

**Date: September 11, 2018**

To,  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block-G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai- 400 051  
**Scrip Code – ADSL**

To,  
The Corporate Relationship Department,  
**BSE Limited**  
P.J. Towers, Dalal Street,  
Mumbai - 400 001

**Scrip Code 532875**

Dear Sir / Madam,

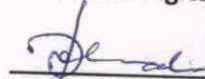
**Subject: Submission of 24<sup>th</sup> Annual Report of Allied Digital Services Limited for the financial year 2017-18 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject, enclosed herewith 24<sup>th</sup> Annual Report of Allied Digital Services Limited pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2017-18 for your information and records.

Kindly take the same on your record and oblige.

Thanking You,

Yours faithfully,  
For Allied Digital Services Limited



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



Encl.: a/a

Page 1 of 1

Registered Office: Allied Digital Services Limited, Premises No. 13A, 13th Floor, Earnest House, Back Bay Reclamation,  
NCPA Road, Block III, Nariman Point, Mumbai – 400 021.



**We bring "SMART" in every sphere of life**



Artificial Intelligence | Big Data Analytics | IoT | Cloud Services | Mobility | Cyber Security

**Annual Report 2017-18**

## Corporate Information:

### Board of Directors:

Mr. Nitin D. Shah  
Mr. Prakash D. Shah  
Prof. Venugopal R. Iyengar  
Dr. Shrikant N. Parikh  
Ms. Shubhada K. Jahagirdar

Chairman & Managing Director  
Whole-time Director  
Independent Director  
Independent Director  
Independent Director – CSR

### Key Managerial Personnel:

Mr. Paresh Shah  
Mr. Gopal Tiwari  
Ms. Neha Bagla

Chief Executive Officer  
Chief Financial Officer  
Company Secretary & Compliance Officer

### Statutory Auditors:

#### M/s. Shah & Taparia

B-502, Business Square,  
Solitaire Corporate Park,  
Chakala Junction, Andheri Kurla Road,  
Andheri East, Mumbai - 400 093.

### Internal Auditors:

#### M/s. Satya Prakash Natani & Co.

505, Goyal Trade Center  
Sona Cinema,  
Borivali East,  
Mumbai - 400 066.

### Secretarial Auditors:

#### M/s. Rathi & Associates

A/303 3<sup>rd</sup> Floor Prathamesh,  
11/12 Senapati Bapat Marg,  
Raghuvanshi Mill Compound,  
Lower Parel, Mumbai – 400 013.

### Registrar & Share Transfer Agent:

#### M/s Link Intime India Private Limited

C 101, 247 Park,  
LBS Marg,  
Vikhroli West,  
Mumbai – 400 083.

### Key Bankers:

Kotak Mahindra Bank  
Barclays Bank

### Registered office:

Premises No 13A, 13<sup>th</sup> Floor,  
Earnest House, Backbay Reclamation,  
NCPA Road, Block No III,  
Nariman Point, Mumbai – 400 021  
CIN: L72200MH1995PLC085488  
Tel : 022 66816400, Fax: 022 2282 2030  
Email: investors@allieddigital.net  
Website: www.allieddigital.net

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#### Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 24<sup>th</sup> Annual General Meeting of your Company.

With the US economy recovering and expected to grow at 2-2.5 percent, US Companies are expected to increase their spend on technology. As per a report published by Gartner, overall IT spend is likely to go up by 4-4.5 per cent this year. The same is likely to result in better prospects for Indian IT companies in 2018.

#### Digital Growth

Digital work for all big companies is growing in double digits.

As per industry sources overall yearly Global IT spend is around \$3.7 trillion. Of that, one-third is IT services. So there is still a lot of spending happening on the legacy side, which goes into maintenance and building some core applications. That has not gone away.

The incremental spending is happening in the area of digitalization, wherein companies are building capabilities, trying to play to the ecosystem and go to the clients. IT industry is changing dynamically and rapidly. The changes in the last 3 years equals possibly the changes in the 30 years prior to that.

#### Safe & Smart Cities

More than 54 percent of the world's population resides in urban areas today. By 2050, this number is expected to be 66 percent. Urbanization is associated with improved education, access to healthcare and social and financial mobility. As digital technologies become more sophisticated, it's clear to see why society would want to be quick to use digital technology in creative ways. This fourth industrial age isn't limited to the private sector, it's enveloping the public sector too. And its pace has the potential to change the way we work and live.

Most cities started their journey toward becoming smart cities with government digitization efforts that focused on benefiting constituents. The ability to show immediate results through improved efficiencies has always been a key driver for further investment. But with the advent of the Internet of Things and sensor technology, as well as machine learning and advanced analytics, truly smart cities are being born.

These advancements aren't just for the metropolitan cities of the world. The public and private sector – partnered together – can transform our personal lives and communities.

As the Internet of Things enables cities to measure more, the amount of available data will grow immensely. To maximize value from this data, cities can create a common data platform which can be leveraged by all its stakeholders (public, corporates, start-ups). These integrative, holistic solutions break down the silos that often exist between functions. For many groups, such as emergency and incident response teams, shared data can mean the difference with critical response times.

So whether investments are made in transportation and traffic management, citizen experience or public safety and health, opportunities are abound for new technologies in the public sector. Solutions that foster citizen participation, public-private collaboration and grass roots innovation, not only create a superior experience for citizens, but also invite more business to the locale. More investment by business can lead to more innovation. It is exciting to see how the new digital era allows us all to re-imagine both citizen and consumer experiences that can only help improve the world we share.

#### Your Company

Allied Digital is at the forefront of the Safe and Smart City movement and to provide e-commerce, e-governance, e-education, e-healthcare solutions to its clients using new age technologies like Artificial Intelligence, IoT and Machine learning. We are moving with Government of India vision of Digital India.

Traditional outsourcing business is changing. Customers are looking for partners to transform their business by bringing innovation, automation & digital transformation. We anticipated this changing business need early enough and transformed our business model from people centric businesses to service centric approach. Our competence in emerging technologies like Artificial Intelligence, IoT, Data Analytics, Mobility & Cloud is helping our clients transform Digitally. Today we are truly a global architect in Digital Transformation for B2G (Business to Government) and B2E (Business to Enterprise) customers by bringing innovation and transformation in business. We firmly believe in the dictum of “small term pain for long term gain” due to transformation and are poised for exponential growth.

Our progress has been appreciated and has resulted in several awards being given to your company (see details on page 8)

Our path breaking and first of its kind Pune Safe City project initiated in 2015 is breaking new records. We have achieved zero camera downtime. Recently we have conducted pilot which are a first of its kind in the world. These pilot tests have integrated Variable Messaging Displays (VMDs) and show estimated travel time to citizens of the city to make informed travel decisions. This was part of POC done with TOMTOM, and truly a first of its kind.

We offer world class automated Infrastructure Management Services (IMS) to many international clients in USA, UK and 40 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.

Our focus also remains on Cyber security offerings where threats are growing manifold and we have created new innovative models 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.

We see a great future in Business data and analytics. Home automation is another area which is poised for growth with smart devices taking over repetitive tasks.

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 Limited. We can proudly state that we have zero attrition in our core Management team.

As part of our ongoing process 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.

#### **Future outlook**

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.

We are committed to be a partner in building a new, vibrant and Digital India with our energy and sharp focus on the future.

With warm regards,

**Nitin Shah**

Chairman and Managing Director.



**Whole-Time Director**  
**Mr. Prakash Shah**

The Global Servicing market in India continues to grow at a higher pace compared to IT-BPM Industry. India has been one of the leading destinations in the world enjoying a substantial market share of the US Global Services sourcing business.. The Industry has led to the economic transformation of the country and altered the perception of India in the Global Economy. India's cost competitiveness in providing IT services, (the cost saving of up to 50-60 percent over source) is the mainstay of its unique selling proposition. In the Global Markets, India has become a hub for its Digital Capabilities housing around 75 percent of Global Digital Talent. India is the top most off-shoring destination for the IT companies across the world. The same is a result of proving its capabilities in delivering both on-shore and off-shore services to Global Clients.

We believe the time has come for our country to leverage the existing technology tools to develop new smart cities and transform existing ones and unleash their true potential as centers of opportunity.

This has opened a huge business opportunity for your Company.in India. Your Company has already successfully executed one of the Safe City and has been achieved more than 97 percent uptime during operations and maintenances. Your Company has also built capabilities for Smart City Solutions and the experience of executing Safe City as well. This we believe is a great head start advantage over our competitors.

During the year 2017-18, your company achieved a consolidated total Income of ₹ 228.94 Crores as against ₹ 217.24 Crores for previous year. The same translates to a moderate growth of about 5%. In a competitive market, the Company has still managed to maintain the EBITDA margin at 21%. The Company has made significant efforts on right sizing the balance sheet. The Company entered into an arrangement with State Bank of India and the entire dues of SBI were repaid, by assignment of the same to Kotak Mahindra Bank. As part of the restructuring the Company has saved a considerable amount payable towards interest and other charges to SBI. The same has resulted in more than doubling of PBT (₹19.97 crores) and PAT (₹ 10.94 crores), as compared to the previous year.

During the year, the overdue statutory liabilities have been reduced considerably and we expect the balance statutory liabilities to be cleared soon. Further, the Management is pleased to inform that the overall debts of the company has been reduced considerably during the previous year and the Company is taking all reasonable steps to become a debt free organization in the near future, thus enhancing the profitability to a great extent.

In the coming years as a continuous efforts the management strives to implement better financial discipline and corporate governance across the organization, in order to achieve a healthier overall performance.

With Best Wishes

**Prakash Shah**

Whole-time Director



Hello Investors,

A busy but successful year has gone by. Our global revenues increased. We have added customers in the US and India. From the finance perspective, it has been a wonderful year. We have been able to successfully reduce our debts and also showcase improved governance. It has also been a year of learning, as we have been constantly introspecting ourselves and fine tuning our operations and sales. We have become more focused in our offerings for services and solutions. Our innovation journey has reached new frontiers. In all, a positive year with improvement across various parameters that only gives us more confidence.

We have started witnessing an improvement in the India economy. The US markets have shown great growth last year,

and we believe the same will sustain during the same. With innovation, we have further improved our NOC, SOC and released a new version of ADiTaaS. We have got ourselves certified as a CMMI level 3 company. Our smart city division has been knocking on many opportunities. Lastly, our new IoT practice is shaping up big time into new innovative solutions in Smart Cities as well as across Agriculture and other key verticals. Our cloud business is getting new traction. In all, we are very confident on delivering state of the art transformative solutions to businesses and have raised our benchmarks in service delivery through sharpened skill sets via training and automation.

When I look back, I feel “the short pain, long gain” approach with introspection and inherent transformation steps taken by the management in last 2-3 years have inculcated into a improved focus, readiness and positive outcome for the Company.

Our goal now is to focus primarily on

- customer acquisitions,
- concentrate on target markets,
- more business from existing customer base and
- develop new solutions in IoT.

We have undertaken major initiative to improve our visibility, communication and focus on technology. We look forward to this opportunity as a threshold for further growth. We will continue in our endeavor with the same motto of “Passion, Teamwork and Innovation”, of course, managing customer’s IT with Commitment..

With Best Wishes

**Paresh Shah**

Chief Executive Officer





With the successful completion of 10 quarters of the Pune City Surveillance Project having uptime exceeding 98%, your company has reaffirmed its position as a leading Master Systems Integrator in the country that delivers on promise.

The Duration of Smart City Mission – key program of the Prime Minister- is for five years: 2015 to 2020. Though the first lot of 20 cities out of 100 was selected on January 1<sup>st</sup>, 2016 the remaining 79 lots were released over a period of two years with the last lot of 9 cities being released in January 2018. It typically takes 15 to 18 Months after floating of the RFP to appoint a Project Management Consultant and setting up of Special Purpose Vehicle. After floating the RFP the process takes further 3 to 4 months due to pre-bid meetings, queries, subsequent corrigendum and finally bid evaluation and award of contract. Therefore, from the time a City is selected under the Smart City Program to the time the contract for the project is awarded it usually takes around 21 months. In some cases, the RFPs are scrapped due to insufficient or unqualified bids that delays the process still further.

With the general elections in India slated in 2019, we have witnessed a spurt in the release of RFPs for Smart Cities by

various State Governments. This has caused overlapping dates for bid submission that puts enormous pressure on the bidders to meet the deadline.

Your Company has participated in Smart City RFPs on its own and as well as in Consortium with some large organizations due to collaborative nature of such projects. However, some of the bids could not be finalized on account of the reasons stated above and some of them are under evaluation and the results awaited.

The Ministry of Electronics and Information Technology has announced the IoT policy to create a \$15 billion IoT industry in India by 2020. Your company has initiated a program to leverage on this opportunity by creating a team that specialises on the IoT Technology based solutions that have strong traction in Smart City projects and Digital India concepts in the country.

IoT has the potential to transform our use of technology such as in Smart Homes / Spaces, Health Care, mobility, smart devices, energy meters and Security. It will also drive growth through innovation in business for manufacturing, service industries and retail.

IoT is an emerging technology and its application in various spheres of life is being discovered that has led to fragmented development. Your company has aligned with some of the leading international organizations who are actively involved in developing this technology and are currently working in India on some large opportunities to ensure their place in this exciting and potentially rewarding field. Through this alignment, your company will be developing solutions and tools that will address the need of the industry and help in customer acquisition.

The initiative in Smart City and IoT of your company has potential for long term sustained business as the contract are generally for 5 years. During this period there is an assured business from the customer through scaling up of the solution and possible replication at other locations.

With warm regards,

**Jawahar Ali**  
Chief Executive Officer - ISG.



## Allied Digital CMD invited by Taiwan Govt. as Keynote speaker for Smart City Summit 2018

Allied Digital CMD - Mr. Nitin Shah was invited as Keynote speaker for the 2018 Smart City Summit and Expo held in Taipei, Taiwan. Ministry of commerce, Government of Taiwan had invited him for the speech on 30th March 2018 during conference on India Smart City initiatives.



## Allied Digital at 'Magnetic Maharashtra Convergence 2018' exhibition

Allied Digital was present at 'Magnetic Maharashtra Convergence 2018' event at MMRDA, BKC, Bandra, Mumbai between 19th and 23rd February where we showcase IoT enabled Smart Farming.



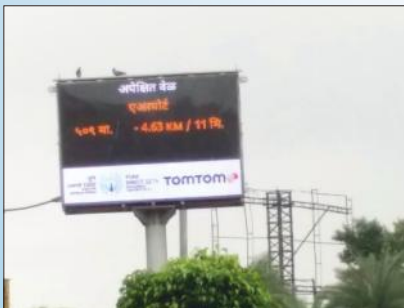
## Allied Digital: Software Development appraised at CMMI Level 3

Allied Digital has been appraised at Level 3 of the CMMI Institute's Capability Maturity Model Integration (CMMI)®. The appraisal was performed by Equalitas Certifications Limited. CMMI is a capability improvement framework that provides organizations with the essential elements of effective processes that ultimately improve their performance.

An appraisal at maturity level 3 indicates the organization is performing at a "defined" level. At this level, processes are well characterized and understood, and are described in standards, procedures, tools and methods. The organization's set of standard processes, which is the basis for maturity level 3, is established and improved over time.



## ALLIED DIGITAL - REAL TIME TRAFFIC INFORMATION SYSTEMS



Allied Digital is India's leading Master System Integrator and has delivered the first of its kind Pune Safe City project to the country in August 2015. Amongst many firsts in the country we have added another feather to the cap. Please see actual pictures taken of estimated travel time displayed on Variable Messaging Displays installed by PSCDC as part of POC carried out by ADSL and TOMTOM.

This is the first of its kind integration in the world which is done by Allied Digital. The innovation showcases our prowess in the smart city domain. The achievement has been appreciated by Jonathan Americo - Product Manager at TOMTOM and in his words "The product is quite recent and this was the first concrete example of this type of integration". We are continuously striving towards innovation and are the frontrunners in offering world class services to our customers.



# Allied Digital - Prestigious awards won

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.



**Excellence & Leadership in Outsourcing** by Asia Outsourcing, Mumbai.



**Contribution towards Digital Disruption** by Economic Times, Mumbai.



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



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



**India's Most Trusted Brand 2017** by IBC infomedia, Mumbai.



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



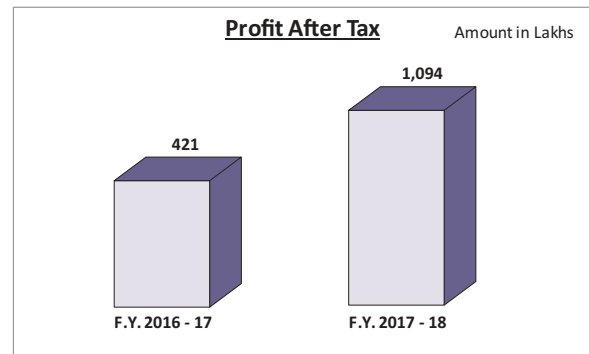
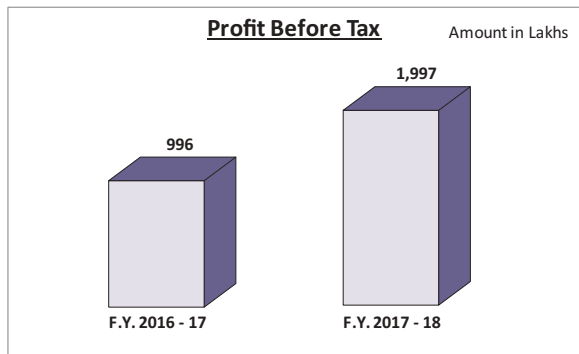
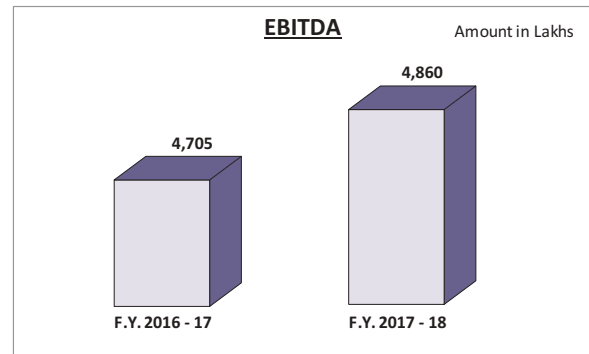
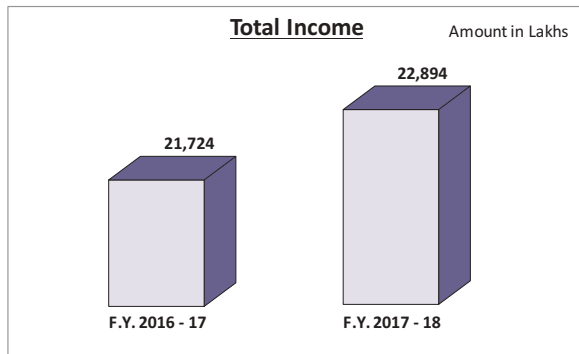
**Innovation – New Initiatives in Infrastructure management,** by UBS Transformance, Bengaluru.



**ChannelWorld Premier 100 Honoree 2018** by IDG Media, Mumbai.



## FINANCIAL HIGHLIGHTS FOR THE F.Y. 2017-18



- Despite growth in sales, Company maintained its EBITDA Margin at 21%.
- Company achieved a consolidated PAT margin of 4.8% in F.Y. 2017-18 against 1.9% in the earlier year.
- Book Value of the Equity Shares of the Company - ₹ 90 / share.
- Considerable reduction in overdue statutory liabilities during F.Y. 2017-18.
- Substantial reduction in debts in F. Y. 2017-18, consequently more than 65% savings in Finance Cost.

### WAY FORWARD

- Having completed and successfully maintaining the state of the art, Pune CCTV Surveillance Project, Company is confident of being awarded more such prestigious projects and also to onboard more overseas clientele.
- Company plans to re-enter into the sales and distribution of IT Equipment of well-known brands.
- More focus on further reduction of debts during the current year as well, in order to reduce finance cost and consequently improved profitability.
- Company is also looking at various alternatives to monetize its real estate properties.

## NOTICE

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**NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF ALLIED DIGITAL SERVICES LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 03, 2018 AT 04:00 P.M. AT WALCHAND HIRACHAND HALL, 4<sup>TH</sup> FLOOR, IMC BUILDING, INDIAN MERCHANT CHAMBER MARG, CHURCHGATE, MUMBAI – 400 020 TO TRANSACT THE FOLLOWING BUSINESS:**

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### ORDINARY BUSINESS:

1. To consider and adopt:
  - a) the audited standalone financial statements of the Company for the financial year ended March 31, 2018 along with the reports of the Board of Directors' and the Auditors' thereon; and
  - b) the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended March 31, 2018 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.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
 

**"RESOLVED THAT** in partial modification of resolution passed in this regard by the members of the Company at the 22<sup>nd</sup> Annual General Meeting of the Company held on September 26, 2016 and pursuant to the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and applicable clauses of Articles of Association of the Company and subject to any other approvals, if any and based on the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Nitin Shah (DIN: 00189903), Chairman and Managing Director of the Company up to ₹ 1,00,00,000 per annum as approved by the Board with effect from August 01, 2018, on such terms and conditions as may be agreed between the Board and the Director.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Nitin Shah, Chairman and Managing Director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (the "Board") of the Company be and are hereby authorised to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Nitin Shah, Chairman and Managing Director provided that such variation or increase, as the case may be, is within the overall limits as prescribed under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, any of the Board of Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
 

**"RESOLVED THAT** in partial modification of resolution passed in this regard by the members of the Company at the 22<sup>nd</sup> Annual General Meeting of the Company held on September 26, 2016 and pursuant to the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and applicable clauses of Articles of Association of the Company and subject to any other approvals, if any and based on the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Prakash Shah, (DIN:00189842) Whole-time Director of the Company up to ₹ 50,00,000 per annum as approved by the Board with effect from August 01, 2018, on such terms and conditions as may be agreed between the Board and the Director.

