory dues.

Note 19: Deferred tax liabilities

The net deferred tax as at 31st March, 2016, comprises of the following components:

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Deferred Tax Asset			
	Disallowance u/s 43b of the Income Tax Act 1961 and Provision for employee benefits	-	100	128
	Total Deferred Tax Asset	-	100	128
	Deferred Tax Liability			
	Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,668	1,177	1,141
	Total Deferred Tax Liability	1,668	1,177	1,141
	Net Deferred Liability/ (Asset)	1,668	1,077	1,013

Note 20: Other liabilities

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	Other Non-Current Liabilities	-	20	-
	Others- Related party	105	-	-
	Total Other Non-Current Liabilities	105	20	-
(ii)	Other Current Liabilities			
(a)	Advance received from Customer	574	765	-
(b)	Duties & Taxes	2	325	258
(c)	Income received in Advance	-	203	209
	Total Other Current Liabilities	576	1,293	468
	Total Other Liabilities	681	1,313	468

Note 21: Operating Income

Particulars	Rs. In Lakhs	
	For the year ending March 31, 2017	For the year ending March 31, 2016
Services, Solutions and Sales	21,527	23,693
Lease Rent	4	13
Total Operating Income	21,530	23,706

Note 22 : Other Income

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Interest Income (Refer Note 22.A)	164	177
Dividend Income	14	58
Net gain on foreign currency transactions	(35)	(207)
Other non-operating income (Refer Note 22.B)	50	541
Total Other Income	194	568

Note 22A

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Interest Income comprises:		
Interest on deposits from banks	164	177
Total - Interest Income	164	177

Note 22.B

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Other non-operating income comprises:		
Income from Office Rent	3	516
Miscellaneous Income	47	25
Total Other non-operating income	50	541

Note 23 Purchase of Traded Goods

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Purchase of Traded Goods and Services	10,816	12,190
Other Direct Cost	210	406
Total Purchase of Traded Goods	11,026	12,596

Note 24. Changes in Inventories of Stock-in-Trade

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Closing Stock	3,296	3,394
Less : Opening Stock	3,394	3,790
Net (increase) / decrease	98	396

- (i) Inventories are valued at lower of cost and net realizable value.
- (ii) The value of the Inventory as on 31st March 2016 includes certain slow moving items which has not been provided for during the valuation of the same. The valuation of the Inventory is as certified by the management.

Note 25 : Employee Benefits Expenses

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Salaries and wages (Including Directors' Remuneration) (Refer note (25A))	3,151	3,119
Contributions to Provident Fund	40	79
Contributions to ESIC	21	8
Contributions to Labour Welfare Fund	0	0
Contributions to Gratuity	52	41
Staff welfare expenses	200	218
ESOP Expenses	13	203
Total Employee Benefit Expenses	3,477	3,668

(25A) Details of Managerial Remuneration:

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Salaries	82	90
Total	82	90

Note 26 : Finance Cost

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
(a) Interest expense on Borrowings	1,368	1,788
(b) Other borrowing costs	137	44
(c) Net (gain) / loss on foreign currency transactions and translation		
(d) Interest Expense booked as per effective rate of interest	74	76
Total Finance Cost	1,578	1,908

Note 27 Other expenses

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Rent including Lease Rentals	99	163
Repairs and Maintenance	303	348
Insurance	148	85
Communication	184	174
Travelling and Conveyance	187	183
Electricity Expenses	149	192
Freight and Forwarding	25	46
Advertisement Expenses	141	217
Legal and Professional Fees	699	566
Payments to Auditors (Refer Note (23A) below)	36	30
Rates and Taxes	66	85
Brokerage Charges	257	251
Security Charges	11	9
Printing & Stationery Expenses	14	7
Business Promotion Expenses	35	5
Office Expenses	52	18
Equipment Hire Charges	-	39
Labour Charges	78	325
Loss on Sale of Asset	-	53
Donation	0	-
Miscellaneous Expenses	66	52
Sundry Balance W/off	1	-
Loss on Sale of Investment	37	-
Bad trade and other receivables, loans and advances written off	270	80
Total Other Expenses	2,858	2,929

Note 27A Payment to Auditors

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
<u>Payments to the Auditors</u>		
For Statutory Audit	11	6
For Taxation Matters	0	1
Total	11	7

Note 28 Component of Other Comprehensive Income

Particulars	For the year ending March 31, 2017	For the year ending March 31, 2016
Items that will not be reclassified to profit or loss		
Actuarial Gain/Loss on Gratuity	47	38
Income tax relating to items that will not be reclassified to profit or loss	450	-
Foreign Exchange Loss/Gain	-	62
Total	497	100

Note No. 30 -Contingent Liabilities and commitment

Contingent liabilities (to the extent not provided for)

Contingent liability

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
(a) Guarantees	2575	2,535	2,792
(b) Letter of Credit		-	161
(c) Sales Tax	-	11,545	11,545
(d) Income Taxes	154	511	591
Total Contingent liabilities and commitments	2,729	14,591	15,089