**RESOLVED FURTHER THAT** the remuneration payable to of Mr. Prakash Shah, Whole-time Director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (the "Board") of the Company be and are hereby authorised to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Prakash Shah, Whole-time Director provided that such variation or increase, as the case may be, is within the overall limits as prescribed under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, any of the Board of Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

5. Appointment of Mr. Nehal Shah (DIN: 02766841) as Director of the Company and to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment therefore, for the time being in force) and pursuant to recommendation of the Nomination and Remuneration Committee, the consent of the Company is hereby accorded to appoint Mr. Nehal Shah (DIN: 02766841) as an Executive Director of the Company at the General Meeting, who was appointed as an Additional Director (Executive) of the Company with effect from July 30, 2018, in terms of Section 161(1) of the act and whose term of office expires at the ensuing General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company for a period of three (3) years, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the term of the said Director) as set out in the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors (the "Board") of the Company be and are hereby authorised to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Nehal Shah, Director provided that such variation or increase, as the case may be, is within the overall limits as prescribed under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and expedient from time to time."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 ("the Act") and other applicable provisions, if any (including any amendment, statutory modification or re-enactment thereof for the time being in force) and the rules made thereunder, and the enabling provisions in the Memorandum of Association and Articles of Association of the Company, approval and consent of the members of the Company be and is hereby granted to the Board of Directors including any Committee of the Board to mortgage, pledge, hypothecate or charge, in addition to the existing mortgages, hypothecations and charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties/assets of the Company, both present and future, and/or the whole or any part of the undertaking or undertakings of the Company, for securing the borrowings of the Company and/or its subsidiaries, availed/to be availed by way of loan (Term loans/Working Capital facilities/External Commercial Borrowings and Securities), the aggregate value of which shall not exceed ₹ 1000,00,00,000/- (Rupees One Thousand Crores Only) from Financial Institutions/Banks and other agencies/Parties, issued/to be issued by the Company from time to time together with interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption and all other costs, charges and expenses including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other moneys payable by the Company in terms of the Loan Agreement(s)/ Heads of Agreement(s), or any other document, entered into/to be entered into between the Company and the lender(s)/ Agent(s) and Trustee(s) in respect of the said loans/borrowing and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lenders/Agents/Trustees.



**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company or the Company Secretary, be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers and agreements as may be required and to take all necessary steps and do all necessary things in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its Committee(s)/ Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as it may in its absolute discretion deem necessary proper and fit."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 ("the Act") and other applicable provisions, if any (including any amendment, statutory modification or re-enactment thereof for the time being in force) and the rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors including any Committee of the Board to borrow from time to time all such sum(s) of money (including External Commercial Borrowings in foreign denominated currencies from any foreign sources/ foreign countries as prescribed by statutory guidelines, if any, in this regard) (apart from temporary loans obtained from the Company's bankers in the ordinary course of business of the Company) in such manner as may be deemed necessary and prudent for the purposes of the Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company and outstanding (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital, free reserves and securities premium, whether the same may be secured or unsecured, whether by way of mortgage, charge or hypothecation or otherwise in respect of all, or any of the Company assets, provided that the total amount borrowed/to be borrowed by the Board of Directors shall not, at any time, exceed the limit of ₹1000,00,00,000/- (Rupees One Thousand Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any one of the Committee(s)/Director(s) or any officer(s) of the Company, be and is hereby authorized to take all necessary steps and do all necessary things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things as it may in its absolute discretion deem fit."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provision of Section 186 of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 read with Companies (Amendment) Act, 2017 ("the Act") and other applicable provisions, if any (including any amendment, statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consent, sanctions and permission of the appropriate authorities, departments or bodies as may be necessary, the consent of the shareholders of the Company be and is hereby accorded to authorize the Board of Directors including any Committee of the Board to give any loans or guarantees or provide any security in connection with a loan to any person or body corporate or to make investment in securities of other body corporate the aggregate of which shall not exceed 60% of the paid-up capital, free reserve and securities premium account or 100% of free reserve and securities premium account or ₹ 1000,00,00,000/- (Rupees One Thousand Crores Only), whichever is higher.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all necessary steps and do all necessary things in this regards in order to comply with all the formalities and further to authorize any of its Committee(s)/Director(s) or any officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013, Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), approval of the Company be and is hereby accorded to the Board of Directors to enter into contracts/ arrangements with Allied Digital Services, LLC, a 'Related Party' as defined under Section 2 (76) of the Companies Act, 2013 and the SEBI LODR, during the financial year 2018-19, for:

1. Sale, purchase or supply of any goods or materials – up to maximum of ₹ 30 crores; and
2. Availing or rendering of any services – up to maximum of ₹ 60 crores

on such terms and conditions as may be approved by the Audit Committee and the Board of Directors from time to time

**RESOLVED FURTHER THAT** any of the Board of Directors or the Company Secretary of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company."

**Notes:**

- a. **A member entitled to attend and vote at this meeting is entitled to appoint one or more proxy to attend and to vote on poll, 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. 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.
- b. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special businesses under the Notice is amended hereto. All the documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days up to the date of the AGM.
- c. Corporate Members/Foreign Portfolio Investors/Foreign Institutional Investors /Financial Institutions 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 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.
- d. The Register of Members and Share Transfer Books of the Company will be closed from **Tuesday, August 28, 2018 to Monday, September 03, 2018** (both days inclusive).
- e. Members, Proxies and Authorized Representatives are requested to bring the Annual Report for their reference at the Meeting. Attendance slips duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No. shall be handed over at the entrance to the meeting hall.
- f. Members are informed that, 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.
- g. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members 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 up to the date of the Annual General 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 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 i.e. [www.allieddigital.net](http://www.allieddigital.net), the information on dividends which remain with the Company unclaimed as on September 20, 2017 i.e. the date of the last Annual General Meeting. The information is also available on the website of the Ministry of Corporate Affairs i.e. [www.mca.gov.in](http://www.mca.gov.in).
- m. 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 F.Y. 2017-18 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 Company/Depository Participants/ Registrar & Transfer Agent.

#### E-voting:

Pursuant to the provisions of Section 108 and other applicable provisions, if any of the Companies Act, 2013 read with 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, the facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means. 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 ('CDSL').

The facility for voting through ballot papers will 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. A member can participate in AGM even after exercising his rights to vote through remote e-voting but shall not be allowed to cast their vote again at this Annual General Meeting.

The remote e-voting period commences on **Friday, 31<sup>st</sup> August, 2018 (09:00 a.m. IST)** and ends on **Sunday, 02<sup>nd</sup> September, 2018 (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 **Tuesday, 28<sup>th</sup> August, 2018**, 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 cast 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 **Tuesday, 28<sup>th</sup> August, 2018** and as per the Register of Members of the Company.

Mr. Himashu S. Kamdar, (ICSI Membership No. 5171) of M/s. Rath & 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.

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 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 i.e. [www.evotingindia.com](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



- vi. 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"> <li>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 sequence number in the PAN field.</li> <li>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.</li> </ul>
Dividend Bank Details	<ul style="list-style-type: none"> <li>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.</li> </ul>
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>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 (iii).</li> </ul>

- vii. After entering these details appropriately, click on **"SUBMIT"** tab.
- viii. 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.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the **EVS**N for the **'Allied Digital Services Limited'**.
- xi. 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.
- xii. Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.
- xvi. 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.
- xvii. **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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xviii. 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](http://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](mailto: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](mailto: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.
- 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- xix. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xx. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xxi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.allieddigital.net](http://www.allieddigital.net) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) within forty eight hours from the conclusion of this 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.

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

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

**Place : Mumbai**  
**Date : July 30, 2018**

**Registered Office:**

Premises No. 13A, 13<sup>th</sup> Floor, Earnest House,  
NCPA Road, Block No. III, Back Bay Reclamation,  
Nariman Point, Mumbai 400 021  
**CIN:** L72200MH1995PLC085488  
**Website:** [www.allieddigital.net](http://www.allieddigital.net)  
**Email:** [investor@allieddigital.net](mailto:investor@allieddigital.net)  
**Tel:** +91 22 6681 6400  
**Fax:** +91 22 2282 2030

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

### ITEM NO. 3

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on July 30, 2018 approved the revision in remuneration of Mr. Nitin Shah as Chairman and Managing Director of the Company with effect from August 01, 2018 subject to the approval of the shareholders at this Annual General Meeting.

Main terms of revision of remuneration of Mr. Nitin Shah, Chairman and Managing Director:

- a) Revision of Salary up to ₹ 1,00,00,000 per annum as approved by the Board w.e.f August 01, 2018 for remaining period of his tenure of service i.e. March 31, 2021.
- b) Other terms and conditions as approved between the Company and Mr. Nitin Shah, Chairman and Managing Director would remain the same except revision in remuneration components linked with basic salary.

The Board of Directors of your Company recommends the resolution in relation to revision of remuneration of Mr. Nitin Shah, Chairman and Managing Director for the approval by the shareholders of the Company.

Disclosure required under Schedule V of the Companies Act, 2013 is set out as the "Annexure-A" to this Notice.

Except Mr. Nitin Shah, Chairman and Managing Director, Mr. Prakash Shah, Whole-time Director, Mr. Nehal Shah, Director and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this Resolution except to the extent of their shareholding.

### ITEM NO. 4

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on July 30, 2018 approved the revision in remuneration of Mr. Prakash Shah as Whole-time Director of the Company with effect from August 01, 2018 subject to the approval of the shareholders at this Annual General Meeting.

Main terms of revision of remuneration of Mr. Prakash Shah, Whole-time Director:

- a) Revision of Salary up to ₹ 50,00,000 per annum as approved by the Board w.e.f. August 01, 2018 for remaining period of his tenure of service i.e. March 31, 2021.
- b) Other terms and conditions as approved between the Company and Mr. Prakash Shah, Whole-time Director would remain the same, except revision in remuneration components linked with basic salary.

The Board of Directors of your Company recommends the resolution in relation to increase in remuneration of Mr. Prakash Shah, Whole-time Director for the approval by the shareholders of the Company.

Disclosure required under Schedule V of the Companies Act, 2013 is set out as the "Annexure-A" to this Notice.

Except Mr. Prakash Shah, Whole-time Director, Mr. Nitin Shah, Chairman and Managing Director, Mr. Nehal Shah, Director, and their relatives none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this Resolution except to the extent of their shareholding.

### ITEM NO. 5

Pursuant to provisions of Section 161(1) of the Companies Act, 2013 and other applicable provision of the Act and on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Nehal Shah (DIN: 02766841) as an Additional Director in the category of Executive Director with effect from July 30, 2018. A notice has been received from a member along with the deposit of ₹ 1,00,000/- as per the provisions of Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Nehal Shah for the office of Director of the Company. As per the provisions of Section 152 of the Companies Act, 2013, it is proposed to appoint Mr. Nehal Shah as a Director in the category of the Executive Director of the Company for a term of three years ending on July 29, 2021.

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. 05 of the notice is proposed to seek your consent by way of Special Resolution.

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 Director of the Company are as under:

Name of the Director	Mr. Nehal Nitin Shah
Age	33 years
Date of appointment on the Board	July 30, 2018
Term	July 30, 2018 to July 29, 2021 (3 years)
Education Qualification	Bachelor's Degree in Engineering Diploma in Computer Technology
Background details, Recognition or awards and Experience & Expertise	Joined ADSL as a management trainee and was involved in business operations and process improvements. Based on his performance, he was assigned the role of HR and Operations Manager which had additional responsibilities of management of Internal IT Operations, Service Delivery and eventually he was promoted as the Head of HR & Operations Department. Currently having an experience of 9+ years and expertise in HR and operations
Shareholding in the Company	20489 Equity Shares
Terms and Condition of appointment (Other brief terms also required to be stated)	- 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 design 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 the logo or trademark of the company.
Details of Remuneration sought to be paid	₹ 12 Lakhs
Remuneration last drawn	₹ 3.94 Lakhs (April 01, 2018 to July 29, 2018)
Number of Meetings attended during the year	NA
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Son of Mr. Nitin Shah, Chairman and Managing Director and Relative of Mr. Prakash Shah, Whole-time Director
Other membership / Chairmanship of Committees of the Boards	Nil
Directorship in other Indian Public Limited Companies	Nil

Further disclosure required under Schedule V of the Companies Act, 2013 is set out as the "Annexure-A" to this Notice.

Except Mr. Nitin Shah, Chairman and Managing Director, Mr. Prakash Shah, Whole-time Director, and Mr. Nehal Shah, Director and their relatives, none of the other Directors / Key Managerial Personnel of the Company/their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said Resolution.

#### ITEM NO. 6 & 7:

The enhanced borrowings of the Company may, if necessary, be secured by way of charge(s), mortgage(s) and/or hypothecation(s) on the Company's movable and/or immovable assets. For the said purpose, the Company seeks the approval of its members by way of passing of Special Resolution pursuant to the provisions of Section 180(1)(a) of the Act, for enabling the Board of Directors to create charge(s), mortgage(s) on and/or hypothecation(s) of the movable and/or immovable assets of the Company subject to a total limit of ₹ 10,000,000,000/- (Rupees One Thousand Crores Only)



With a view to accommodate the need for long term/short term borrowings including working capital requirement for the business the Company, it is proposed to obtain approval of the Members of the Company by way of passing of Special Resolution pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 ("the Act") for increase in the borrowing limit of the Company which shall not exceed ₹ 10,000,000,000/- (Rupees One Thousand Crores Only).

In view of the requirements of the provisions of the Act, the resolutions vide Item No. 6 & 7 are proposed for the approval of the members of the Company.

None of the persons specified in Section 102 of the Act namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested in the above resolutions.

#### ITEM NO. 8:

The provisions of Section 186 of the Act require every Company to seek prior approval of its members in case if proposed investments, loans and advances, guarantees/securities to Bodies Corporate exceed 60% of paid-up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account.

The Company has made investments, provided loans and advances and also given guarantees/securities in connection with loans to subsidiaries, joint ventures and other bodies corporate. Pursuant to the provision of Section 186 of the Act, aggregate of such investments/loans and advances/guarantees/securities should not exceed 60% of the paid-up capital, free reserve and securities premium account or 100% of free reserve and securities premium account, whichever is more unless it is approved by the members of the Company by way of passing a Special Resolution in the General Meeting.

In view of the existing investments made, loans and advances and guarantees/securities given in connection with loans given to other bodies corporate and considering the future plans of the Company, it is deemed necessary to authorize the Board of Directors including any committee of Directors to invest and/or to provide loans and advances and/or to give securities up to 60% of the paid-up capital, free reserve and securities premium account or 100% of free reserve and securities premium account or ₹ 10,000,000,000/- (Rupees One Thousand Crores Only), whichever is higher.

Considering the same, your Directors recommended the resolutions as set out as Item No. 8 in this notice for your approval.

None of the Promoters, Directors, Key Managerial Personnel of the Company and none of the relatives of Promoters, Directors and Key Managerial Personnel are deemed to be concerned or interested financially or otherwise in the said resolution.

#### ITEM NO. 9:

Allied Digital Services LLC is a 'Related Party' within the meaning of Section 2 (76) of the Companies Act, 2013 and Regulation 2 (1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The said Related Party is engaged in the business of providing IT and IT related Services

The Board of Directors of the Company on recommendation of the Audit Committee passed a resolution at its meeting held on July 30, 2018, to avail the services related to:

- 1 Sale, purchase or supply of any goods or materials – up to maximum of ₹ 30 crores; and
- 2 Availing or rendering of any services – up to maximum of ₹ 60 crores.

The details of the transactions, proposed to be entered into, are as under:

Particulars	Information
Name of the Related Party	Allied Digital Services, LLC
Name of Director(s) or Key Managerial Personnel who is related, if any	Nitin Dhanji Shah, Chairman and Managing Director; Prakash Dhanji Shah, Whole-time Director
Nature of Relationship	Promoter - Director
Material terms of the transaction	Availing or rendering of any services and sale, purchase or supply of any goods or materials
Monetary Value	₹ 90 Crores
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes

As the aggregate of the transactions to be entered into with the said Related Party may exceed 10% of the Company's turnover for the financial year ended 31<sup>st</sup> March 2018, the said transaction would be deemed to be a 'material' related party transaction. Under Regulation 23 (4) of the SEBI LODR, all material related party transactions are required to be approved by Ordinary resolution of the shareholders and the related parties shall abstain from voting on such resolution where the entity is a related party to the transaction or not.

The contracts and/or arrangements with the related parties for availing or rendering of services that are repetitive in nature and in ordinary course of business and also at arms' length basis. However as part of good corporate practice and in terms of proviso to Section 188(1) of the Companies Act, 2013 read with Rules framed thereof, it is proposed to seek approval of members for the said transactions with the said Related Party.

Except Mr. Nitin Shah, Chairman and Managing Director and Mr. Prakash Shah, Whole-time Director, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this Resolution except to the extent of their shareholding.

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

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

**Place : Mumbai**  
**Date : July 30, 2018**

**Registered Office:**

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

**CIN:** L72200MH1995PLC085488

**Website:** [www.allieddigital.net](http://www.allieddigital.net)

**Email:** [investor@allieddigital.net](mailto:investor@allieddigital.net)

**Tel:** +91 22 6681 6400

**Fax:** +91 22 2282 2030

**IMPORTANT INFORMATION TO MEMBERS:**

Securities and Exchange Board of India (SEBI) vide its Circular bearing No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 has mandated exercising of enhanced due diligence while effecting payment of Dividend wherever bank account details and Income Tax Permanent Account Number (PAN) have not been made available by the members. In case these details have not been furnished by you as yet, please immediately furnish those either to the Company or Registrar and Share Transfer Agent. These details will enable us to effect payment of dividend, if any, in the future, through NACH (National Automated Clearing House)

Furtherance, as directed by SEBI vide Gazette Notification dated 8<sup>th</sup> June, 2018, transfer of equity shares held in physical form will not be permissible on and from 5<sup>th</sup> December, 2018. In case you are holding equity shares in physical form, please have them dematerialized as soon as possible.

**For any assistance in connection with the aforesaid, please write to [investors@allieddigital.net](mailto:investors@allieddigital.net) or  
Contact: +91 22 6681 6400**

**ANNEXURE-A:**

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 for 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 March 31, 2018 is as under:	
		Sales	₹ 7423 Lakhs
		Profit after Tax	₹ 534 Lakhs
		Asset Turnover Ratio	8.28
		Current Ratio	1.85
		Profit to Net Sales	7.20 %
5.	Export performance and net foreign exchange realisation	The total export sales realised during the year ended March 31, 2018 amounts to ₹ 2294 Lakhs	
6.	Foreign investments or collaborations, if any	The Company's total investment as on March 31, 2018 in its Foreign Subsidiary Companies is ₹ 14,741 Lakhs.	
II	INFORMATION ABOUT THE APPOINTEE (MR. NEHAL SHAH)		
1.	Background details	Joined ADSL as a management trainee and was involved in business operations and process improvements. Based on his performance, he was assigned the role of HR and Operations Manager which had additional responsibilities of management of Internal IT Operations, Service Delivery and eventually he was promoted as the head of HR & Operations Department.	
2.	Recognition or awards	NA	
3.	Job profile and his suitability	Strategic and operational governance process of the company	
4.	Comparative remuneration profile with respect of industry, size of the company, profile with the position and person.	The proposed remuneration is in line with the other companies in the IT Industries	
5.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Nehal Shah is son of Mr. Nitin Shah, Chairman and Managing Director and Relative of Mr. Prakash Shah, Whole-time Director and is also a part of the Promoter Group	
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		
IV	Other Disclosures	The other disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Boards' Report under the heading "Corporate Governance Report" forming part of the Annual Report for 2017-18.	

## BOARDS' REPORT

To,  
Dear Members'

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company on the business and operations of your Company together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2018.

### 1. FINANCIAL RESULTS:

**Key highlights of the financial statements of the Company for the year ended March 31, 2018:**

The Company's performance for the year ended March 31, 2018 as compared to the previous financial year is summarized below:

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
Total Operating Income	7,423	7,810	22,490	21,530
Other Income	264	639	404	194
Total Income	7,687	8,449	22,894	21,724
Less: Operating Expenditure	4,275	4,898	17,804	17,458
<b>Profit before Interest, Depreciation, Amortization, Tax &amp; Exceptional Item</b>	<b>3,412</b>	<b>3,551</b>	<b>5,090</b>	<b>4,266</b>
Less: Depreciation	1,596	1,356	2,316	2,142
Less: Finance cost	486	1,505	547	1,578
<b>Profit before Tax and Exceptional Item</b>	<b>1,330</b>	<b>690</b>	<b>2,227</b>	<b>546</b>
Exceptional Item	(323)	-	(323)	-
<b>Profit before Tax</b>	<b>1,007</b>	<b>690</b>	<b>1,904</b>	<b>546</b>
Less: Provision for Taxation	-	160	394	221
Less: Deferred Tax Liability	509	354	509	354
<b>Net Profit after tax</b>	<b>498</b>	<b>176</b>	<b>1,001</b>	<b>(29)</b>
Other Comprehensive Income	36	47	96	455
Shares of Profit/(Loss) of Associates & Joint Ventures	-	-	(3)	(5)
<b>Total Comprehensive Income (after tax)</b>	<b>534</b>	<b>223</b>	<b>1,094</b>	<b>421</b>
<b>Attributable to Owners of the Parent</b>	-	-	1,089	378
<b>Attributable to Non-Controlling Interest</b>	-	-	(5)	(43)
Paid-up equity share capital (Face Value of ₹ 5/-)	2,510	2,510	2,510	2,510
Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year	42,869	42,457	39,865	41,686
<b>Earning per Share</b>				
Basic	0.99	0.35	1.99	(0.07)
Diluted	0.99	0.35	1.99	(0.07)

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

With the positive momentum in the Indian Economy, the Company is focusing on growth and achieving profitability along with a renewed commitment to customer services. Positive modifications are expected in the near future which will boost the Company's revenue. The Company is also focusing extensively on expanding the business and improvements in operations through various strategic projects for operational excellence.



**a. Standalone Financial Statements:**

During the year under review, due to a substantial reduction in the finance cost on account of restructuring of debts, the Company's profitability grown by 183% to ₹ 498 lakhs as compared to ₹ 176 lakhs in the previous year. The Earning Per Share ('EPS') for the year also improved to ₹ 0.99 as compared to ₹ 0.35 in the previous year, due to improved profits.

**b. Consolidated Financial Statements:**

In accordance with the provisions of 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, ("Listing Regulations"), the Audited Consolidated Financial Statements is provided in the Annual Report.

**c. Ongoing Projects & State of Affairs:**

The Ongoing Projects & State of Affairs of the Company is presented as part of Management Discussion and Analysis Report which forms part of the Annual Report.

**d. Revision of Financial Statements:**

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

**e. Disclosure of Internal Financial Controls**

Internal Financial Controls are an integrated part of the risk analysis process, addressing financial and financial reporting risks. During the year, such controls were tested and no reportable material weakness in the design or operation was observed and altogether we believe that these systems provide reasonable assurance that internal financial controls are designed effectively and are operating as intended.

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

- a. As on date, the Company has six (6) Foreign Subsidiaries and two (2) Indian Subsidiaries and three (3) Associate Companies. 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 <sup>nd</sup> July, 2008
2.	Allied Digital INC (USA)	Subsidiary	31 <sup>st</sup> October, 2007
3.	Allied Digital Singapore Pte Limited	Subsidiary	12 <sup>th</sup> October, 2010
4.	Allied Digital Asia Pacific Pty Limited (Australia)	Subsidiary	16 <sup>th</sup> September, 2010
5.	En Pointe Technologies India Private Limited	Subsidiary	29 <sup>th</sup> December, 2006
6.	Allied-eCop Surveillance Private Limited	Subsidiary	06 <sup>th</sup> August, 2007
7.	Allied Digital Services (UK) Ltd.	Subsidiary	04 <sup>th</sup> December, 2013
8.	Assetlite Equipment India Private Limited	Associate	26 <sup>th</sup> September, 2009
9.	Soft Shell System (I) Private Limited	Associate	07 <sup>th</sup> August, 2015
10.	Allied CNT Solutions Private Limited	Associate	06 <sup>th</sup> July, 2004
11.	Allied Digital Services Oy.*	Subsidiary	08 <sup>th</sup> June, 2018

\* Allied Digital Services Oy. was incorporated on 08<sup>th</sup> June, 2018 i.e. after the end of the Financial Year 2017-18

The statement containing the salient features of the financial statement of Subsidiaries and Associates Companies in the prescribed Form AOC-1 is appended as "Annexure I" to the Board's Report.

**b. Material Subsidiaries:**

Allied Digital Services LLC, USA is a Material Subsidiary whose income in the immediately preceding accounting year exceeds twenty percent of the consolidated income 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](https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_MaterialSubsidiaries.pdf)

During the year under review, 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.

**4. RECENT DEVELOPMENTS:**

The Company is adopting new technologies as it foresees massive growth in IT solutions and services in the domain of IoT, Smart Cities and next generation Automation solutions leveraging machine learning and Artificial Intelligence ("AI").

The Company is now considering IoT as its main stream business, catering to both the government and other corporate verticals. It intends to develop and sell solutions for process automation and smart city-based solutions. With machine learning adoption in cloud platforms, the Company is also improving its AI capability in primary areas of IT service automation.

The major release of ADiTaaS, Company's flagship ITSM platform, with state of the art user friendly interface. This major release is already being implemented at one of the premium Tyre brands as well as at one of the large banks in California.

**5. DIVIDEND:**

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

**6. 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.

**7. DEPOSITS:**

The Company has not accepted any deposits from public during the year under review. However, as on the Balance Sheet date there was unclaimed fixed deposits amounting to ₹ 33.84 lakhs.

The below details relating to deposits, covered as per the Chapter V of the Companies Act, 2013:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Deposits accepted during the year	----	---
Deposits unclaimed/unpaid at the end of the year	33.84	432.39
Default in repayment of deposits or payment of interest thereon	----	507.98

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

(₹ in Lakhs)

At the beginning of the year	Maximum during the year	At the end of the year
507.98	507.98	---

**8. RESTRUCTURING OF FACILITIES:**

During the year under review, the Company had undertaken restructuring of fund/non-fund based facilities availed from the banks. Presently, the funds requirements of the Company have been fully tied up.

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

Except as disclosed elsewhere in the report, there were no material changes and commitments, occurred during the period between the end of the financial year to which the financial statements relate and date of said report, which could affect the financial position of the Company.

**10. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

During the financial year, the Company entered into related party transactions which were on arm's length basis and in the ordinary course of business and in line with the threshold of materiality defined in the Company's policy on Related Party Transactions. The said Policy can be accessed through weblink:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Related\\_Party\\_Transaction\\_Policy.pdf](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. The Audit Committee had approved and regularly reviewed the Related Party Transactions entered into during the financial year under review.

There were no transactions/contracts/arrangements with related party (ies), which are required to be reported in Form AOC-2.

**11. PARTICULARS OF LOANS, ADVANCES, GUARANTEES OR INVESTMENTS:**

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, the disclosure on particulars relating to Loans, advances, guarantees and investments are provided as part of the financial statements.

**12. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**a) CHANGE IN BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

The Board of your Company is duly constituted in accordance with the requirements of the Companies Act, 2013 read with the Listing Regulations.

During the year under review, Ms. Neha Sunil Bagla was appointed as the Company Secretary and Compliance Officer of the Company with effect from May 26, 2017 and was designated as Key Managerial Personnel of the Company.

Dr. Roopkishan Dave (DIN: 02800417), Independent Director stepped down from the Board with effect from November 14, 2017, due to his personal commitments. The Board wishes to place on record his appreciation for the valuable contributions made by him to the Board and the Company during his tenure.

Mr. Paresh Bipinchandra Shah (DIN: 05117129), Executive Director resigned with effect from May 28, 2018, and continued as the Chief Executive Officer (CEO) of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Prakash Shah, Whole-time Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

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

**b) 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 the 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 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

**13. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

**a. BOARD MEETINGS:**

The Board of Directors (herein after called as "the Board") met five (5) times during the year to deliberate on various matters. The meetings were held on May 26, 2017, July 07, 2017, August 11, 2017, November 14, 2017 and February 12, 2018. The full details of the said meetings are provided in Corporate Governance Report that forms part of this Annual Report.

The maximum interval between any two meetings was not in excess of 120 days.

**b. DIRECTOR'S 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 March 31, 2018, 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 March 31, 2018 and of the profit of the Company for that year;
- 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.

**c. COMMITTEES OF BOARD:**

The Board of the Company has constituted Committee(s) as mandated under the provisions of the Companies Act, 2013 and Listing Regulations. There are currently five (5) 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. AUDIT COMMITTEE**

The Audit Committee constituted by the Board of the Company, is in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of Listing Regulations. During the year under review, the Board of the Company had accepted all the recommendations of the Audit Committee.

**II. NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of Listing Regulations, the Board has constituted the Nomination and Remuneration Committee, 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](https://www.allieddigital.net/in/downloads/Inv_Policies/Nomination_Remuneration_policy.pdf).



### III. **STAKEHOLDERS RELATIONSHIP COMMITTEE (FORMERLY KNOWN AS SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE) :**

The Stakeholders Relationship Committee is duly constituted as per Section 178 of the Companies Act, 2013 read with Regulation 20 of Listing Regulations. The primary objective of the Stakeholders Relationship Committee of the Company is to consider and resolve the grievances of security holders/members of the Company

### IV. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):**

The Corporate Social Responsibility Committee is duly constituted as per provisions of Section 135 of the Companies Act, 2013 consisting of three (3) Directors out of which two (2) Directors are Non – Executive Independent Directors and the Chairperson 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 II' 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](https://www.allieddigital.net/in/downloads/Inv_Policies/CSR%20Policy.pdf)

### V. **MANAGEMENT COMMITTEE.**

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 (3) members of the Company i.e. Mr. Nitin Shah, Mr. Prakash Shah and Mr. Paresh Shah.

## 14. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Section 134(3)(m) 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:**

The Company has always considered energy and natural resource conservation as a focus area. Though the operations of the company are not energy intensive, it strongly believes that it is the need of the hour to do best efforts to conserve energy and natural resources like water.

The Company continues to take sustainable steps voluntarily to contribute towards better environment. Selected few steps/impact are listed below:

- Use of natural Lightning and natural ventilation;
- Use of energy efficient electric equipment such as use of LED bulbs;
- Conservation of water, ensuring no leakages in taps;
- Encourage use of environment-friendly reusable water bottles;
- Car-pooling during meetings and encourage use of public transport;
- Discouraging use of non-disposable plastic bags, plates etc.;
- Switching off work stations and laptops;
- Controlling the air-conditioning equipment optimally in the premises;
- 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 and does not have any alternate source of energy.

However, the company is keen in promoting green solutions to the customers, such as solar powered devices where possible.

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

For the year under review, there was hardly any investment in energy saving equipment apart from promoting replacement of CFL to LED bulbs where applicable.

**B. TECHNOLOGY ABSORPTION**

**i. The efforts made towards technology absorption:**

The Company has innovation as part of its motto. It is an early adopter of new technologies which either be useful for generating new business for its customers or for its self-use. It 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 adopted new technology to strengthen its infrastructure in the US, which is leveraged by many customers that has helped giving top quality uninterrupted services. It has adopted new technologies to apply to solve customer challenges.

**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:**

The company has been continuously working on innovative projects, which are either part of

- New features of their ADiTaaS product
- Doing proof-of-concepts on new technologies
- Investing in new technology training/learning.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of Foreign Exchange earned in terms of Actual Inflows and the Foreign Exchange outgo during the year in terms of Actual Outflows are as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Earnings	2,294	2,733
Outflow (including Capital imports)	128	220
Net Foreign Exchange Earnings (NFE)	2,166	2,513
NFE / Earnings (%)	94%	92%

**15. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

## 16. CORPORATE GOVERNANCE:

The Company is committed to the principles of 'Accountability', 'Transparency' and 'Trusteeship' in dealing with the stakeholders. The Company adheres to good corporate governance practices, accordingly as per Schedule V of Listing Regulations, the Auditors' certificate on Corporate Governance is annexed to the Boards' Report. The requisite certificate from the Practicing Company Secretary, confirming compliance of the conditions of Corporate Governance is attached to the Report on Corporate Governance.

## 17. EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) and section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as on March 31, 2018 is in Form MGT-9 which is enclosed as 'Annexure III' to this report.

## 18. ANNUAL EVALUATION:

The evaluation framework for assessing the performance of Directors of the Company comprises of contributions at the meetings, strategic perspective or inputs regarding the growth and performance of the Company, among others.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Directors have carried out the Annual Performance Evaluation of the Board, Independent Directors, Non-Executive Directors, Executive Directors, Committees and the Chairman of the Board.

The Nomination and Remuneration Committee considered and discussed the inputs received from the Directors and the 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 the Board, Chairman of the Board and Non- Executive Directors.

## 19. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In compliance with the requirements of Listing Regulations, the Company has placed a Familiarization Programme for the 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. on the website of the Company. The link for accessing the said program is:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Familiarisation\\_Programme\\_Independent\\_Directors.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Familiarisation_Programme_Independent_Directors.pdf)

## 20. 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](https://www.allieddigital.net/in/downloads/Inv_Policies/Whistle_blower_and_vigil_mechanism.pdf).

## 21. AUDITORS AND REPORTS:

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

### a. Statutory Auditors

The Auditor's Report to the Shareholders for the financial year ended on March 31, 2018 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.

### b. Secretarial Auditors

Secretarial Audit Report for the year ended 31<sup>st</sup> March 2018:

The Board had appointed M/s. Rath & Associates, Company Secretaries as Secretarial Auditors for the financial year 2017-18. Secretarial Audit Report issued by Rath & Associates in form MR-3 for the financial year 2017-18 forms part of this report and marked as “Annexure IV”.

The comments on the specific observations made in the above Secretarial Audit Report as under:-

- The Company has already repaid the entire claimed Fixed Deposits along with the interest due thereon by end of March, 2018.
- The Company will initiate actions for fulfilment of the requirement of keeping the entire Promoters Shareholding in demat form subsequent to obtaining of listing approval from Stock Exchange.

**c. Internal Auditor**

Pursuant to the provisions of Section 138 and Section 179(3) of the Companies Act, 2013, M/s. Satya Prakash Natani & Co., Chartered Accountant, (Firm Registration No. 115438W), Mumbai is appointed as the Internal Auditors of the Company for the Financial Year 2018-19.

**22. 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.

**23. ESOP 2010:**

The members at the Annual General Meeting held on September 29, 2010 approved Employees Stock Option Plan (ESOP 2010). Out of total 3,000,000 grants allocated under the effective ESOP scheme, 502,500 options were granted to the eligible employees under the said ESOP Scheme. During the financial year ended March 31, 2018, no options were granted to employee of the Company or its' Subsidiary. Each option entitles the holder thereof to apply for and be allotted one Equity Share of the Company for every option, upon payment of the exercise price during the exercise period.

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

PARICULARS	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



## 24. DISCLOSURE OF REMUNERATION PAID TO DIRECTORS 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 V**” to this report.

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 III**”.

## 25. PARTICIPATION IN THE GREEN INITIATIVE:

Your 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, electronic copies of the Annual Report 2017-18 along with the Notice of Annual General Meeting were sent to all the members whose email addresses are registered with the Company / Depository Participant(s)/Registrar and Share Transfer Agent. Also, all the Members are requested to join the said program by sending their preferred e-mail addresses to the Registrar and Share Transfer Agent.

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

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. Your Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. Accordingly, the Company 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 March 31, 2018, no complaints have been received pertaining to sexual harassment of women at workplace.

## 27. 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.

## 28. 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.

## 29. 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.

### 30. GENERAL:

The Directors states that, 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.

### 31. ACKNOWLEDGEMENT:

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. The Directors of the Company thank the customers, clients, vendors and other business associates for their continued support in the Company's growth.

Your Directors express their deep sense of gratitude to the Government Authorities, Financial Institutions, Stakeholders, Business Associates for their support and look forward to their continued assistance in future.

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

**Place: Mumbai**  
**Date: July 30, 2018**

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

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

## ANNEXURE I FORM AOC 1

**PERFORMANCE OF SUBSIDIARIES AND JOINT VENTURE COMPANIES**  
[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 / Joint Venture Companies to be 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	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
4	Date since when subsidiary was acquired	2-Jul-08	31-Oct-07	12-Oct-10	16-Sep-10	4-Dec-13	6-Aug-07	29-Dec-06
5	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD @ \$ 65.04/-	USD @ \$ 65.04/-	SGD @ \$ 49.67/-	AUD @ \$ 43.77/-	GBP @ 92.28/-	₹	₹
6	Share capital	3,902.65	0.00	0.05	0.05	0.92	10.75	1.00
7	Reserves and Surplus	28.37	(932.63)	(6.91)	(368.13)	125.83	(14.05)	67.72
8	Total Assets	10,447.93	8,461.60	12.60	20.63	173.60	11.53	69.37
9	Total Liabilities	10,447.93	8,461.60	12.60	20.63	173.60	11.53	69.37
10	Investments	-	-	-	-	-	-	-
11	Turnover	17,550.14	-	-	-	310.20	-	-
12	Profit before taxation	878.08	-	-	-	0.52	-	-
13	Provision for taxation	393.77	-	-	-	-	-	-
14	Profit after taxation	484.31	-	-	-	0.52	-	-
15	Proposed Dividend	-	-	-	-	-	-	-
16	% of shareholding	51	100	100	100	95	80.01	100

#### Notes:

1. Names of subsidiaries which are yet to commence operations: **Not Applicable**

2. Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

For Allied Digital Services Limited

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

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

**Place: Mumbai**  
**Date: July 30, 2018**

**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)

	<b>Name of the Associate Companies / Joint Venture</b>	<b>Assetlite Equipment India Private Limited</b>	<b>Soft Shell System (I) Private Limited</b>	<b>Allied CNT Solutions Private Limited</b>
1	Latest audited Balance Sheet Date	31-Mar-18	31-Mar-18	31-Mar-18
	Date on which the Associate or Joint Venture was associated or acquired	26-Sep-09	7-Aug-15	6-July-04
2	Shares of Associates/ Joint Ventures held by the company on the year end			
	i. No of Shares	Nil	117,924	142,000
	ii. Amount of Investment in Associates/ Joint Venture	-	600.00	14.00
	iii. Extent of Holding %	-	40.68	47.33
3	Description of how there is significant influence	Common Directorship in the Company	Equity shareholding of more than 20% of the total capital	Equity shareholding of more than 20% of the total capital
4	Reason why the associate/ joint venture is not consolidated	Financial Statements of aforesaid associates Companies are consolidated		
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	48.23	675.00	(53.77)
6	Profit/ Loss for the year			
	i. Considered in Consolidation	-	(3.00)	-
	ii. Not Considered in Consolidation	0.00	(12.00)	0.00

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

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

**Place: Mumbai**  
**Date: July 30, 2018**

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

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



## Annexure II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. **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](https://www.allieddigital.net/in/downloads/Inv_Policies/CSR%20Policy.pdf)

2. **The composition of the CSR Committee:**

The Corporate Social Responsibility Committee (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 three Directors as follows:

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

3. **Average Net Profit of the Company for last three financial years: ₹ 212.54 Lakhs**  
 4. **Prescribed CSR Expenditure (2% of the amount as per item 3 above): ₹ 4.25 Lakhs**  
 5. **Details of CSR spent during the financial year:**

Sr. No.	Particulars	Amount (₹) (In Lakhs)
a)	Total amount spent for the financial year	Nil
b)	Amount unspent, if any	4.25

6. **Reasons for not spending two percent of the average net profit of the last three financial years:**

The Company has already formalized the CSR Policy and is in the advance stage to identify the activities which falls under Schedule VII of Companies Act, 2013 to spent its CSR Expenditure wisely.

7. **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  
Chairperson of CSR Committee  
DIN: 00895950

Place: Mumbai  
Date: July 30, 2018

## Annexure III

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2018

[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 <sup>th</sup> Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai – 400021  Tel: +91 22 6681 6400 Fax : +91 22 2282 2030  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, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083 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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Information Technology Infrastructure and Network Management Services	998316	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	<b>Allied Digital Services, LLC (USA)</b> Address: 680 Knox St Ste 200 Torrance, CA, 90502 United States	26-2912587	Subsidiary	51	2(87)
2	<b>Allied Digital INC (USA)</b> Address: 3411, Silverside Road, Rodney Building, Suite 104, Wilmington DE 19801	26-1391965	Wholly-owned Subsidiary	100	2(87)
3	<b>Allied Digital Singapore Pte Ltd.</b> Address: 28 Bukit Pasoh Road Yee Lan Court Singapore 089842	201021848K	Wholly-owned Subsidiary	100	2(87)
4	<b>Allied Digital Asia Pacific PTY LTD (Australia)</b> Address: New South Wales NSW 2000, Sydney, Australia	146376918	Wholly-owned Subsidiary	100	2(87)
5	<b>Allied Digital Services (UK) Ltd.</b> Address: Sinckot House, 211 Station Road, Harrow, England, HA1 2TP	07806050	Subsidiary	95	2(87)
6	<b>Allied-eCop Surveillance Pvt. Ltd.</b> 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	<b>En Pointe Technologies India Pvt. Ltd.</b> Address: Prestige Meridian II, 801 & 802, 8 <sup>th</sup> Floor, M.G. Road, Bangalore Karnataka – 560001	U72200KA2006FTC041333	Wholly-owned Subsidiary	100	2(87)
8	<b>Assetlite Equipment India Private Limited*</b> Address: Premises No. 13A, 13 <sup>th</sup> floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai– 400021	U52392MH2007PTC174580	Associate Company	Nil	2(6)
9	<b>Softshell Systems India Private Limited</b> Address: 50, Ravindra Nagar Near Telecom Nagar Nagpur-440022	U72100MH1998PTC117273	Associate Company	40.68	2(6)
10	<b>Allied CNT Solutions Private Limited</b> Address: 3 <sup>rd</sup> Floor, Kimatrai Building, 77/79, Maharashi Karve Marg, Marine Lines, Mumbai – 400002	U29000MH2004PTC147337	Associate Company	47.33	2(6)

\* Due to common Directorship in the Company i.e. Assetlite Equipment India Private Limited it is considered as an Associate Company

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

##### i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	24138868	500	24139368	48.08	24177368	-	24177368	48.16	0.08
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Person Acting in Concert)	187150	-	187150	0.37	408212	-	408212	0.81	0.44
<b>Sub-total (A)(1):</b>	<b>24326018</b>	<b>500</b>	<b>24326518</b>	<b>48.45</b>	<b>24585580</b>	<b>-</b>	<b>24585580</b>	<b>48.97</b>	<b>0.52</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>24326018</b>	<b>500</b>	<b>24326518</b>	<b>48.45</b>	<b>24585580</b>	<b>-</b>	<b>24585580</b>	<b>48.97</b>	<b>0.52</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	5500	-	5500	0.01	-	-	-	-	(0.01)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	20000	-	20000	0.04	20000	-	20000	0.04	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	<b>25500</b>	<b>-</b>	<b>25500</b>	<b>0.05</b>	<b>20000</b>	<b>-</b>	<b>20000</b>	<b>0.04</b>	<b>(0.01)</b>
<b>(2) Non-Institutions</b>									
a) Bodies corporates									
i) Indian	2385831	-	2385831	4.75	1799798	-	1799798	3.58	(1.17)
ii) Overseas	-	-	-	-	-	1490000	1490000	2.97	2.97
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12015542	20154	12035696	23.97	11423119	20156	11443275	22.79	(1.18)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7266453	30000	7296453	14.53	7013680	30000	7043680	14.03	(0.50)
c) Others									
c-i) Clearing Member	459998	-	459998	0.92	416362	-	416362	0.83	(0.09)
c-ii) Foreign Nationals	2002	-	2002	-	-	-	-	-	-
c-iii) NRI (Repat)	574377	-	574377	1.14	616925	-	616925	1.23	0.08



Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c-iv) NRI (Non-Repatriate)	667417	-	667417	1.3294	1870921	-	1870921	3.73	2.40
c-v) Foreign Companies	-	1490000	1490000	2.97	-	-	-	-	(2.97)
c-vi) Hindu Undivided Family	941736	-	941736	1.88	918987	-	918987	1.83	(0.05)
<b>Sub-total (B)(2):</b>	<b>24313356</b>	<b>1540154</b>	<b>25853510</b>	<b>51.50</b>	<b>24059792</b>	<b>1540156</b>	<b>25599948</b>	<b>50.99</b>	<b>(0.51)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>24338856</b>	<b>1540154</b>	<b>25879010</b>	<b>51.55</b>	<b>24079792</b>	<b>1540156</b>	<b>25619948</b>	<b>51.03</b>	<b>(0.52)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>48664874</b>	<b>1540654</b>	<b>50205528</b>	<b>100</b>	<b>48665372</b>	<b>1540156</b>	<b>50205528</b>	<b>100</b>	-

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.	Prakash Dhanji Shah	8178348	16.29	4.34	8178348	16.29	3.03	-
3.	Tejal Prakash Shah	1176000	2.34	-	1176000	2.34	1.99	-
4.	Vivil Investments Pvt. Ltd.	187150	0.37	-	187150	0.37	-	-
5.	Kotak Mahindra Trusteeship Services Ltd*	127440	0.25	-	127440	0.25	-	0.25
6.	Prakash Shah acting as Beneficiary and family trustee of Padma Pragna Private Trust	-	-	-	93622	0.19	-	0.19
7.	Dhara Shah	500	-	-	500	-	-	-
8.	Nehal Shah	489	-	-	3489	0.01	-	0.01
9.	Ramesh Manilal Shah	500	-	-	500	-	-	-
10.	Rohan Shah	500	-	-	35500	0.07	0.00	0.07
	<b>Total</b>	<b>24326518</b>	<b>48.45</b>	<b>7.01</b>	<b>24585580</b>	<b>48.97</b>	<b>5.02</b>	<b>0.52</b>

\* Kotak Mahindra Trusteeship Services Ltd. was reclassified in the Promoters Group of the Company.