Ass. Year	Income tax Demanded as per revised Order of the A.O
2006-7	18
2008-09	4
2011-12	52
2012-13	79
Total	154

Note 31: Disclosure of specified notes

Particular	SBN's (Rs. 500/- and Rs. 1000/-)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016		248,805	248,805
Add: Permitted Receipt		214,486	214,486
Less: Permitted Payment		(422,512)	(422,512)
Less: Amount deposited in bank			-
Closing cash in hand as on 30-12-2016			40,779

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Form No. MGT 11 Proxy Form

Name	
Address	
Email Id	
DP ID / Client ID / Folio No	

I/We, being the member(s) of _____ Shares of Allied Digital Services Limited, hereby appoint:

1. Name:.....
 Address.....
 Email ID.....
 Signature:, or failing him/her.
2. Name:.....
 Address.....
 Email ID.....
 Signature:, or failing him/her.
3. Name:.....
 Address.....
 Email ID.....
 Signature:, or failing him/her.

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Wednesday, 20th September, 2017 at 04.00 PM at Walchand Hirachand Hall, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	Resolution	For	Against	Abstain
Ordinary Resolutions				
1.	To consider and adopt the audited Financial Statements (Standalone and Consolidated) of the Company for the year ended March 31, 2017 along with the reports of the Board of Directors and the Auditors thereon.			
2.	To re-appoint Mr. Prakash Shah (DIN: 00189842), retiring by rotation and who has offered himself for re-appointment.			
3.	To ratify the appointment of M/s. Shah & Taparia (FRN: 109463W) as Statutory Auditor of the Company.			
Special Resolution				
4.	To appoint Mr. Paresh Bipinchandra Shah (DIN:05117129) as Executive Director & Chief Executive Officer			

Signed this _____ day of _____ 2016

Signature of Shareholder: _____

Signature of Proxy holder(s): _____



Notes:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Premises No 13A, 13th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai - 400 021, not less than 48 hours before the commencement of the Meeting.
2. Proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 23rd ANNUAL GENERAL MEETING of the Company at Walchand Hirachand Hall, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020, on Monday, 20th September, 2017 at 04.00 P.M.

Registered Folio / DP ID & Client ID	
Name	
Address of Shareholder	
No. of Shares held	

*Applicable to Shareholders holding shares in electronic form

.....
Signature of Shareholder/Proxy

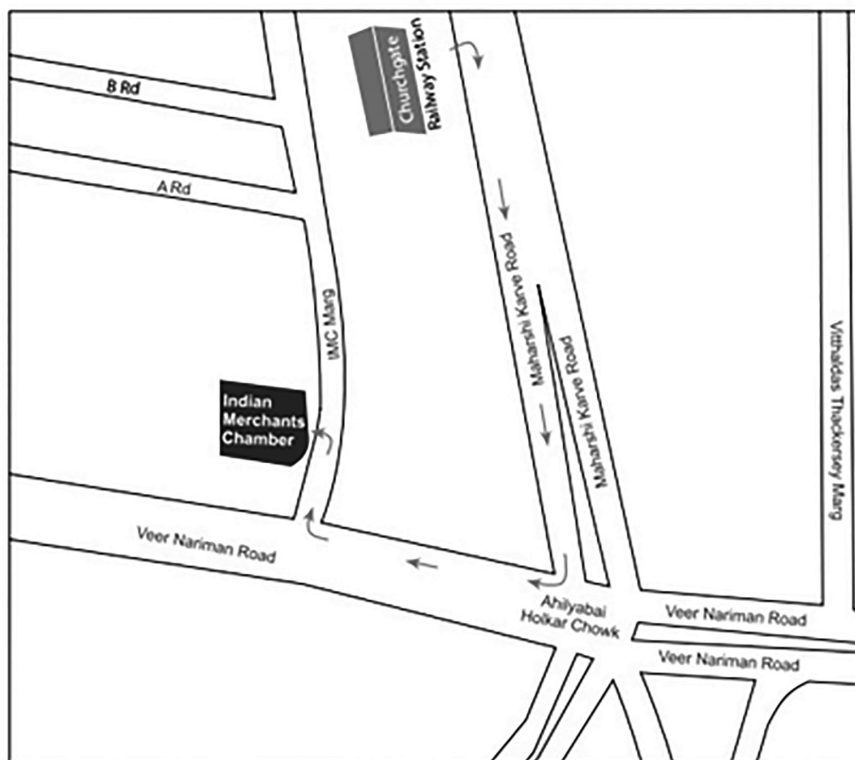
Note: Please fill the attendance slip and hand it over at the entrance of the Meeting Hall.

DETAILS OF VENUE OF THE ANNUAL GENERAL MEETING

Address: Walchand Hirachand Hall, 4th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate Mumbai – 400 020

Landmark: Near Churchgate Station

Route Map to the Venue of the AGM



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[illegible]



Registered Office:

Allied Digital Services Limited, Premises No. 13A, 13th Floor, Earnest House,
NCPA Road, Nariman Point, Mumbai - 400021. Boardline: +91 2266816400.

Contact us: investors@allieddigital.net

www.allieddigital.net