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.	<b>Nitin Dhanji Shah*</b>	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.	<b>14783031</b>	<b>29.45</b>
2.	<b>Prakash Dhanji Shah*</b>	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.	<b>8178348</b>	<b>16.29</b>
3.	<b>Tejal Prakash Shah</b>	1176000	2.34	1176000	2.34

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
			There is no change in the absolute shareholding during the year		-	-
	At the End of the year		N.A.	N.A.	<b>1176000</b>	<b>2.34</b>
4.	<b>Vivil Investments Pvt. Ltd.</b>		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.	<b>187150</b>	<b>0.37</b>
5.	<b>Kotak Mahindra Trusteeship Services Ltd.</b>		127440	0.25	127440	0.25
			There is no change in the absolute shareholding during the year		-	-
	At the End of the year		N.A.	N.A.	<b>127440</b>	<b>0.25</b>
6.	<b>Prakash Shah acting as Beneficiary and family trustee of Padma Pragna Private Trust</b>		0	0.00	0	0.00
Add:	05.07.2018	Market Purchase	32000	0.06	32000	0.06
Add:	23.06.2017	Market Purchase	12973	0.03	44973	0.09
Add:	30.06.2017	Market Purchase	48649	0.10	93622	0.19
	At the End of the year		N.A.	N.A.	<b>93622</b>	<b>0.19</b>
7.	<b>Dhara Shah</b>		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.	<b>500</b>	<b>0.00</b>
8.	<b>Rohan Shah</b>		500	0.00	500	0.00
Add:	19.05.2017	Market Purchase	17000	0.03	17500	0.03
Add:	23.06.2017	Market Purchase	1000	0.00	18500	0.04
Add:	30.06.2017	Market Purchase	17000	0.03	35500	0.07
	At the End of the year		N.A.	N.A.	<b>35500</b>	<b>0.07</b>
9.	<b>Ramesh Manilal Shah</b>		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.	<b>500</b>	<b>0.00</b>
10.	<b>Nehal Shah</b>		489	0.00	489	0.00
Add:	22.03.2018	Market Purchase	1000	0.00	1489	0.00
Add:	28.03.2018	Market Purchase	2000	0.00	3489	0.01
	At the End of the year		N.A.	N.A.	<b>3489</b>	<b>0.01</b>

\*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		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	<b>COLLAB9 INC ("FORMLY KNOWN AS EN POINTE TECHNOLOGICS SALES INC)</b>					
	At the beginning of the year - 01.04.2017		1490000	2.97	1490000	2.97
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>1490000</b>	<b>2.97</b>
2	<b>K S GOPALASWAMY</b>					
	At the beginning of the year - 01.04.2017		1212528	2.42	1212528	2.42
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>1212528</b>	<b>2.42</b>
3	<b>JIMMY JEHangIR PARAKH</b>					
	At the beginning of the year - 01.04.2017		534924	1.07	534924	1.07
Add	02.06.2017	Market Purchase	11030	0.02	545954	1.09
Add	09.06.2017	Market Purchase	11681	0.02	557635	1.11
Add	18.08.2017	Market Purchase	10000	0.02	567635	1.13
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>567635</b>	<b>1.13</b>
4	<b>SURESH AYODYA MAHADEVAN</b>					
	At the beginning of the year - 01.04.2017		520000	1.04	520000	1.04
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>520000</b>	<b>1.04</b>
5	<b>NITIN GORDHANBHAI THAKKER</b>					
	At the beginning of the year - 01.04.2017		341377	0.68	341377	0.68
Add	18.08.2017	Market Purchase	1000	0.00	342377	0.68
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>342377</b>	<b>0.68</b>
6	<b>JHAVERI SATISHKUMAR UMEDLAL</b>					
	At the beginning of the year - 01.04.2017		250940	0.50	250940	0.50
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>250940</b>	<b>0.50</b>
7	<b>ROHINI KUMAR GUPTA</b>					
	At the beginning of the year - 01.04.2017		48000	0.10	48000	0.10
Less	21.04.2017	Market Sale	(13873)	(0.03)	34127	0.07
Add	09.06.2017	Market Purchase	118244	0.24	152371	0.30
Add	16.06.2017	Market Purchase	3898	0.01	156269	0.31
Less	23.06.2017	Market Sale	(35458)	(0.07)	120811	0.24
Add	30.06.2017	Market Purchase	8870	0.02	129681	0.26
Less	07.07.2017	Market Sale	(2420)	0.00	127261	0.25
Add	14.07.2017	Market Purchase	26521	0.05	153782	0.31
Add	21.07.2017	Market Purchase	6792	0.01	160574	0.32
Add	28.07.2017	Market Purchase	6500	0.01	167074	0.33
Add	04.08.2017	Market Purchase	4894	0.01	171968	0.34
Add	11.08.2017	Market Purchase	42373	0.08	214341	0.43
Add	18.08.2017	Market Purchase	8844	0.02	223185	0.44
Add	25.08.2017	Market Purchase	1230	0.00	224415	0.45
Add	01.09.2017	Market Purchase	15034	0.03	239449	0.48
Add	08.09.2017	Market Purchase	11677	0.02	251126	0.50
Add	15.09.2017	Market Purchase	18630	0.04	269756	0.54
Less	22.09.2017	Market Sale	(13838)	(0.03)	255918	0.51
Add	29.09.2017	Market Purchase	28310	0.06	284228	0.57
Add	06.10.2017	Market Purchase	23600	0.05	307828	0.61
Less	13.10.2017	Market Sale	(55555)	(0.11)	252273	0.50

Sr. No.	For Each of the Top 10 Shareholders		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
Add	20.10.2017	Market Purchase	25745	0.05	278018	0.55
Add	27.10.2017	Market Purchase	17803	0.04	295821	0.59
Less	03.11.2017	Market Sale	(43314)	(0.09)	252507	0.50
Less	10.11.2017	Market Sale	(19780)	(0.04)	232727	0.46
Add	17.11.2017	Market Purchase	16702	0.03	249429	0.50
Less	24.11.2017	Market Sale	(61593)	(0.12)	187836	0.37
Less	01.12.2017	Market Sale	(68827)	(0.14)	119009	0.24
Less	08.12.2017	Market Sale	(24539)	(0.05)	94470	0.19
Add	15.12.2017	Market Purchase	16650	0.03	111120	0.22
Add	22.12.2017	Market Purchase	7052	0.01	118172	0.24
Add	05.01.2018	Market Purchase	750	0.00	118922	0.24
Add	12.01.2018	Market Purchase	12200	0.02	131122	0.26
Add	19.01.2018	Market Purchase	77939	0.16	209061	0.42
Add	26.01.2018	Market Purchase	44360	0.09	253421	0.50
Add	02.02.2018	Market Purchase	4000	0.01	257421	0.51
Less	16.02.2018	Market Sale	(62558)	(0.12)	194863	0.39
Add	23.02.2018	Market Purchase	15004	0.03	209867	0.42
Add	09.03.2018	Market Purchase	6791	0.01	216658	0.43
Add	16.03.2018	Market Purchase	10752	0.02	227410	0.45
Add	31.03.2018	Market Purchase	8329	0.02	235739	0.47
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>235739</b>	<b>0.47</b>
<b>8</b>	<b>SHARAD RAMANLAL DESAI</b>					
	At the beginning of the year - 01.04.2017		152773	0.30	152773	0.30
Add	07.04.2017	Market Purchase	27733	0.06	180506	0.36
Add	14.04.2017	Market Purchase	2000	0.00	182506	0.36
Add	09.06.2017	Market Purchase	4961	0.01	187467	0.37
Add	16.06.2017	Market Purchase	2125	0.00	189592	0.38
Add	23.06.2017	Market Purchase	486	0.00	190078	0.38
Add	18.08.2017	Market Purchase	10000	0.02	200078	0.40
Add	01.09.2017	Market Purchase	10000	0.20	210078	0.42
Add	08.09.2017	Market Purchase	4922	0.01	215000	0.43
Add	22.09.2017	Market Purchase	2650	0.01	217650	0.43
Add	17.11.2017	Market Purchase	600	0.00	218250	0.43
Add	05.01.2018	Market Purchase	10900	0.02	229150	0.46
Add	09.02.2018	Market Purchase	6165	0.01	235315	0.47
Less	16.02.2018	Market Sale	(1000)	0.00	234315	0.47
Less	23.03.2018	Market Sale	(10000)	(0.02)	224315	0.45
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>224315</b>	<b>0.45</b>
<b>9</b>	<b>ARCO ELECTRO TECHNOLOGIES PRIVATE LIMITED</b>					
	At the beginning of the year - 01.04.2017		201000	0.40	201000	0.40
Add	25.08.2017	Market Purchase	4000	0.01	205000	0.41
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>205000</b>	<b>0.41</b>
<b>10</b>	<b>RAJENDRA RAJARAM DHOLE</b>					
	At the beginning of the year - 01.04.2017		190000	0.38	190000	0.38
Add	18.08.2017	Market Purchase	10000	0.02	200000	0.40
Add	08.12.2017	Market Purchase	4500	0.01	204500	0.41
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>204500</b>	<b>0.41</b>



Sr. No.	For Each of the Top 10 Shareholders		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
<b>11</b>	<b>SHILPA SUNIL MAJITHIA*</b>					
	At the beginning of the year - 01.04.2017		230368	0.46	230368	0.46
Less	12.05.2017	Market Sale	(27000)	-	203368	0.41
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>203368</b>	<b>0.4051</b>
<b>12</b>	<b>SUSHIL FINANCIAL SERVICES PRIVATE LIMITED*</b>					
	At the beginning of the year - 01.04.2017		216895	0.43	216895	0.43
Less	07.04.2017	Market Sale	(1338)	0.00	215557	0.43
Less	14.04.2017	Market Sale	(3386)	(0.01)	212171	0.42
Add	21.04.2017	Market Purchase	1956	0.00	214127	0.43
Less	28.04.2017	Market Sale	(1097)	0.00	213030	0.42
Less	05.05.2017	Market Sale	(42)	0.00	212988	0.42
Add	12.05.2017	Market Purchase	149	0.00	213137	0.42
Add	19.05.2017	Market Purchase	1491	0.00	214628	0.43
Less	26.05.2017	Market Sale	(1780)	0.00	212848	0.42
Add	02.05.2017	Market Purchase	8597	0.02	221445	0.44
Less	09.06.2017	Market Sale	(21835)	(0.04)	199610	0.40
Less	16.06.2017	Market Sale	(9535)	(0.02)	190075	0.38
Add	23.06.2017	Market Purchase	5070	(0.01)	195145	0.39
Less	30.06.2017	Market Sale	(1528)	0.00	193617	0.39
Less	07.07.2017	Market Sale	(7094)	(0.01)	186523	0.37
Less	14.07.2017	Market Sale	(13202)	(0.03)	173321	0.35
Less	21.07.2017	Market Sale	(4)	0.00	173317	0.35
Less	28.07.2017	Market Sale	(2377)	0.00	170940	0.34
Less	04.08.2017	Market Sale	(860)	0.00	170080	0.34
Add	11.08.2017	Market Purchase	1205	0.00	171285	0.34
Less	18.08.2017	Market Sale	(1955)	0.00	169330	0.34
Add	25.08.2017	Market Purchase	16926	(0.03)	186256	0.37
Less	01.09.2017	Market Sale	(7785)	(0.02)	178471	0.36
Less	08.09.2017	Market Sale	(14)	0.00	178457	0.36
Add	15.09.2017	Market Purchase	11059	0.02	189516	0.38
Add	22.09.2017	Market Purchase	109	0.00	189625	0.38
Less	29.09.2017	Market Sale	(2187)	0.00	187438	0.37
Add	06.10.2017	Market Purchase	4374	0.01	191812	0.38
Less	13.10.2017	Market Sale	(3963)	(0.01)	187849	0.37
Less	20.10.2017	Market Sale	(904)	0.00	186945	0.37
Less	27.10.2017	Market Sale	(20762)	(0.04)	166183	0.33
Less	03.11.2017	Market Sale	(2030)	0.00	164153	0.33
Add	10.11.2017	Market Purchase	5307	0.01	169460	0.34
Less	17.11.2017	Market Sale	(11665)	(0.02)	157795	0.31
Less	24.11.2017	Market Sale	(6712)	(0.01)	151083	0.30
Add	01.12.2017	Market Purchase	3497	(0.01)	154580	0.31
Add	08.12.2017	Market Purchase	31052	0.06	185632	0.37
Less	15.12.2017	Market Sale	(54301)	(0.11)	131331	0.26
Less	22.12.2017	Market Sale	(2066)	0.00	129265	0.26
Less	29.12.2017	Market Sale	(7735)	(0.02)	121530	0.24
Less	05.01.2018	Market Sale	(10035)	(0.02)	111495	0.22
Less	12.01.2018	Market Sale	(9326)	(0.02)	102169	0.20
Less	19.01.2018	Market Sale	(12334)	(0.02)	89835	0.18
Less	26.01.2018	Market Sale	(262)	0.00	89573	0.18
Add	02.01.2018	Market Purchase	2521	0.01	92094	0.18
Add	09.01.2018	Market Purchase	6304	0.01	98398	0.20

Sr. No.	For Each of the Top 10 Shareholders		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
Less	16.01.2018	Market Sale	(9924)	(0.02)	88474	0.18
Add	23.01.2018	Market Sale	(7687)	(0.02)	80787	0.16
Add	02.03.2018	Market Purchase	2764	0.01	83551	0.17
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2018		N.A.	N.A.	<b>60864</b>	<b>0.12</b>

\* Not in the list of Top 10 shareholders as on 31-03-2018. The same has been reflected above since the shareholder were Top 10 shareholders during 01-04-2017.

#### V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	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.	<b>Nitin Dhanji Shah</b>	14783031	29.45	14783031	29.45
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>14783031</b>	<b>29.45</b>
2.	<b>Prakash Dhanji Shah</b>	8178348	16.29	8178348	16.29
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>8178348</b>	<b>16.29</b>
3.	<b>Paresh Bipinchandra Shah</b>	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>NIL</b>	<b>0</b>
4.	<b>Shrikant Navnitlal Parikh</b>	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>NIL</b>	<b>0</b>
5.	<b>Venugopal Ramaswami Iyengar</b>	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>NIL</b>	<b>0</b>
6.	<b>Roopkishan Sohanlal Dave*</b>	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>NIL</b>	<b>0</b>
7.	<b>Shubhada Keshav Jahagirdar</b>	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>NIL</b>	<b>0</b>
8.	<b>Gopal Tiwari</b>	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2018)	N.A.	N.A.	<b>NIL</b>	<b>0</b>
9.	<b>Neha Sunil Bagla</b>	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.08.2018)	N.A.	N.A.	<b>NIL</b>	<b>0</b>

\*Dr. Roopkishan Dave resigned from the directorship w.e.f. November 14, 2017.

#### VI. INDEBTEDNESS:

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year (01.04.2017)	6885	1764	508
Change in Indebtedness during the financial year	(1083)	385	469
Indebtedness at the end of the financial year (31.03.2018)	5802	2149	39

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount (in Lakhs)
		Nitin Shah, Chairman & Managing Director	Prakash Shah, Whole-time Director	Paresh Shah, Director & CEO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	48.75	29.37	11.56	89.68
	(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	-	-	-	-
	<b>Total (A)</b>	<b>48.75</b>	<b>29.37</b>	<b>11.56</b>	<b>89.68</b>
	Overall Ceiling as per the Companies Act, 2013				109.65

### B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
<b>1</b>	<b>Independent Directors</b>		
	(a) Fee for attending Board/Committee meetings*	Dr. Shrikant Navnital Parikh	1.10
		Prof. Venugopal Ramaswami Iyengar	1.15
		Ms. Shubhada Keshav Jahagirdar	0.75
		Dr. Roopkishan Sohanlal Dave	0.40
	(b) Commission		-
	(c ) Others, please specify		-
	Total (1)		3.40
<b>2</b>	<b>Other Executive Directors</b>		-
	(a) Fee for attending board/committee meetings		-
	(b) Commission		-
	(c ) Others please specify		-
	Total (2)		-
<b>3</b>	<b>Other Non Executive Directors</b>		-
	(a) Fee for attending board/committee meetings		-
	(b) Commission		-
	(c ) Others, please specify		-
	Total (3)		-
	Total (B)=(1+2+3)		3.40
	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, Nomination and Remuneration Committee Meeting, Stakeholders Relationship 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)	Neha S. Bagla (CS)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24.78	5.72	30.5
	(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	-	-	-
	<b>Total</b>	<b>24.78</b>	<b>5.72</b>	<b>30.5</b>

**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: July 30, 2018

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

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

## Annexure-IV

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members  
**ALLIED DIGITAL SERVICES LIMITED**  
Mumbai

Dear Sirs,

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

Based on our verification of the Company's 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 March 31, 2018, complied with the statutory provisions listed hereunder 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, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the Financial Year ended on March 31, 2018, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under to the extent applicable;
- (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 to the extent of Foreign Direct Investment and Overseas Direct Investment;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST");
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT"); and

Provisions of the following Regulations and Guidelines prescribed under the SEBI Act were not applicable to the Company for the Financial Year ended March 31, 2018:-

- (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards including the revised Secretarial Standards applicable with effect from October 1, 2017 issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013; and



- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015");

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as stated in Annexure II;

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

- a) Section 74 of the Act states that: "(1) Where in respect of any deposit accepted by a company before the commencement of this Act....., the company shall—
- (b) repay within one year from such commencement or from the date on which such payments are due, whichever is earlier." *However, the deposit including principal and interest amount was subsisting in the Company till March 27, 2018, and has since being repaid; and*
- b) As per Regulation 31(2) of Listing Regulations, 2015, 100% of the shareholding of the promoter and promoter group should be in dematerialized form. However, 40,18,801 equity shares held by the Promoters are not in demat form;

**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 generally within the prescribed time, 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.

There were no dissenting member's views and hence the same was not required to be captured and recorded as part of the minutes.

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.

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

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR  
PARTNER  
FCS No. 5171  
C.P. No. 3030**

**Place: Mumbai  
Date: July 30, 2018**

Note: This report should be read with our letter of even date which is annexed as Annexure-III and forms an integral part of this report.

## ANNEXURE - I

### List of documents verified:

1. Memorandum of Association & Articles of Association of the Company;
2. Annual Report for the financial year ended March 31, 2017;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee held during the financial year under report along with Attendance Registers;
4. Minutes of General Body Meeting held during the financial year under report.
5. Statutory Registers viz.
  - Register of Directors & Key Managerial Personnel;
  - Register of Loans, Guarantees and Security and Acquisition made by the Company (Form No. MBP-2);
  - Register of Charges (Form No. CHG-7);
  - Register of Contracts with Related Party and Contracts and Bodies etc. in which the Directors are interested (Form No. MBP-4);
6. Agenda papers submitted to all the Directors/members for the Board Meetings and Committee Meetings;
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184, 164(2) and 149(7) of the Companies Act, 2013.
8. e-forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
9. Intimations received from all the Directors and Designated Employees under the Internal Code for Prohibition of Insider Trading Code.
10. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
11. Details of sitting fees paid to all Non-Executive & Independent Directors for attending the Meetings of the Board and Committees;
12. Intimations given to employees of the Company for closure of the trading window from time to time;
13. Various Policies made under the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**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

**ANNEXURE – III**

To  
The Members  
**Allied Digital Services Limited**  
Mumbai

Dear Sirs,

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the 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 procedures 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.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR  
PARTNER  
FCS No. 5171  
C.P. No. 3030**

**Place: Mumbai  
Date: July 30, 2018**

## Annexure-V

### 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 and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director and Key Managerial Personnel during the financial year 2017-18 are as under:

Sr. No.	Name and Designation of Director and Key Managerial Personnel	Remuneration (₹ In Lakhs)	% Increase in Remuneration in the Financial Year 2017-18	Ratio
1.	Mr. Nitin Shah Chairman & Managing Director	48.75	12.67	20
2.	Mr. Prakash Shah Whole-time Director	29.37	10.70	12.05
3.	Mr. Paresh Shah Executive Director & Chief Executive Officer	11.56	(3.34)	4.74
4.	Prof. Venugopal Iyengar# Non-Executive - Independent Director	N.A	-	-
5.	Dr. Shrikant Parikh# Non-Executive - Independent Director	N.A	-	-
6.	Dr. Roopkishan Dave# Non-Executive - Independent Director	N.A	-	-
7.	Ms. Shubhada Jahagirdar# Non-Executive - Independent Director	N.A	-	-
8.	Ms. Neha Bagla* Company Secretary & Compliance Officer	5.72	-	-
9.	Mr. Gopal Tiwari Chief Financial Officer	24.78	-	-

\*Ms. Neha Bagla was appointed as the Company Secretary of the Company w.e.f. May 26, 2017.

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

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

The Median remuneration of the employees in the financial year 2017-18 was the ₹ 2,43,672 in comparison with the financial year 2016-17 as ₹ 2,67,570. Hence, there is decrease of 8.93% in median remuneration in the financial year 2017-18.

- iii. **There were 516 permanent employees on the roll of the Company as on March 31, 2018:**

- iv. **Average percentile decrease in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof;**

The said decrease in salaries of employees was in line with the individual performance of the employees, Projects Requirements, Market Projections in the financial year 2017-18. The increase in the total managerial remuneration was linked with the improvement in the overall performance of the Company.

- 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 Nomination & Remuneration Policy for the Directors, Key Managerial Personnel and other Employees of the Company.

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

Nitin Shah  
Chairman & Managing Director  
DIN: 00189903

Prakash Shah  
Whole-time Director  
DIN: 00189842

Place: Mumbai  
Date: July 30, 2018

**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	Srinibash Sahoo	Jawahar Ali	Sunil Nair	Adil Wadia	Nirnoy Chaudhuri	Mohinder Chandra	Pratik Pudage	Pratik Parikh	Ravindra Deshpande	Neville Clubwalla
Designation	Chief Transformation Officer	CEO-ISG	Business Head	Country Manager - Technology Support	Solution Architect Microsoft & Infrastructure Technologies	VP-Operations	Technical Leader Microsoft Specialist	Head- Integrated Solution Project	System Integration Specialist	Sr. Manager - Technical IBMS & Control Solutions
Remuneration paid	₹ 37,00,000	₹ 30,00,001	₹ 27,08,350	₹ 26,00,000	₹ 25,50,000	₹ 24,00,000	₹ 20,35,064	₹ 19,37,439	₹ 17,73,645	₹ 17,00,012
Nature of employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications	B.E in Electronics and Electricals	Bachelor of Science	Bachelor of Science	B.E in Electronics	B. Pharmacy	M.E in Comp Science & Diploma in Business Management	B.E in Electronics	Diploma in Mechanical Engineering	Diploma in Computer Studies	MBA and Bachelor in Commerce
Experience (years)	23+	25+	17+	31+	14+	24+	17+	29+	25+	26+
Date of commencement of employment	April 20, 2018	June 13, 2005	August 03, 2009	January 11, 2010	November 16, 2017	August 20, 2012	June 02, 2016	May 27, 2008	April 14, 2014	July 18, 2011
Age (years)	51	65	42	54	39	55	37	50	57	53
Previous Employment	TIAA Global Business Services	CMS Computers Ltd	Zenith Infotech	CMS Computers Ltd	Synechron Technologies	Reliance Communications	Capgemini India Pvt. Ltd	Prompt Computer Services Pvt Ltd.	Freelance Projects	CMS Computers Ltd
Percentage of equity shares held in the Company along with his spouse and dependent children	Nil	0.03%	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: July 30, 2018**



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Overview

#### Global Overview

In FY 2018, the global market for IT services is estimated to have grown to \$1.3 Trillion. Within that, outsourced IT-Business Process Management (BPM) services grew by 2.6% over the prior year. IT Services is estimated to have grown by 2.4% year on year, driven by digital demand, while BPM grew by 4% over the prior year on account of greater implementation of automation.

The world is bringing Artificial Intelligence (AI) at the center stage and every company is putting efforts to build smarter solutions for the customer. Leaders such as Microsoft, IBM, Google, Amazon, Facebook are emphasizing on development of Machine learning and Automation on the cloud. There is huge demand for data science resources and many projects are seeing light in the field of Machine Learning and AI.

Internet of Things (IoT) technology is prime enabler for active monitoring of process control points using cutting edge devices. IoT solutions will be implemented on large scale this year onwards as significant opportunities exist to improve industry processes. 5G is expected to become mainstream in most developed countries by next two quarters. This will generate demand for IT solutions in video technology and uninterrupted communication applications

The AI and Machine Learning market is expected to reach \$190.61 Billion by 2025 from \$21.46 Billion in 2018, at a CAGR of 36.62% during the forecast period. The IoT Market is expected to grow from the current \$250B now to \$450Billion by end of 2020, with CAGR of 28%.

#### India Overview

FY 18 was a defining year for India despite the disruptions due to demonetization and GST which led to a temporary dip in GDP growth. India has witnessed a cyclical recovery, driven by investments as well as consumption, and the average GDP growth was projected to reach 6.7 % in 2017-18 and accelerate to 7.3 % and 7.5 % in 2018-19 and 2019-20 respectively.

The Indian IT-BPM industry was projected to grow at 8% in 2017-18 from \$154 billion to \$167 billion (excluding e-commerce), in addition to providing 1,05,000 new jobs during the same period. Indian IT exports were projected to grow at 7-8% in 2017-18 to \$126 billion, contributing 24 % to the country's total exports, according to Industry lobby NASSCOM.

India has successfully established itself as a digital economy with 375+ million Internet subscribers. Projects like 'Smart Cities' (which will have IT driven systems to deliver urban utilities) will continue a wave of digitization, providing a significant boost to the sector in India. The 'Digital India' campaign has put the country on the path of becoming a digital economy and its outlook for future is extremely promising. India is on track to be a trillion-dollar digital economy backed by Government's collaborative approach to encourage private sector participation.

The IT and ITES sectors' contribution to GDP has dipped from a peak of 9.5 % in 2014-15 to about 6.35 % in the last three years.

### Our Business

ADSL is adopting new technologies as it foresees massive growth in IT solutions and services in the domain of IoT, Smart cities and next generation automation solutions leveraging machine learning and AI.

ADSL is considering IoT as its main stream business, catering to both the government and other corporate verticals. It intends to develop and sell solutions for process automation and smart city based solutions. With machine learning adoption in cloud platforms, the company is also improving its AI capability in primary areas of IT service automation.

ADSL Group has registered a new company in Finland, and is associating with agencies of Finland government to spearhead work in AI, IoT and Intelligent command center framework stretching the ADiTaaS Platform (our flagship products) to new heights in coming years. Allied digital is also actively enhancing its capabilities and reach in Europe, especially out of the UK office.

### Core Offering: Infrastructure Management Services

In India we have on-boarded a leading brand as a large Customer. We have played a major role in standardization and consolidation of IT services across the Enterprise for this Customer. We have added many medium enterprise government businesses for Network Operations Centre (NOC) and Security Operations Centre (SOC) services along with traditional Managed Services business. This line of business constitutes over 60 percent of the company's revenue.

In the US and Europe, we added three large logos - a premier Automobile company, world's largest vehicle transmission company and a large FMCG company of Europe along with a few small and medium sized enterprises. The same has greatly helped us to improve the topline and create a brand value. We have strengthened our worldwide offices and continue to partner relationships across the globe.

We had a major release of ADiTaaS 4.0, our flagship ITSM platform, with state of the art user friendly interface. This major release is already being implemented at one of the premium Tire brands as well as at one of the large banks in California. The roadmap that we have created for digital service management platform is well under execution. The newly developed ChatBot releasing in mid-August promises to significantly improve end user productivity for answering standard questions.

We are continuously growing our Cloud presence in Industry's top cloud platforms, bundling our managed services. We have made a giant leap in restructuring our NOC with advanced cloud enabled services and powerful analytics. This has now helped us to provide valuable insight to customers of their IT environment as well as provisioning automation. We are in process of delivering several self-remediation with machine learning capabilities as an "AI mesh".

The Company underwent a major revamp in security offerings, by collaborating with new technology vendors in IT security. As IT security requires constant upgrade, we have now the capability to do advanced threat management and machine learning of the correlated security logs to identify new anomalies. The upgrade has already fetched good results including winning a couple of opportunities in this space.

### Smart Cities Solutions

The Company has made significant strides in competing for some key tenders for the smart city solutions. The entire business is currently working on the lowest tender winning the contract. We are witnessing reckless bidding and we believe at the current levels of bidding, it is a winners curse. The Company continues to focus on margins as well as bottom-line without gasping for breath for working capital and jeopardize other customer deliveries. Our smart cities business comprises close to 25-28 percent of our company's revenue.

The Company has made a significant mark with the deployment of smart traffic information display system for Pune city. The Company partnered with TomTom, a Dutch based navigation technology provider to deliver the Pune smart city project. This is one of the unique project, in which near-live traffic situation to reach prominent destinations in the city can be understood by the citizens and appropriate alternate routes are suggested.

The Pune city project will soon finish three years of top performance, matching or beating SLA (service level agreement), working on change request and new initiatives. The project is one of the major contributors to the total revenue.

Today, PCS project generates handsome revenues of close to 20% of our total revenues per year. Additional change requests augment to this number. There is already a plan to double the project soon. Also new requirements from Pune and PCMC smart city are bringing new opportunities.

### IoT and Analytics Initiative

With the world getting digitized, IoT Domain is emerging to be at the center stage. This is a natural progression for Allied, as infrastructure is the DNA of the company and ADiTaaS platform serves the management platform. This opens up a huge opportunity, for both smart cities and corporates. ADSL is setting up the platform for driving large solutions in various verticals, especially for the government.

We have embarked and completed a proof of concept IoT project for collecting car parameters that will help insurance companies to analyze the driver behavior and car performance, based on which the insurance policies can be fine-tuned. This is one of the trends in Insurance Industry.

ADSL has also started working in the areas of agriculture using AI for plant analysis and IoT for soil analysis to improve crop efficiency and overall quality and yield that will improve farmer's income for the government as well as significantly cut down risks for corporates in agriculture.

ADSL has grossly improved the underlying technology platform to advanced levels so as to sustain competition and continue to bring in the differentiators. It has been successful in retraining people in new cloud certifications, security, analytics and IoT as well as in attracting top industry talent. ADSL has invested significantly in building strong industry relations globally. This will continue across both – the services and the solutions platform of ADSL.

## Financial Highlights

The key financial highlights of the Company on a consolidated basis for the financial year ended March 31, 2018 are given below.

Particulars (In Lakhs)	FY 2017	FY 2018	Y-o-Y Change
Total Income	21,724	22,894	5.5%
EBITDA	4,705	4,860	3.3%
EBITDA Margin	21%	21%	
PBT	996	1,997	100%
PAT	421	1,094	160%
PAT Margin	2%	5%	

- The Company has recorded a Consolidated total income of INR 22,894 Lakhs for the year ended March 31, 2018 as compared to INR 21,724 Lakhs for the year ended March 31<sup>st</sup>, 2017. The Company achieved a growth of 5.5 % in total income.
- Consolidated EBITDA of the Company for the year ended March 31, 2018 stands at INR 4,860 Lakhs as against INR 4,705 Lakhs for the earlier year. Despite the sales growth, the Company has maintained the same level of EBITDA Margins of 21%.
- The Consolidated PAT for the year ended March 31, 2018 is INR 1,094 as compared to INR 421 Lakhs for the earlier year with an increase of 160% on a y-o-y basis. The Consolidated PAT margin of the Company has also grown from 2% during the earlier year to 5% during the year ended March 31, 2018.
- The Book Value of the Equity Shares of the Company equals to INR 90 / share.
- Substantial reduction in debts in F. Y. 2017-18, consequently more than 65% savings in Finance Cost.
- Considerable reduction in overdue statutory liabilities during the previous year

## Key Drivers of Growth

### Innovation and Adaptability

Company has been evolving with the development in the technology and changes in the trends of the industry. To maintain the competitiveness in an IT industry, every company needs to enhance its offerings. The company has strategically diversified into Analytics, Machine learning and AI and IoT domain to stay afloat with the market trends.

### Opportunistic market

Technology is the enabler for change in almost all businesses and hence there is a tremendous opportunity for creating a disruption for every business, especially in India. Companies are realizing the importance of standardization and consolidation of IT services to enhance the productivity in the business. The transformation wave, is continuing to open opportunities for businesses to spend on new technologies to generate business growth in IT services and solutions in cloud, Business Automation, Security and IoT. We have now a dedicated cloud practice which helps customers easily navigate to cloud and to provision them a more collaborative, highly available and secure IT for their business. There are numerous opportunities that the company is already working for in smart cities initiative.

### Human Resource

Being an IT centric organization, Human Capital is one of the most important asset of the Company. Special training programs and skill enhancement activities are in place to make sure that the skill-sets of the talent are updated with respect to the product requirements. The Company's endeavor has been to sustain its culture of continuous learning and leverage talent as the fundamental enabler of its business growth. This year, we have done major skill development in cloud, security, BI tools and IoT. The total permanent employees strength as on March 31, 2018 is 516.

### Government Initiatives

As a part of Union Budget 2018-19, NITI Aayog is going to set up a national level program that will enable efforts in AI and will help in leveraging AI technology for development in the country.

The push for “Digital India”, “Make in India”, “Skill India” is pumping new energy into the Indian IT industry. Today the Smart City initiatives, IT infrastructure and e-governance projects across the country provide ample opportunities.

The Government of India is going to explore new opportunities to achieve the target of making India a \$1 trillion digital economy. One of the key interest areas for the government is also Agriculture, to improve farmer’s income. Allied Digital is doing significant work in developing e-farming solutions.

## Risks and Concerns

### Volatile Global Outlook

Like any other corporate having business across the borders, the company is exposed to interest rate risk, currency fluctuations, credit risk and regulatory risks. The company conducts internal audit that ensures risk management process is in place. Risks are reviewed on the quarterly basis by the management.

### Technology

The technology is directly related to innovation and the change is eminent. The company has been on constant endeavor to adopt change and innovate in this respect and it is ensuring that there is potential for new business opportunities. Company engages in various training and skill development programs to update the knowledge base. The company has now clear roadmap for next three years of its operation and will focus on new opportunities.

### Compliance Risk

Company’s operations are spread across the globe and hence it becomes imperative for the Organization to comply with legal and regulatory laws of various countries. Failing to comply with the specific country’s laws and regulation may expose us to legal and financial penalties and also puncture the brand image. The company has identified key stakeholders across sales & business units and corporate functions to ensure compliance of all applicable laws on a continuous basis. Any changes in the applicable regulations are also updated and monitored by respective departments.

### Delivery Risk

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 large-scale projects.

### Contract Management

Sometimes ambiguities are created in the scope of work which lead to unaligned expectations from the parties involved in the project. We have realized the need for stronger contract management and more insight into customer’s environment to avoid risks of service failure at desired levels.

### Employee Related Risk

As a talent-driven organization, one of our key goals is to have the best talent, with highly specialized skills in each part of our business, at the right levels in the right locations to enhance our differentiation and competitiveness.

Our attrition rate has been better than last year in India, though some challenges have popped up in the US as the local inflation is higher. Allied Digital is mitigating risks by cross-training and working diligently with in-house as well as third party recruiters. Also in Europe, due to immigration law changes, there are attrition issues, but Allied has developed a constant vigilance in its delivery operations so that the customer deliverables are never affected.

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

### Internal Control systems

Adequate internal control ensures transactions are authorized, recorded and reported correctly and assets are safeguarded against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. 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 area of finance, the internal checks and balances are managed by a formal system of internal audit. Alert mechanism is in place for regulatory changes. Transition to GST compliant processes was smooth.

- On the sales front, more emphasis is given to customer credit checks, profitability and sales closures.
- On the delivery and operations end, we improved on alerts communication, automation and customer systems health checks. This has vastly improved our overall quality of delivery, reducing customer concerns.
- 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 quality management system of the company is ISO certified each year.

### Way Forward

- The Company has been successfully running and maintaining PCS Project, the first of its kind of CCTV surveillance project in Pune. We have achieved almost 98% uptime, which is commendable as per international standards. Having completed a complex project, the Company is looking to onboard more prestigious projects.
- The Company is also looking to enter the market of sales and distribution of IT Equipment of well-known brands.
- Management is focused on reduction of the debt during the current year as well. The same would result in reduction of the finance costs and further improvement in profitability margins.
- The Company is planning to support start-ups and is in active discussions with various agencies to guide the startups in multiple ways. It plans to give them opportunity to leverage ADSL's global presence, infrastructure and skill base.
- The management is currently looking at various alternatives to monetize the Hard Assets (Real Estate) of the company.

In this roller-coaster global economy, the company continues to share the motto of "Passion", "Teamwork" and "Innovation" as its core pillars for growth and sticks to its commitment of "IT Managed, Responsibly" to its customers.



## REPORT ON CORPORATE GOVERNANCE

The Board of Directors present the Corporate Governance Report of Allied Digital Services Limited ("the Company") for the financial year ended March 31, 2018.

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 PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company's Corporate Governance framework is based on the Company's Value Pyramid where 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 helps the Company in its goal to maximize value for all its stakeholders.



A well-informed Board plays an important role in upholding the stable Corporate Governance of the Company. The Board members of the Company at regular intervals are apprised of all the vital issues that come across and are informed about the remedial actions taken in this regard. Through this Corporate Governance mechanism which interlinks values, ethics and positive culture, helps to achieve long-term sustainability.

### 2. BOARD OF DIRECTORS:

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilised for creating sustainable growth. The Board operates within a well-defined framework which enables it to discharge its fiduciary duties of safeguarding the interest of the Company and ensures fairness in the decision-making process, integrity and transparency in dealing with the Members and other stakeholders of the Company.

#### a) Board of Directors:

The composition of the Board of Directors, ("the Board") represents a combination of knowledge, experience and professionalism and enables the Board to discharge its responsibilities towards enhancement of the short-term and long-term interest of the members of the Company. Independent Directors play an important role in improving the corporate credibility and governance standards for the Company.

As on March 31, 2018, the Board consists of six (6) Directors, out of which three (3) Directors are Non-Executive Independent Directors including a woman Director and three (3) are Executive Directors. The Chairman of the Company is an Executive Director. The Composition of the Board is in conformity with the provisions of Companies Act, 2013 and Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

**Composition of the Board and the Directorship(s)/Committee Membership(s)/Chairmanship(s) held as on March 31, 2018 is as follows:**

Name of Director	Category/Designation	No. of Directorship(s) in other Public Limited Companies <sup>1</sup>	No. of Membership(s) / Chairmanship(s) in other Public Limited Companies*	
		Public	Member	Chairman
Mr. Nitin Shah	Promoter, Chairman & Managing Director	-	-	-
Mr. Prakash Shah	Promoter & Whole-time Director	-	-	-
Mr. Paresh Shah <sup>#</sup>	Executive Director & Chief Executive Officer (CEO)	-	-	-
Ms. Shubhada Jahagirdar	Non-Executive Independent Director	1	1	-
Dr. Shrikant Parikh	Non-Executive Independent Director	-	-	-
Prof. Venugopal Iyengar	Non-Executive Independent Director	-	-	-

<sup>1</sup>The Directorships of only other Indian Public Limited Companies have been considered. Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies have not been considered.

\*Chairmanship(s) / Membership(s) of Audit Committee and Stakeholders' Relationship Committee only of the Indian Public Limited Companies have been considered.

<sup>#</sup> Mr. Paresh Shah resigned from the office of Directorship w.e.f. May 28, 2018.

#### **Declaration by Independent Directors**

The Company has received the necessary declarations from each Independent Director that he/she meets the criteria of independence in terms of Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulation.

#### **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 February 12, 2018, inter-alia to review:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman 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 for discussions and consideration at various Board Meetings held during the reporting period.

#### **b) Number of Board Meetings:**

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis. The Board must meet 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.

The agenda for the Board Meeting broadly covers the information required as enumerated in Regulation 17(7) read with Schedule II of the Listing Regulation. The Company Secretary under the direction of the Chairman and in consultation with the Whole-time Director and the Chief Financial Officer prepares the detailed agenda for the meetings. The agenda along with the notes to agenda are circulated well 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. The Members of the Board have full freedom to express their opinion and have unfettered access to information of and about the Company. All the decisions are taken after detailed deliberations by the Board Members at their meetings which were held as follows:

**Five (5)** Board Meetings were held during the financial year ended March 31, 2018. These were held on May 26, 2017, July 07, 2017, August 11, 2017, November 14, 2017 and February 12, 2018 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 20, 2017.

**The following table gives the attendance record of the Directors of the Company in the Board Meetings and Annual General Meeting held during the reporting period:**

Name of Directors	No. of Board Meetings attended	Attended Previous Annual General Meeting
Mr. Nitin Shah	5	Yes
Mr. Prakash Shah	5	Yes
Mr. Paresch Shah	4	Yes
Ms. Shubhada Jahagirdar	5	Yes
Dr. Shrikant Parikh	4	Yes
Prof. Venugopal Iyengar	5	Yes
Dr. Roopkishan Dave*	3	No

\* Dr Roopkishan Dave resigned from the office of Directorship of the Company w.e.f. 14<sup>th</sup> November, 2017.

**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/or 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 below:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Familiarisation\\_Programme\\_Independent\\_Directors.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Familiarisation_Programme_Independent_Directors.pdf)

**f) Risk Management:**

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 an integral part of critical business activities, functions and processes. The risks are reviewed for the change in nature and extent of the major risks identified since the last assessment. Systematic and proactive identification of risks and mitigation thereof enables effective or quick decision making and boosts the performance of the organisation.

**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. Committees appointed by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters in their areas or purview. 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 and approval.

**The Company has the following 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 Board has constituted a well-qualified Audit Committee. All the members of the Committee possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's Financial Reporting process to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee acts as a link between the Management, Auditors and the Board of Directors.

The Chief Financial Officer is the permanent invitee 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 required.

**b) Terms of reference:**

The primary responsibilities and role of the Audit 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 of the Committee:**

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 (3) Members out of which two (2) are Independent Director and one (1) Executive Director of the Company.

**Five (5)** meetings of the Audit Committee were held during the financial year. These were held on May 26, 2017, July 07, 2017, August 11, 2017, November 14, 2017 and February 12, 2018. The attendance at each committee member was 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	5	4
2.	Prof. Venugopal Iyengar	Member	Non-Executive Independent Director	5	5
3.	Mr. Prakash Shah	Member	Whole-time Director (Executive)	5	5



▪ **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.

**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 of the Committee:**

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 (3) Independent Directors of the Company. The Company Secretary acts as the Secretary to the Committee. Consequent to the resignation of Dr. Roopkishan Dave, the NR Committee was reconstituted with the appointment of Ms. Shubhada Jahagirdar with effect from 14<sup>th</sup> November 2017.

**Three (3)** meetings of the NR Committee were held during the financial year 2017-2018. These were held on May 26, 2017, August 11, 2017 and February 12, 2018. The attendance of each committee member at the meetings was 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	3	3
2.	Prof. Venugopal Iyengar	Member	Non-Executive Independent Director	3	3
3.	Dr. Roopkishan Dave*	Member	Non-Executive Independent Director	3	2
4.	Ms. Shubhada Jahagirdar*	Member	Non-Executive Independent Director	3	1

\* Dr. Roopkishan Dave resigned from the office of directorship of the Company w.e.f. 14<sup>th</sup> November, 2017

\* Ms. Shubhada Jahagirdar was appointed as the member of the Committee at the Board meeting held on 14<sup>th</sup> November, 2017.

**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, 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 2017-18, 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 Director's 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 it is deemed fit, the Board 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, 2018 are as under:**

Executive Director	Designation	Remuneration during 2017-18			
		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	₹ 48.75 lakhs Refer Note a) to c)	Nil	Refer Note b)	Nil
Mr. Prakash Shah	Whole-time Director	₹ 29.37 lakhs Refer Note a) to c)	Nil	Refer Note b)	Nil
Mr. Paresh Shah	Executive Director & Chief Executive Officer	₹ 11.56 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 Officer 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. The details of the sitting fees paid to the Non-Executive Directors for the financial year ended March 31, 2018 are as under:

Name of the Non-Executive Director	Sitting Fees paid for the F.Y. 2017-18
Prof. Venugopal Iyengar	₹ 115,000
Dr. Shrikant Parikh	₹ 110,000
Dr. Roopkishan Dave*	₹ 40,000
Ms. Shubhada Jahagirdar	₹ 75,000

\*Resigned from the office of Directorship w.e.f. November 14, 2017.

**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/members of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

**b) Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee as per the applicable laws are as follows:

- Redressal of the grievances of the security holders/members of the Company include complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
- Demat, Remat, Transfer/Transmission/Name Change/Deletion/Modification of any Securities and its review.
- Carrying out any other function as prescribed under the Listing Regulation, the Companies Act and other Applicable Law.

**c) Composition of the Committee:**

As on March 31, 2018, the Stakeholders' Relationship Committee comprises of two (2) Independent Directors and one (1) Executive Director. The Company Secretary is the Secretary to the said Committee.

One (1) meeting of the Stakeholders' Relationship Committee was held during the financial year 2017-2018 i.e February 12, 2018. The attendance of each committee member was 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	1	1
2.	Dr. Shrikant Parikh	Member	Non-Executive Independent Director	1	1
3.	Mr. Prakash Shah	Member	Whole-time Director (Executive)	1	1

**d) Compliance Officer:**

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

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

**Ms. Neha Sunil Bagla**

**Company Secretary & Compliance Officer**

Premises No. 13A, 13<sup>th</sup> Floor, Earnest House,  
NCPA Road, Block III, Nariman Point  
Mumbai – 400021

Tel: +91 22 66816400

Fax: +9122 22822030

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, 2018 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	24	24	0	0
Through SEBI, Stock Exchanges.	1	1	0	0
<b>Total</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>

To redress the shareholders grievances, the company has a dedicated Email Id i.e. [investors@allieddigital.net](mailto: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 (3) 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 2017-18, no Management Committee Meeting was held as no business agenda was transacted which needed urgent approval of the committee on the operational matters which comes under the purview of the said committee.

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

- 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;
- To authorize Employees of the Company for purchase whether on hire purchase or otherwise or sale of vehicle;
- To open Bank Accounts and to authorize Directors/Authorized Signatories to operate the said Bank Accounts;
- To withdraw/change the authority to operate any of the Company's Bank Account;
- To appoint attorney for and on behalf of the Company for specific/general purposes;
- 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;
- 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;
- To grant authority for opening Branches/Godowns at different places in the country or abroad subject to such permission as may be required from different authorities;
- To authorize Company Executives for obtaining Telephone/Electricity connections or other permissions in the name of the Company;
- To decide on filing recovery on suits against distributors/dealers/customers and to authorize company's executives to prosecute the same;
- To file criminal proceedings against those misusing the company's rights under the Design, Patents, Trademarks and Copyright Laws, if any;
- To authorize company's executives to defend civil suits filed by third parties against the company;
- 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 which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- 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 of the Committee:**

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 (3) Directors out of which two (2) Directors are Independent Directors and one (1) Executive Director. The Company Secretary acts as the Secretary to the Committee

During the year under review, **One (1)** meeting of CSR Committee was held on February 12, 2018. 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	1	1
2.	Dr. Shrikant Parikh	Member	Non-Executive & Independent Director	1	1
3.	Mr. Prakash Shah	Member	Whole-time Director (Executive)	1	1

The Company has already formalized the CSR Policy and is in the advance stage to identify the activities which falls under Schedule VII of Companies Act, 2013 to spent its CSR Expenditure wisely.

4. **GENERAL BODY MEETINGS:**

Details of Annual General Meetings held in last **three (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)
2016-17	<b>Day and Date</b> Wednesday, September 20, 2017 <b>Time</b> 04:00 P.M. <b>Venue:</b> Walchand Hirachand Hall, 4 <sup>th</sup> Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai – 400020	To appoint Mr. Paresh Shah (DIN: 05117129) as Executive Director and Chief Executive Officer of the Company for a period of three years.

Financial Year	Day, Date, Time and Venue of AGM	Particulars of Special Resolution(s)
2015-16	<b>Day and Date</b> Monday, September 26, 2016 <b>Time</b> 04:00 P.M. <b>Venue:</b> Walchand Hirachand Hall, 4 <sup>th</sup> 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 for a period of five years; 2. To re-appoint Mr. Prakash Shah (DIN: 00189842) as Whole-time Director of the Company for a period of five years; 3. To make application to the Central Government for waiver of excess Managerial remuneration paid to Mr. Nitin Shah, Managing Director and 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	<b>Day and Date</b> Thursday, September 24, 2015 <b>Time</b> 03:00 P.M. <b>Venue:</b> 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 2017-18.

## 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 key managerial personnel, their subsidiaries or relatives, etc. are presented in the Note no. 30 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.

All Related Party Transactions that were entered into during the financial year under review were on arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Companies Act and the Listing Regulation. There was no transactions/contracts/arrangements with related party(ies), which are required to be reported in Form AOC-2.

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](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 where the securities of the Company are listed i.e. 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 on the Company during the last three years.

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

The Company promotes ethical behaviour for all its business activities and has put in place a mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.



During the year under review, no employee was denied access to the Audit Committee. The policy has been posted on the website of the Company at:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Whistle\\_blower\\_and\\_vigil\\_mechanism.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Whistle_blower_and_vigil_mechanism.pdf)

**iv. Mandatory & Non-mandatory requirement:**

The Company has complied with all the mandatory Corporate Governance requirements under the Listing Regulation. With regard to 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.

**v. 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](https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_Material_Subsidiaries.pdf).

**vi. Disclosure of commodity price risks and commodity hedging activities:**

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

**vii. Means of Communication:**

**Financial Results:** The Company's quarterly / half yearly / annually approved financial results are forthwith sent to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed and the same are published in 'Business Standard' (English language) and 'Nava Kaal' (Marathi language) newspaper and are simultaneously displayed on its website i.e. [www.allieddigital.net](http://www.allieddigital.net).

**Website:** Company's corporate website i.e. [www.allieddigital.net](http://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 accounts, 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 did not make any presentation to the institutional investors or to the analysts and therefore, no details of the presentations have been communicated to the Stock Exchanges.

**Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges (i.e. BSE Limited and National Stock Exchange of India Limited, where the shares of the company are listed) 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 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 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](mailto:investors@allieddigital.net) exclusively for investors grievances and redressal.

**viii. 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 i.e. [www.allieddigital.net](http://www.allieddigital.net).

**6. GENERAL SHAREHOLDER INFORMATION:**

**A. Annual General Meeting details:**

<b>Date :</b>	September 03, 2018										
<b>Time:</b>	04:00 P.M.										
<b>Venue:</b>	Walchand Hirachand Hall, 4 <sup>th</sup> Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai - 400 020										
<b>Financial Year :</b>	April 1, 2017 to March 31, 2018										
<b>Financial Calendar (Tentative):</b>	<b>Financial Reporting for:</b> <table border="1"> <thead> <tr> <th>For the Quarter ended</th><th>Tentative Date</th></tr> </thead> <tbody> <tr> <td>June 30, 2018</td><td>By August 14, 2018</td></tr> <tr> <td>September 30, 2018</td><td>By November 14, 2018</td></tr> <tr> <td>December 31, 2018</td><td>By February 14, 2019</td></tr> <tr> <td>March 31, 2019</td><td>By May 30, 2019</td></tr> </tbody> </table>	For the Quarter ended	Tentative Date	June 30, 2018	By August 14, 2018	September 30, 2018	By November 14, 2018	December 31, 2018	By February 14, 2019	March 31, 2019	By May 30, 2019
For the Quarter ended	Tentative Date										
June 30, 2018	By August 14, 2018										
September 30, 2018	By November 14, 2018										
December 31, 2018	By February 14, 2019										
March 31, 2019	By May 30, 2019										
<b>Book Closure date:</b>	August 28, 2018 to September 03, 2018 (both days inclusive)										
<b>Registered Office of the Company:</b>	Premises No. 13A, 13 <sup>th</sup> Floor, Earnest House, NCPA Road, Block III, Nariman Point Mumbai - 400 021. Email: <a href="mailto:investors@allieddigital.net">investors@allieddigital.net</a> ; Website: <a href="http://www.allieddigital.net">www.allieddigital.net</a>										
<b>List of Stock Exchanges where the Shares of the Company are listed:</b>	<b>National Stock Exchange of India Limited (NSE)(Stock Code/ Symbol: ADSL)</b> <b>Address:</b> Exchange Plaza, Plot No. C-1,Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 Tel.: +91-22-26598100/8114, Fax: +91-22-26598120  <b>BSE Limited (BSE) (Stock Code/ Script Code: 532875)</b> <b>Address:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel.: +91-22-22721233/4, Fax: +91-22-22721919										
<b>Listing Fees and Custodian Fees to Depositories</b>	The Company has paid Annual Listing fees for the year 2017-2018 to both the Stock Exchanges and the Company has paid annual custodian fees to each of the depositories based on the number of folios as on March 31, 2018.										
<b>ISIN of Company' Equity Shares:</b>	INE102I01027										
<b>Corporate Identification Number (CIN):</b>	L72200MH1995PLC085488										

**B. Registrar and Share Transfer Agent:**

For both Physical and Demat (Common Registrar)

**Link Intime India Private Limited,**

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

Vikhroli West, Mumbai- 400083.

Tel. No. : +91-022-49186270

Fax No. : +91-22-49186060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://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 2017-18.

**D. Share Transfer System:**

The Company has a Stakeholder's Relationship Committee to examine and redress complaints received by shareholders and investors. The Stakeholder's Relationship Committee meets as often as required to approve transfer of shares and the status of share transferred 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, 2018:**

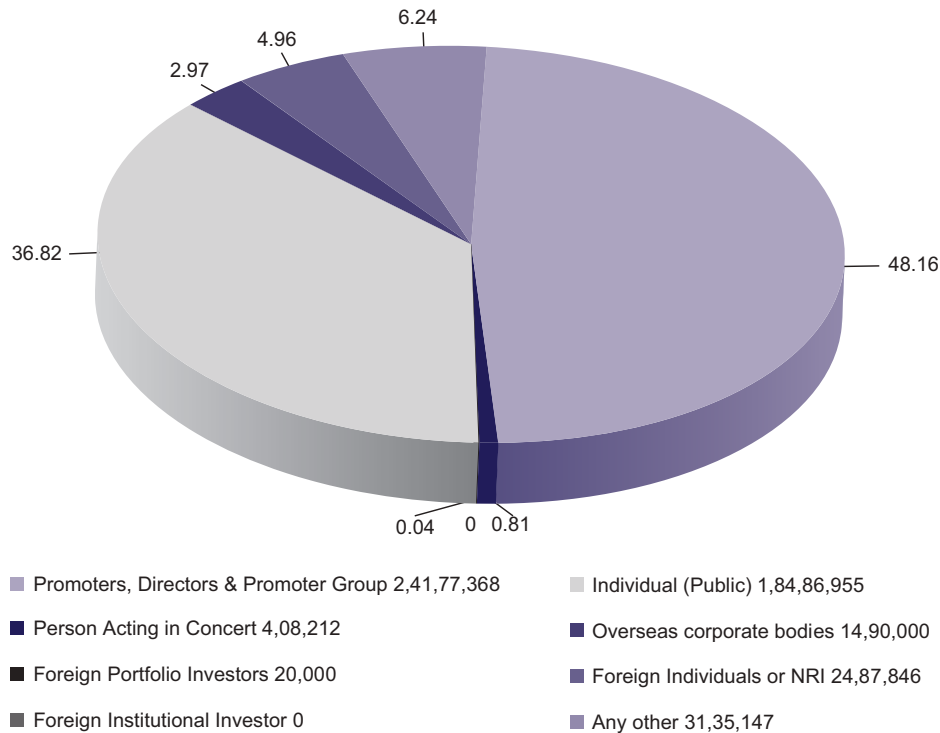
Equity Shares slabs	Shareholders		Shares	
	Number	Percentage (%)	Number	Percentage (%)
1-500	18194	79.51	25,64,267	5.11
501-1000	2071	9.05	17,54,805	3.50
1001-2000	1117	4.89	17,23,486	3.43
2001-3000	461	2.01	11,83,298	2.36
3001-4000	219	0.96	7,90,210	1.58
4001-5000	209	0.91	9,93,662	1.98
5001-10000	311	1.36	23,31,380	4.64
> 10001	302	1.32	3,88,64,420	77.41
<b>TOTAL</b>	<b>22884</b>	<b>100.00</b>	<b>5,02,05,528</b>	<b>100.00</b>

**F. Category wise Shareholding as at March 31, 2018:**

Category	No. of Shares Held	Percentage to total Number of Shares (%)
Promoters, Directors & Promoter Group*	2,41,77,368	48.16
Person Acting in Concert	4,08,212	0.81
Foreign Portfolio Investors	20,000	0.04
Foreign Institutional Investor	0	0
Individual (Public)	1,84,86,955	36.82
Overseas corporate bodies	14,90,000	2.97
Foreign Individuals or NRI	24,87,846	4.96
Any other	31,35,147	6.24
<b>Total</b>	<b>5,02,05,528</b>	<b>100.00</b>

\*4018801 Equity Shares allotted to Mr. Nitin Shah and Mr. Prakash Shah, the listing approval of the said shares is still pending from NSE.

## CATEGORY WISE SHAREHOLDING



### G. Dematerialization of Shares:

As on March 31, 2018, 44,646,571 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, 2018 is given below.

Particulars	No. of Shares	Percentage (%)
Physical Shares	15,40,156	3.07
Equity Shares allotted to promoters*	40,18,801	08.00
Held in dematerialised form in CDSL	88,80,374	17.86
Held in dematerialised form in NSDL	3,57,66,197	71.07
<b>Total</b>	<b>5,02,05,528</b>	<b>100.00</b>

\*40,18,801 Equity shares are allotted in dematerialised form to promoters pursuant to conversion of warrants for which an application for listing was made to the stock exchanges 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 still awaited for said number of shares.

### 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 service only hence does not have any plant.

**J. E-mail ID for Investor's Grievances:**

The Company has designated a separate E-mail ID for the investor grievance and redressal and to improve the quality of the services to the investor. The e-mail address for investor grievance is [investors@allieddigital.net](mailto:investors@allieddigital.net).

**K. Address for Correspondence**

For general correspondence:

**Company Secretary**

**Allied Digital Services Limited,**

Premises No. 13A, 13<sup>th</sup> 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](mailto:investors@allieddigital.net)

Website: [www.allieddigital.net](http://www.allieddigital.net)

For any other query relating to shares:

**Link Intime India Private Limited**

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

Vikhroli West, Mumbai - 400083.

Tel: +91 22 49186270

Fax: +91 22 49186060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

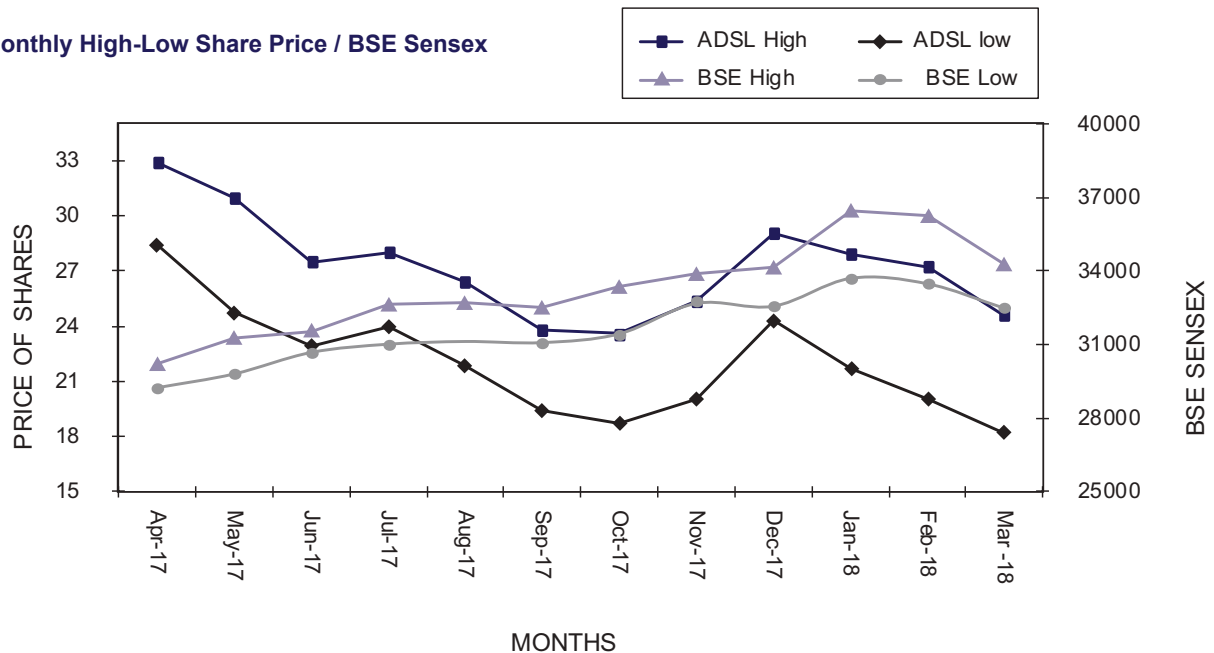
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**L. Market information:**

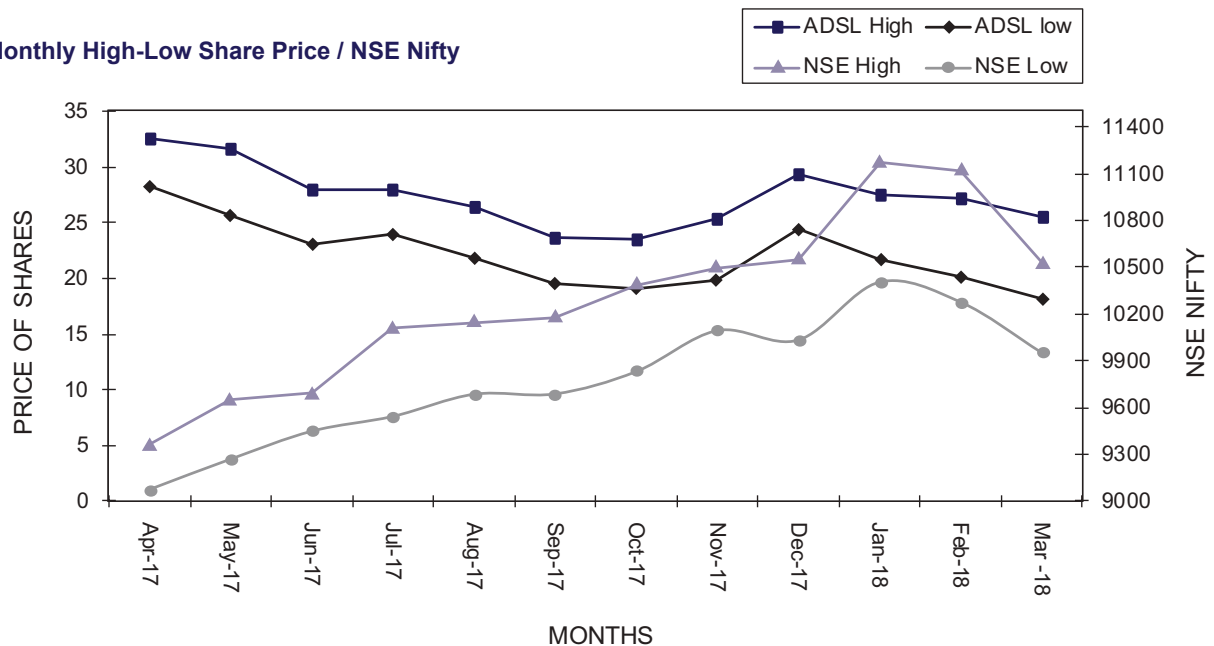
Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from April 01, 2017 to March 31, 2018 are noted herein below:

Month	ADSL on BSE		SENSEX		Volume	ADSL on NSE		S & P CNX Nifty		Volume
	High	Low	High	Low		High	Low	High	Low	
Apr-17	32.90	28.40	30184.22	29241.28	352708	32.50	28.30	9367.15	9075.15	607600
May-17	31.00	24.80	31255.28	29804.12	336181	31.60	25.60	9649.50	9269.90	584282
Jun-17	27.50	22.90	31522.87	30680.66	319120	28.00	23.00	9698.85	9448.75	463542
Jul-17	28.00	24.00	32672.66	31017.11	325322	27.95	24.00	10114.90	9543.55	448073
Aug-17	26.40	21.90	32686.48	31128.02	329563	26.40	21.85	10137.90	9685.55	530676
Sep-17	23.80	19.45	32524.11	31081.83	370965	23.60	19.50	10171.70	9687.55	868688
Oct-17	23.65	18.75	33340.17	31440.48	437301	23.50	19.00	10384.50	9831.05	910736
Nov-17	25.40	20.00	33865.95	32683.59	998420	25.40	19.90	10490.50	10094.00	1855966
Dec-17	29.05	24.30	34137.97	32565.16	665206	29.40	24.50	10552.40	10033.40	1369421
Jan-18	27.95	21.65	36443.98	33703.37	407737	27.50	22.25	11171.60	10404.65	897113
Feb-18	27.20	20.00	36256.83	33482.81	299982	27.15	20.20	11117.40	10276.3	881554
Mar-18	24.55	18.15	34278.63	32483.84	251953	25.45	18.20	10525.5	9951.90	734472

Monthly High-Low Share Price / BSE Sensex



Monthly High-Low Share Price / NSE Nifty



#### 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 Chairman is an Executive Director and hence, this provision is not applicable.

**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, 2018 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. CEO and CFO Certification:**

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company has given 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 has also given 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**.

**10. Certificate on Corporate Governance:**

Certificate from M/s. Rathi & Associates, Practicing Company Secretaries, 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 is 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 31, 2018 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: July 30, 2018**

**Paresh Shah**  
**Chief Executive Officer**

**Gopal Tiwari**  
**Chief Financial Officer**

## Annexure II

### CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

*(Pursuant to Schedule V 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 compliance of conditions of Corporate Governance by Allied Digital Services Limited having its registered office at Premises No. 13A, 13<sup>th</sup> Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai - 400 021 ("the Company"), for the year ended 31<sup>st</sup> March, 2018, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations have been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and Management of the Company, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the Chapter IV of the Listing Regulations.

We further state that such compliance 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.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

Place: Mumbai  
Date: July 30, 2018

**HIMANSHU S. KAMDAR  
PARTNER  
FCS No. 5171  
C.P. No. 3030**

### 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 of conduct for the financial year ended March 31, 2018.

**For Allied Digital Services Limited**

Place: Mumbai  
Date: July 30, 2018

**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 31<sup>st</sup> March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

### 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 31<sup>st</sup> March, 2018, and its profit, other comprehensive income, its changes in equity and its cash flows 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.

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 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 30(3) to the Ind AS financial statements;
    - b. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for ₹ 1.62 Lakhs pertaining to unclaimed dividend for FY 2008-09 and FY 2009-10.
    - c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**For SHAH & TAPARIA**  
Chartered Accountants  
FRN: 109463W

**Ramesh Pipalawa**  
Partner  
Membership No.: 103840

**Place:** Mumbai

**Date:** 28<sup>th</sup> May, 2018

### “Annexure A” to Independent Auditor’s Report

Referred to in paragraph 1 under the heading “Report on Legal and Regulatory Requirements” of our Report of even date to the financial statements of the company for the year ended March 31, 2018

- (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 under which fixed assets were physically verified during the year by the 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 has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) The company has granted interest free unsecured loan to two parties covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
  - a) The terms and conditions for the grant of such loans are not prejudicial for the Company 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 applicable to the company.
- (v) The company has not accepted any deposits from the public during the FY 2017-18. However, in respect of existing deposits the outstanding amount towards the principal and interest in respect of some unclaimed deposits are as under:

Principal amount due as on 31.03.2018	Interest due upto 31.03.2018	Total dues as at 31.03.2018
₹ 33.84 lakhs	₹ 5.42 lakhs	₹ 39.26 lakhs

- (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, GST and other material statutory dues in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable. Details are as under:-

Particulars	Amount (₹ In lakhs)
Provident Fund (F.Y. 2014-15 to 2017-18)	238.3
ESIC (F.Y. 2014-15 to 2017-18)	46.29
Profession Tax (F.Y. 2014-15 to 2017-18)	16.29
Service Tax (F.Y. 2015-16 to 2017-18)	97.25



- (b) Details of dues of Income Tax which has not been deposited as at March 31, 2018 on account of disputes are given as below:

Name of the Statute	Nature of Dues	Amount (₹ In lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	153.56	AY 2006-07 to 2012-13	Income Tax Appellate Tribunal

\*net of amounts paid under protest.

- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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 them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) 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:** 28<sup>th</sup> May, 2018

## **“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, 2018 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 Act.

#### **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 Act, 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, 2018, 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.

**For SHAH & TAPARIA**  
Chartered Accountants  
FRN: 109463W

**Ramesh Pipalawa**  
Partner  
Membership No.: 103840

**Place:** Mumbai

**Date:** 28<sup>th</sup> May, 2018

## Balance Sheet as at 31<sup>st</sup> March, 2018

(₹ In lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant and Equipment	2	5,076	5,678
Investment Property	3	8,293	8,383
Intangible Assets	4	5,855	6,760
Financial Assets			
Investments	5	15,491	15,479
Loans	6(i)	394	569
Other Financial Assets	7(i)	406	369
Other Assets	8(i)	0	0
Income Tax Assets	9	1,599	1,692
<b>Total Non-Current Assets</b>		<b>37,115</b>	<b>38,930</b>
<b>Current assets</b>			
Inventories	10	3,311	3,296
Financial Assets			
Trade Receivables	11	14,446	14,876
Cash and Cash Equivalents	12(i)	404	146
Other bank balances	12(ii)	1,356	1,067
Loans	6(ii)	189	171
Other Financial Assets	7(ii)	3,685	2,427
Other Current Assets	8(ii)	952	731
<b>Total Current Assets</b>		<b>24,343</b>	<b>22,715</b>
<b>Total Assets</b>		<b>61,458</b>	<b>61,645</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	13	2,510	2,510
Other Equity	14	42,869	42,457
<b>Total Equity</b>		<b>45,379</b>	<b>44,967</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15(i)	451	258
Other Financial Liabilities	16(i)	3	2
Provisions	17(i)	2	1
Deferred Tax Liabilities (Net)	18	2,503	1,953
<b>Total Non-Current Liabilities</b>		<b>2,960</b>	<b>2,215</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15(ii)	7,543	8,825
Trade Payables	20	3,999	2,768
Other Financial Liabilities	16(ii)	458	758
Other Current Liabilities	19	625	948
Provisions	17(ii)	495	1,165
<b>Total Current Liabilities</b>		<b>13,119</b>	<b>14,463</b>
<b>Total Equity and Liabilities</b>		<b>61,458</b>	<b>61,645</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**For Shah & Taparia**

Chartered Accountants

**For and on behalf of the Board  
of Allied Digital Services Ltd.**

**Ramesh Pipalawa**

M. No. 103840

**Nitin Shah**

Chairman & Managing Director

**Prakash Shah**

Whole Time Director

Place: Mumbai

Date : May 28, 2018

**Gopal Tiwari**

Chief Financial Officer

**Neha Bagla**

Company Secretary

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2018

(₹ In lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
<b>INCOME</b>			
Revenue from Operations	21	7,423	7,810
Other Income	22	264	639
<b>Total Revenue</b>		<b>7,687</b>	<b>8,449</b>
<b>EXPENSES</b>			
Purchase of Stock-in-Trade	23	607	1,325
Change in Inventories	24	(15)	98
Employee Benefits Expense	25	2,339	2,254
Finance Costs	26	487	1,505
Depreciation and Amortisation Expense	4	1,596	1,356
Other Expenses	27	1,343	1,221
<b>Total Expenses</b>		<b>6,357</b>	<b>7,759</b>
<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items</b>		<b>1,330</b>	<b>690</b>
Exceptional Items	28	(323)	-
<b>Profit / (Loss) from ordinary activities before tax</b>		<b>1,007</b>	<b>690</b>
<b>TAX EXPENSE</b>			
Tax expense for current year		205	160
MAT Credit		(205)	
Deferred Tax		509	354
<b>Net Profit / (Loss) from ordinary activities after tax</b>		<b>498</b>	<b>176</b>
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>			
Items that will not be reclassified to P&L			
Actuarial Gain/(Loss) on Gratuity		36	47
Items that will be reclassified subsequently to P&L		-	-
<b>Total Other Comprehensive Income</b>		<b>36</b>	<b>47</b>
<b>TOTAL COMPREHENSIVE INCOME (AFTER TAX)</b>		<b>534</b>	<b>223</b>
Paid-up Equity share capital (Face Value of ₹ 5/-)		2,510	2,510
Reserves excluding Revaluation Reserves as per balance sheet		42,869	42,457
Earning per Share (of ₹ 5/- each)	29		
Basic		0.99	0.35
Diluted		0.99	0.35

The accompanying notes form an integral part of the financial statements.

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

**For and on behalf of the Board**  
**of Allied Digital Services Ltd.**

**Ramesh Pipalawa**  
M. No. 103840

**Nitin Shah**  
Chairman & Managing Director

**Prakash Shah**  
Whole Time Director

Place: Mumbai  
Date : May 28, 2018

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary

## Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2018

(₹ In lakhs)

A. Equity Share Capital	Balance
Balance as at 01.04.2017	2510
Change in Equity Share Capital During the year	-
Balance as at 31.03.2018	<b>2510</b>

## B. Other Equity

(₹ In lakhs)

Particulars	Other Equity					Total
	Reserve and Surplus					
	Capital Redemption Reserve	General Reserve	Retained Earnings	Securities Premium Account	Other Component of Equity	
Balance as at 01.04.2017	30	1,338	3,265	37,019	805	42,457
Profit for the Year	-	-	498	-	36	534
Adjustment for Prior period taxes	-	-	(41)	-	-	(41)
Adjustment IND AS	-	-	(81)	-	-	(81)
Balance as at 31.03.2018	30	1,338	3,641	37,019	840	42,869

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

**For and on behalf of the Board  
of Allied Digital Services Ltd.**

**Ramesh Pipalawa**  
M. No. 103840

**Nitin Shah**  
Chairman & Managing Director

**Prakash Shah**  
Whole Time Director

Place: Mumbai  
Date : May 28, 2018

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary



## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
I	<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
(a)	<b>Profit/Loss as per Profit &amp; Loss Account after Tax</b>	498	177
	Adjustments:		
	Adjustments for prior period taxes & IND AS effect	(121)	(400)
	Bad Debts Written off during the year	1,496	67
	Depreciation and Amortization	1,596	1,356
	Income from Investing Activities	(956)	(224)
	Deferred Tax	509	354
	Finance Cost	486	1,505
(b)	<b>Changes in Assets and Liabilities</b>		
	Inventories	(14)	98
	Trade receivables	(429)	(2,049)
	loans and advances	(18)	85
	Other Financial Assets	231	(712)
	Other Assets	(1,479)	192
	Trade payables	1,231	1,381
	Liabilities & Provisions	(1,293)	430
	Income Tax Assets	-	(54)
	Other Liability	(560)	85
	<b>Net Cash generated by Operating Activities</b>	1,176	2,291
II	<b>CASH INFLOW FROM INVESTING ACTIVITIES</b>		
	Payment toward acquisition of Fixed Assets	-	(17)
	Disposal of the Investment/Changes due to Ind AS	(11)	14
	Interest received	199	86
	Other Non-Operating Income	757	124
	<b>Net Cash generated by Investing Activities</b>	945	207
III	<b>CASH INFLOW FROM FINANCING ACTIVITIES</b>		
	From borrowings	451	(940)
	Loan Repayment	(1,540)	-
	Finance Cost	(486)	(1,505)
	<b>Net Cash generated by Financing Activities</b>	(1,575)	(2,445)
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)</b>	547	53
	<b>Add: Cash and cash equivalents at the beginning of the period (B)</b>	1,213	1,160
	<b>Cash and cash equivalents at the end of the period (A+B)</b>	1,760	1,213

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

For and on behalf of the Board  
of Allied Digital Services Ltd.

**Ramesh Pipalawa**  
M. No. 103840

**Nitin Shah**  
Chairman & Managing Director

**Prakash Shah**  
Whole Time Director

Place: Mumbai  
Date : May 28, 2018

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary

## 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.

##### 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:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) 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**

- (i) **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.
- (ii) **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, if any, 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	Straight line	60 Years
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 GST as 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.

**(xiii) 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.

#### (xiv) 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.

#### Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

#### Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Group does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

#### Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

**NOTE - 2 : PROPERTY, PLANT & EQUIPMENT**

(₹ in lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at 31-03-2017	Add during the year 2017-2018	Adj/Del during the year 2017-2018	As at 31-03-2018	For the year 2017-2018	Adj. during the year	Upto 31-03-2018	As at 31-03-2018
Premises Lease Hold	2,734	-	-	2,734	34	-	259	2,441
Civil and Plumbing Work	1,818	-	-	1,818	30	-	175	1,613
Furniture and Fixtures	3,214	-	-	3,214	346	-	1,962	906
Office Equipments	920	-	-	920	4	-	899	17
Motor Vehicles	135	-	-	135	2	-	130	4
Computers and IT Equipments	9,617	-	-	9,617	185	-	9,336	96
Computers (Given on lease)	156	-	-	156	-	-	156	-
<b>Total</b>	<b>18,595</b>	<b>-</b>	<b>-</b>	<b>18,595</b>	<b>602</b>	<b>-</b>	<b>12,917</b>	<b>5,076</b>

**NOTE - 3 : INVESTMENT PROPERTY**

(₹ in lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at 31-03-2017	Add during the year 2017-2018	Adj/Del during the year 2017-2018	As at 31-03-2018	For the year 2017-2018	Adj. during the year	Upto 31-03-2018	As at 31-03-2018
Leasehold Land	2,278	-	-	2,278	22	-	176	2,079
Premises Lease Hold	6,873	-	-	6,873	68	-	592	6,214
<b>Total</b>	<b>9,151</b>	<b>-</b>	<b>-</b>	<b>9,151</b>	<b>90</b>	<b>-</b>	<b>769</b>	<b>8,293</b>

**NOTE - 4 : INTANGIBLE ASSETS**

(₹ in lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at 31-03-2017	Add during the year 2017-2018	Adj/Del during the year 2017-2018	As at 31-03-2018	For the year 2017-2018	Adj. during the year	Upto 31-03-2018	As at 31-03-2018
Computer Software Licenses	76	-	-	76	1	-	74	2
Intellectual Property Rights	9,131	-	-	9,131	904	-	2,373	5,854
<b>Total</b>	<b>9,207</b>	<b>-</b>	<b>-</b>	<b>9,207</b>	<b>905</b>	<b>-</b>	<b>2,447</b>	<b>5,855</b>
<b>Grand Total</b>	<b>36,954</b>	<b>-</b>	<b>-</b>	<b>36,954</b>	<b>1,596</b>	<b>-</b>	<b>16,133</b>	<b>19,225</b>

**Note 05: Investments**

**i) Non Current Investments**

(₹ In lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(1) Non- Quoted, Long Term, Trade: (Carried at Cost)</b>			
<b>(a) Investment in Subsidiaries</b>			
(i)	<b>Allied Digital Services, LLC (USA)</b> 306017 (Previous year: 306017) Equity shares of USD 10 each, fully paid up	<b>7,531</b>	7,531
(ii)	<b>Allied Digital INC (USA)</b> 10,000 (Previous year: 10,000 ) equity shares of USD 0.0001/- each fully paid up (Refer Note)	<b>7,075</b>	7,075
(iii)	<b>Allied Digital Singapore Pte Ltd.</b> 100 (Previous year: 100) shares of SGD 1 each, fully paid up (Refer Note)	<b>6</b>	6
(iv)	<b>Allied Digital Asia Pacific PTY Ltd. (Australia)</b> 100 (Previous year: 100) shares of AUD 1 each, fully paid up (Refer Note)	<b>128</b>	128
(v)	<b>Allied-eCop Surveillance India Pvt. Ltd.</b> 86010 (Previous year: 86010 ) equity shares of ₹ 10/- each fully paid up	<b>1</b>	1
(vi)	<b>Allied Digital Services (UK) Ltd.</b> 900 (Previous year: 900 ) shares of GBP 1 each fully paid up	<b>1</b>	1
(vii)	<b>En Pointe Technologies (India) Pvt. Ltd.</b> 999 (Previous Year : 999) Shares of ₹ 100 Each	<b>1</b>	1
	<b>Total Investment in Subsidiaries</b>	<b>14,743</b>	14,743
<b>(b) Investment in Associates: (Carried at Cost)</b>			
(i)	<b>Soft Shell System India Pvt. Ltd.</b> 117,924 (Previous year: 117,924) shares of ₹ 10/- each fully paid up at a premium of ₹ 498.81 per share	<b>600</b>	600
(ii)	<b>Allied CNT Solutions Pvt. Ltd.</b> 14200 (Previous Year: 14200) Shares of ₹ 10 each	<b>-</b>	-
	<b>Investment in Others (Unquoted)</b>		
(i)	<b>Uthopia Green Trans Pvt. Ltd.</b> 200 (Previous Year: 200) Shares of ₹ 10 each	<b>0</b>	0
	<b>Total Investment in Others</b>	<b>0</b>	0
<b>(3) Investment carried at Fair Value through Amortised Cost</b>			
(i)	450000 Preference Shares @ 100/- of Devyog Builders Pvt. Ltd.	<b>148</b>	137
	<b>Total Non Current Investments</b>	<b>15,491</b>	15,479

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

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

**Note 6 : Loans**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non-Current (Unsecured, considered good)</b>		
Loans and advances to related parties	184	255
Inter Corporate Deposits	210	314
<b>Total Long Term Loans and Advances</b>	<b>394</b>	<b>569</b>
<b>(ii) Current</b>		
Loans and advances to related parties	76	81
Loans and advances (others)	113	90
<b>Total Short-term loans and advances</b>	<b>189</b>	<b>171</b>
<b>Total loans</b>	<b>583</b>	<b>740</b>

**Non Current Loans & Advances**

In respect of other Current and Non-Current loans and advances as appearing above, the Company has not produced the confirmation for the same. The management is of the opinion that these loan and advances are good and recoverable.

**Note 7: Other Financial Assets**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non-Current</b>		
Security Deposits		
Unsecured, considered good	6	8
Deferred Interest Exp (Preference Shares)	232	250
Deferred Interest Exp (Loan to Related Party)	72	47
Deferred Interest Exp (Inter Corporate Loan Given)	95	63
Deferred Interest Exp (Security Deposits)	1	1
Deferred Interest Exp (Loan to Employees)	0	0
<b>Total</b>	<b>406</b>	<b>369</b>
<b>(ii) Current</b>		
<b>Rental Security Deposits</b>		
Unsecured, considered good *	51	13
Unbilled revenue	3,249	2,197
Deferred Interest Exp (Preference Shares)	18	18
Deferred Interest Exp (Loan to Related Party)	48	24
Deferred Interest Exp (Inter Corporate Loan Given)	63	31
Deferred Interest Exp (Security Deposits Given)	2	1
Deferred Interest Exp (Loan to Employees)	0	0
Interest Accrued	254	143
<b>Total</b>	<b>3,685</b>	<b>2,427</b>
<b>Total Other Financial Assets</b>	<b>4,091</b>	<b>3,096</b>

\* Financial assets carried at amortised cost

Unbilled Revenue of ₹ 3249 Lakhs has been considered as certified and represented by the Management.

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

**Note 8: Other Assets**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non-Current</b>		
<b>Advance given to a Suppliers</b>		
Unsecured, considered good	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>(ii) Current</b>		
MAT Credit Entitlement	935	730
Prepaid expenses	17	1
<b>Total</b>	<b>952</b>	<b>731</b>
<b>Total Other Assets</b>	<b>952</b>	<b>731</b>

**Note 9: Income Tax Assets**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Advance Income Tax Assets (Net of provisions)	1,599	1,692

**Note 10: Inventories**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Stock in Trade (For Service)	3,145	3,126
Stock in Trade (For Trading)	166	170
<b>Total Inventories</b>	<b>3,311</b>	<b>3,296</b>

Inventories are valued at lower of cost and net realizable value. The value of the Inventory as on 31<sup>st</sup> March 2018 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. The valuation of the inventory is as certified by the management.

**Note 11: Trade Receivables**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	3,016	3,686
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	11,430	11,190
<b>Total Trade Receivable</b>	<b>14,446</b>	<b>14,876</b>

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

**Trade Receivable stated above include debts due from:**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Private Company in which director is a member	2,393	1,898

Due to the absence of confirmation from Sundry Debtors need to make provision 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 12 (i): Cash and Cash Equivalents:**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
In Current Account	387	142
Cash on hand	17	4
<b>Total Cash and Cash Equivalents</b>	<b>404</b>	<b>146</b>

**Note 12 (ii): Other Balances with Bank:**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
In fixed deposit accounts (pledged with bank against guarantees issued by them)	1,356	1,067

**Note 13: Share Capital**

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

(₹ In lakhs)

Share Capital	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity shares of ₹ 5 each with voting rights	60,000,000	3,000	60,000,000	3,000
<b>Issued</b>				
Equity shares of ₹ 5 each with voting rights	50,205,528	2,510	50,205,528	2,510
<b>Subscribed &amp; Paid up</b>				
Equity shares of ₹ 5 each with voting rights	50,205,528	2,510	50,205,528	2,510



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

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
<b>Equity shares with voting rights</b>					
<b>Year ended 31<sup>st</sup> March, 2018</b>					
- Number of shares	50,205,528	-	-	-	50,205,528
- Amount in ₹ Lakhs	2,510	-	-	-	2,510
<b>Year ended 31<sup>st</sup> March, 2017</b>					
- Number of shares	50,205,528	-	-	-	50,205,528
- Amount in ₹ Lakhs	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 ₹ 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:**

Name of Shareholder	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	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
Prakash Dhanji Shah	8,178,348	16.29	8,178,348	16.29

**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 29<sup>th</sup> 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 ₹ 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 lakhs)

Particulars	2017-2018	2016-2017
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

**Note 14: Other Equity**

**(i) Reserves and Surplus**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Capital Redemption Reserve</b>		
Opening Balance	30	30
Closing Balance	30	30
<b>Securities Premium Account</b>		
Opening Balance	37,019	37,019
Closing Balance	37,019	37,019
<b>General Reserves</b>		
Opening Balance	1,338	1,338
Closing Balance	1,338	1,338
<b>Surplus</b>		
<b>Opening balance</b>	3,265	3,459
Net Profit/(Net Loss) For the current year	498	177
Adjustment according to Ind AS	(81)	-
Adjustments for Prior period taxes	(41)	(370)
Closing Balance	3,641	3,265
<b>Total</b>	<b>42,028</b>	<b>41,652</b>

**(ii) Other component of equity**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Employee Stock Options Outstanding</b>		
Opening	720	707
During the Year	-	13
Total ESOP Outstanding	720	720
<b>Accumulated Other Comprehensive Income</b>		
Opening	85	38
During the Year	36	47
Total Other Comprehensive Income	120	85
<b>Total Other Component of Equity</b>	<b>840</b>	<b>805</b>
<b>Total Reserves and Surplus</b>	<b>42,869</b>	<b>42,457</b>

**Note 15: Borrowings**

(₹ In lakhs)		
Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non Current Borrowings</b>		
Bank of India	-	258
Kotak Bank	451	-
Equitable mortgage of the immovable property situated at Office no. 405 & 406, 4 <sup>th</sup> Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai-400096		
Plot no. 22/1 & 13/5 , Rajiv Ghandhi infotech Park, Hinjewadi phase-3 (SEZ) MIDC , Near Lexwear & Yash technologies, Village Hinjewadi, Pune		
Plot no A-24 & A-25 Talawade Software park, MIDC Opposite Fujitsu, Talawade chakhan - MIDC road, Pune owned by Ms. Gateways		
Flat no .9 , First floor building No A, Sidharth Court , corporative Housing society Ltd, Final plot No. 196 , S No.347/2c , Near Hotel Madhuban, Dhole patil Road , Ghorpadi Pune		
Pledge of shares & Mutual Fund belonging to Mrs. Tejal Shah and Padma Pragna Private Trust respectively		
Personal Guarantee of Promoters.		
Corporate guarantee of M/s. The Gateways		
<b>Total Non-Current Borrowings</b>	<b>451</b>	<b>258</b>
<b>(ii) Current Borrowings</b>		
<b>Secured</b>		
Loans repayable on demand	5,350	6,627
<b>Unsecured</b>		
Loans and advances from related parties (Repayable on Demand)	2,059	1,655
Others	94	110
Fixed Deposits from public	39	432
<b>Total Current Borrowings</b>	<b>7,543</b>	<b>8,825</b>
<b>Total Borrowings</b>	<b>7,994</b>	<b>9,083</b>

In respect of the Fixed Deposits from public unclaimed amount overdue as at 31.03.2018; (Principal - ₹ 33.84 lakhs and Interest - ₹ 5.42 lakhs).

Details of Secured short-term borrowings along with Security and Terms of repayment:

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Loans repayable on demand		
From banks:		
Working Capital Facility From State Bank of India	3,442	4,719
Barclays Bank (Foreign Currency Loan)	1,908	1,908
<b>Total Loans repayable on demand from banks</b>	<b>5,350</b>	<b>6,627</b>

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

Following securities have been offered as the first charge with State Bank of India and pari pasu charge with Barclays Bank -

- (a) Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai;
- (b) Mortgage of office at 13 A, Earnest House, 13<sup>th</sup> Floor, Nariman Point, Mumbai;
- (c) Mortgage of Gala nos. 3,4,7, 301,302,305,306.307 & 308 at Bldg. No. 3, Sector III, MIDC Mahape, Navi Mumbai;
- (d) Hypothecation Charge on Movable assets except Vehicles;
- (e) Hypothecation Charge on Current Assets;
- (f) Personal Guarantee of Promoters.

During the year the Company has entered into one time settlement with respect to its fund & non fund based dues payable to State Bank of India ("SBI") by assignment of its dues to Kotak Mahindra Bank. Such Settlement was accepted by SBI vide its letter dated 23<sup>rd</sup> March, 2018. The details of the same is as under:

	(₹ In lakhs)
Cash Component from Kotak Mahindra Bank	25.15
Counter Guarantees for entire BG outstanding/Replacement of existing BG	25.61
Cash Margin available for the BG outstanding with us	14.71
Less: Cash Margin for the proposed BG to be issued by Kotak Mahindra Bank @ 20% of BG amounting to ₹ 25.61 crores	5.13
<b>Total</b>	<b>60.34</b>

As a result of the above settlement, now the Company is not required to pay the amount of unpaid interest which was payable to SBI to the tune of ₹ 10.20 crores for which the company had made the provision in the books of accounts (₹ 4.80 crores for FY 2016-17 and ₹ 5.40 crores for the FY 2017-18).

The dues to SBI is settled by Kotak Mahindra Bank by May, 2018.

Considering the facts that SBI had accepted the settlement before the year end and further that all the formalities of this settlement including the movement of funds from Kotak Mahindra Bank to SBI was completed before the approval of the financials by the Board, the management has given the financial impact of the above settlement in the books of the company for the FY 2017-18.

**Note 16: Other Financial Liabilities**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Other Non-Current Financial Liabilities:</b>		
Deferred Income- (Security Deposits)	3	2
<b>(ii) Other Current Financial Liabilities:</b>		
Maturity of Long term Debts	-	745
Security deposit (Rented Property)	9	12
Deferred Income (Security Deposits)	2	1
Kotak Bank OD Facility	447	-
<b>Total Other Current Financial Liabilities</b>	<b>458</b>	<b>758</b>
<b>Total Other Financial Liabilities</b>	<b>462</b>	<b>760</b>

## Note 17: Provisions

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
(i) <b>Non-Current Provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for gratuity	2	1
(ii) <b>Current Provisions</b>		
<b>Provision for employee benefits</b>		
Contribution to Provident Fund	253	283
Contribution to Employee State Insurance Corporation	39	40
Profession Tax	25	23
Leave Travel Allowance	8	8
Provision for Expenses*	170	811
<b>Total Current Provisions</b>	<b>495</b>	<b>1,165</b>
<b>Total Provisions</b>	<b>497</b>	<b>1,166</b>

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 and other statutory dues.

\* Provision for expenses include amount of ₹ 8.5 lakhs towards CSR provision.

## Note 18: Deferred tax liabilities

The net deferred tax as at 31<sup>st</sup> March, 2018, comprises of the following components:

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Net Deferred Tax Liability/(Assets)</b>		
Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	2,503	1,953

## Note 19: Other liabilities

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Other Non-Current Liabilities	-	-
Other Current Liabilities:		
Advance received from Customer	574	574
Duties & Taxes	43	367
Unpaid Dividend	8	8
<b>Total Other Current Liabilities</b>	<b>625</b>	<b>948</b>
<b>Total Other Liabilities</b>	<b>625</b>	<b>948</b>

**Note 20: Trade Payables**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Trade Payables</b>		
-Trade payables to Micro and Small Enterprises	-	-
-Trade payables to other than Micro and Small Enterprises	3,999	2,768
<b>Total Trade Payables</b>	<b>3,999</b>	<b>2,768</b>

The Company has not received any intimation 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 lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Services, Solutions and Sales	7,408	7,807
Lease Rent	15	4
<b>Total Operating Income</b>	<b>7,423</b>	<b>7,810</b>

**Note 22 : Other Income**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Interest Income on deposits with Bank	199	159
Dividend Income	-	14
Net gain on foreign currency transactions	-	415
Other non-operating income (Refer Note 22.A)	65	50
<b>Total Other Income</b>	<b>264</b>	<b>639</b>

**Note 22.(A)**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Other non-operating income comprises of:</b>		
Rental income	46	27
Miscellaneous Income	19	23
<b>Total Other non-operating income</b>	<b>65</b>	<b>50</b>



**Note 23 Purchase of Traded Goods**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Purchase of Traded Goods and Services	483	1,115
Other Direct Cost	124	210
<b>Total Purchase of Traded Goods / Services</b>	<b>607</b>	<b>1,325</b>

**Note 24 Changes in Inventories of Stock-in-Trade**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Closing Stock	3,311	3,296
Less : Opening Stock	3,296	3,394
<b>Net (increase) / decrease</b>	<b>(15)</b>	<b>98</b>

**Note 25 : Employee Benefits Expenses**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Salaries and wages (Including Managerial Remuneration)*	2,106	2,087
Contributions to Provident Fund	91	40
Contributions to ESIC	30	21
Contributions to Gratuity	84	52
Staff welfare expenses	28	41
ESOP Expenses	-	13
<b>Total Employee Benefit Expenses</b>	<b>2,339</b>	<b>2,254</b>

\* Salary and wages include Managerial Remuneration of ₹ 90 Lakhs for F.Y. 17-18 and ₹ 82 Lakhs towards F.Y. 16-17.

**Note 26 : Finance Cost**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Interest on Borrowings	471	1,369
Other borrowing costs	16	136
<b>Total Finance Cost</b>	<b>487</b>	<b>1,505</b>

**Note 27 Other expenses**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Rent including Lease Rentals	30	63
Repairs and Maintenance	25	30
Insurance	8	35
Communication	46	50
Travelling and Conveyance	95	106
Electricity Expenses	141	143
Freight and Forwarding	4	25
Advertisement Expenses	8	101
Legal and Professional Fees	312	252
Payments to Auditors (Refer Note (27A) below)	10	10
Rates and Taxes	453	59
Brokerage Charges	3	9
Security Charges	1	11
Printing & Stationery Expenses	8	14
Business Promotion Expenses	20	35
Office Expenses	39	52
Equipment Hire Charges	1	0
CSR Provision	9	5
Labour Charges	58	78
Loss on Sale of Asset	-	0
Sundry Balance W/off	-	1
Bad debt W/off	-	66
Donation	1	-
Loss on Sales on Investment	-	37
Miscellaneous Expenses	73	38
<b>Total Other Expenses</b>	<b>1,343</b>	<b>1,221</b>

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

## 27A Details of Auditors' Remuneration:

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
For Statutory Audit	8	8
For Taxation Matters	2	2
<b>Total</b>	<b>10</b>	<b>10</b>

## 28 Exceptional Items

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Reversal of Bank Interest</b>	(1,172)	-
Bad debts written off	1,496	-
<b>Total</b>	<b>323</b>	<b>-</b>

## Note 29: Earning Per Share

Particulars	2017-18	2016-17
Weighted average number of equity shares of ₹ 5/- each (A)		
Number of shares at the beginning of the year of ₹ 5/- each (Previous Year of ₹ 5/- each)	50205528	50205528
Number of Shares at the end of the year of ₹ 5/- each	50205528	50205528
ESOP outstanding to employees	NIL	NIL
Weighted average number of equity shares of ₹ 5/- each (B) (Previous Year of ₹ 5/- each) outstanding during the year for basic EPS	50205528	50205528
Weighted average number of equity shares of ₹ 5/- each Dilutive EPS	50205528	50205528
Net Profit after tax available for equity shareholders (In ₹ Lakh) (C)	498	177
Basic income as per share (in rupees) [C/A]	0.99	0.35
Diluted income per share ( in rupees) [C/B]	0.99	0.35

## Notes to Accounts

### 30 (1) : Employee Benefits

#### Gratuity Plan

- (i) An amount of ₹ 35.61 lakhs has been recognized towards the Employees Gratuity Fund against the liability of ₹ 156.8 lakhs as per the Actuarial Valuation for Gratuity as on 31<sup>st</sup> March 2018. 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 <sup>st</sup> March, 2018	Valuation Date 31 <sup>st</sup> March, 2017
<b>I Assumptions as at</b>		
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%
<b>II Changes in present value of obligations</b>		
PVO at beginning of period	15206523	14782818
Interest cost	1117134	1148115
Current Service Cost	3488568	2855133
Benefits Paid	(424216)	(862760)
Actuarial (gain)/loss on obligation	(3561808)	(2614792)
PVO at end of period	15928192	15308514
<b>III Changes in fair value of plan assets</b>		
Fair Value of Plan Assets at beginning of period	101991	358
Adjustment to Opening Fair Value of Plan Assets	(68610)	916426
Expected Return on Plan Assets	10084	82511
Contributions	-	-
Benefit Paid	(424216)	(862760)
Actuarial gain/(loss) on plan assets	141586	(34544)
Fair Value of Plan Assets at end of period	239165	101991
<b>IV Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of period	101991	358
Adjustment to Opening Fair Value of Plan Assets	(68610)	916426
Actual Return on Plan Assets	0	47967
Contributions	-	-
Benefit Paid	(424216)	(862760)
Fair Value of Plan Assets at end of period	239165	101991
Fund Status	(15689027)	(15206523)
Excess of actual over estimated return on Plan Assets	141586	(34544)

	Valuation Date 31 <sup>st</sup> March, 2018	Valuation Date 31 <sup>st</sup> March, 2017
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	3,561,808	2,614,792
Actuarial Gain/(Loss) for the period (Plan Assets)	141586	(34544)
Total Gain/(Loss) for the period	37,03,394	2,580,248
Actuarial Gain/(Loss) recognized for the period	37,03,394	2,580,248
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		
Fair Value of Plan Assets at end of period	239165	101991
Fund Status	(15689027)	(15206523)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	(15689027)	(15206523)
VII Expense recognized in the statement of P & L Account		
Current Service Cost	3488568	2855133
Interest cost	1107050	1074772
Expected Return on Plan Assets	(82511)	(82511)
Net Actuarial (Gain)/Loss recognized for the period	37,03,394	(2,580,248)
Expense recognized in the statement of P & L Account	619678	525696
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	15206523	14782460
Adjustment to Opening Fair Value of Plan Assets	68610	(916426)
Expenses as above	-	-
Contribution paid	-	-
Closing Net Liability	15689027	15206523
IX Experience Analysis - Liabilities		
Actuarial (Gain)/Loss due to change in basis		
Experience (Gain) / Loss due to change in Experience		
Total		
Experience Analysis – Plan Assets	(37,03,394)	(2,580,248)
Experience (Gain) / Loss due to change in Plan Assets	(35,61,808)	(2,614,792)
	141586	34544
X Schedule VI Details		
Current Liability		
Non-current Liability	15689027	15206523

**Note 30 (2): Additional Information pursuant to the provisions of part II of the Schedule III of the Companies Act 2013:-**

(₹ In Lakhs)

Particulars	Year ended 31.03.18	Year ended 31.03.17
i Income in Foreign Currency (Exports)		
Sales of Services and products	2,293.73	2,732.85
ii Expenditure in Foreign Currency (subject to deduction of tax where applicable)		
a Professional & Consultation Fees		
b Travelling	4.8	13.44
c Cloud Computing	124.24	207.31
iii Value of Imports calculated on C.I.F. basis - Traded Goods	-	-

**Note 30 (3): Contingent Liabilities and commitment**

**Contingent liabilities (to the extent not provided for)**

(₹ In Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Bank Guarantees issue	2564	2575
Income tax (Litigations)	154	154
<b>Total</b>	<b>2718</b>	<b>2729</b>

**Note 30 (4): Summary of Related Party transaction**

**A) Nature of transaction with the Related Parties**

(₹ In Lakhs)

Particulars	Subsidiary		Associate	
	2017-18	2016-17	2017-18	2016-17
<b>Sale of Goods / Services / Facility</b>				
Allied Digital Services, LLC (USA)	2,040.39	2,439		
Allied Digital Services (UK) Ltd.	253.34	294		
<b>Purchase of Goods, Services and Facilities</b>				
Allied Digital Services, LLC (USA)	124	16		



**B) Balances with Related Party**

Particulars	Subsidiary		Associate	
	2017-18	2016-17	2017-18	2016-17
<b>Sundry Debtors</b>				
Allied Digital Asia Pacific Pty Ltd. (Australia)	386.84	385.62		
Allied Digital Services, LLC (USA)	1,973.59	1,515.49		
Allied Digital Services (UK) Ltd.	20.97	(10.38)		
Allied Digital INC (USA)	6.02	2.25		
Assetlite Equipment (I) Private Limited			5.23	5.23
<b>Sundry Creditors</b>				
Allied Digital Services LLC (USA)	0.76	15.84		
Assetlite Equipment India Private Limited			40.23	56.15
<b>Loan and advance</b>				
Assetlite Equipment India Private Limited			54.02	54.02
<b>Short Term Borrowing</b>				
En-Pointe Technologies India Pvt. Ltd.	61.10	61.71		
Allied Digital Singapore Pte Ltd.	10.80	13.47		
Allied Digital Services LLC (USA)	1,002.92	621.37		
Allied Digital INC (USA)	861.30	859.11		
<b>Non-current investment</b>				
Allied Digital Services LLC (USA)	7,530.79	7,530.79		
Allied Digital INC (USA)	7,074.83	7,074.83		
Allied Digital Singapore Pte Ltd.	6.47	6.47		
Allied Digital Asia Pacific Pty Ltd. (Australia)	127.84	127.84		
Allied e-Cop Surveillance India Pvt. Ltd.	1.01	1.01		
Allied Digital Services (UK) Ltd.	1.01	1.01		

**Disclosure required under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 regarding related parties**

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

(₹ in Lakhs)

Particulars	Outstanding as at the end of the year	Maximum amount outstanding during the year	Investment in shares of the company
<b>Subsidiaries</b>			
<b>Allied Digital INC (USA)</b>			
2017-18			7,530.79
2016-17	-	-	7,530.79
<b>En-Pointe Technologies India Pvt. Ltd.</b>			
2017-18	61.10	61.10	
2016-17	61.71	61.71	-
<b>Allied Digital Singapore Pte Ltd.</b>			
2017-18	10.80	10.80	6.47
2016-17	13.47	13.47	6.47
<b>Allied Digital Asia Pacific Pty Ltd. (Australia)</b>			
2017-18	-	-	127.84
2016-17	-	-	127.84
<b>Allied e-Cop Surveillance India Pvt. Ltd.</b>			
2017-18	-	-	1.01
2016-17	-	-	1.01
<b>Allied Digital Services (UK) Ltd.</b>			
2017-18	-	-	1.01
2016-17	-	-	1.01
<b>Associates</b>			
<b>Assetlite Equipment India Private Ltd.</b>			
2017-18	54.02	54.02	
2016-17	54.02	54.02	

**Summarized segment information for the year ended March 2018.**

(₹ In Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
<b>Segment Revenue</b>		
Enterprise Computing based Solutions	5,196	5,467
Infrastructure Management based Solutions	2,227	2,343
Un-allocable - Expenses/ (Income)	(692)	639
<b>Net Segment Revenue</b>	<b>6,731</b>	<b>8,450</b>
<b>Profit before Interest, un-allocable expenses &amp; Tax</b>		
Enterprise Computing based Solutions	3,471	3,443
Infrastructure Management based Solutions	1,284	1,330
	<b>4,755</b>	<b>4,773</b>
Less : i) Interest	486	1,505
ii) Un-allocable Expenses (net of un-allocable income)	3,736	3,044
<b>Total Profit Before Tax</b>	<b>533</b>	<b>224</b>
Un-allocable - Capital Employed	48,338	47,182
<b>Total Capital Employed</b>	<b>48,338</b>	<b>47,182</b>

**Information regarding geographical revenue is as follow.**

(₹ In Lakhs)

Revenue	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
India	4,629	4,995
UK	253	294
USA	2,040	2,121
<b>Total</b>	<b>6,923</b>	<b>7,410</b>

**Information regarding customer Wise Revenue is as flow**

(₹ In Lakhs)

Revenue	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
Govt of Maharastra	3,776	4,639
Allied Digital Services LLC (USA)	2,040	2,121
Others	1,607	650
<b>Total</b>	<b>7,423</b>	<b>7,410</b>

## 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 Limited** ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### 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 of affairs of the Company as at 31<sup>st</sup> March, 2018, 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.

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 ₹ 10621.52 Lakhs as at 31<sup>st</sup> March, 2018, total revenues of ₹ 17860.34 Lakhs as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose report has 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 five subsidiaries, whose financial statements / financial information reflect total assets of ₹ 8577.73 Lakhs as at 31<sup>st</sup> March, 2018, total revenues of ₹ 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 associates, 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

1. 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 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.
  - (c) 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.
  - (d) 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.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2018 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<sup>st</sup> March 2018 from being appointed as a Director of that company 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 A".
  - (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 30(3) to the Standalone financial statements;
    - b. There has been delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India pertaining to unclaimed dividend of ₹ 1.62 lakhs for FY 2008-09 and 2009-10.
    - c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**For SHAH & TAPARIA**  
Chartered Accountants  
FRN: 109463W

**Ramesh Pipalawa**  
Partner  
Membership No.: 103840

Place: Mumbai

Date: 28<sup>th</sup> May, 2018

## **“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”)**

We have audited the internal financial controls over financial reporting of the **Allied Digital Services Limited** (“the Company” or “the Holding Company”) and its subsidiary companies which are incorporated in India as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended on 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 Act, 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**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding their liability of financial reporting and the preparation of 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 knowledge, according to the information and explanations given to us and based on the consideration of the reports of other auditors referred to in the other matters paragraph below the Holding Company and the subsidiaries which are companies incorporated in India have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, 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.

## 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, in so far 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

**Place:** Mumbai

**Date:** 28<sup>th</sup> May, 2018



## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018

(₹ In lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant and Equipment	2	5,265	5,762
Investment Property	3	8,161	8,383
Intangible Assets	4	6,217	7,239
Goodwill		9,622	9,622
Financial Assets			
Investments	5	748	737
Loans	6 (i)	1,761	3,266
Other Financial Assets	7 (i)	406	370
Other Non-Current Assets	8 (i)	3,202	3,694
<b>Total Non-Current Assets</b>		<b>35,382</b>	<b>39,073</b>
<b>Current assets</b>			
Inventories	9	3,311	3,351
Financial Assets			
Trade Receivables	10	15,031	30,236
Cash and Cash Equivalents	11	1,567	571
Other bank balances	12	1,356	1,067
Loans	6 (ii)	251	1,010
Other Financial Assets	7 (ii)	3,685	2,427
Other Current Assets	8 (ii)	1,368	853
<b>Total Current Assets</b>		<b>26,569</b>	<b>39,516</b>
<b>Total Assets</b>		<b>61,951</b>	<b>78,589</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	13	2,510	2,510
Other Equity	14	39,865	41,686
<b>Equity Attributable to Shareholders</b>		<b>42,375</b>	<b>44,196</b>
<b>Non-Controlling Interest</b>		<b>772</b>	<b>674</b>
<b>Total Equity</b>		<b>43,147</b>	<b>44,870</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15 (i)	451	258
Other Financial Liabilities	17 (i)	3	2
Provisions	18 (i)	2	1
Deferred Tax Liabilities (Net)	19	2,422	1,668
Other Non-Current Liabilities	20 (i)	-	100
<b>Total Non-Current Liabilities</b>		<b>2,878</b>	<b>2,031</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15 (ii)	5,350	6,627
Trade Payables	16	5,867	6,839
Other Financial Liabilities	17 (ii)	3,573	13,968
Other Current Liabilities	20 (ii)	617	581
Provisions	18 (ii)	519	3,674
<b>Total Current Liabilities</b>		<b>15,926</b>	<b>31,689</b>
<b>Total Equity and Liabilities</b>		<b>61,951</b>	<b>78,589</b>

The accompanying notes form an integral part of the financial statements.  
As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

**Ramesh Pipalawa**  
M. No. 103840

Place: Mumbai  
Date : May 28, 2018

**For and on behalf of the Board  
of Allied Digital Services Ltd.**

**Nitin Shah**  
Chairman & Managing Director

**Gopal Tiwari**  
Chief Financial Officer

**Prakash Shah**  
Whole Time Director

**Neha Bagla**  
Company Secretary

## Statement Of Consolidated Profit And Loss for the year ended 31<sup>st</sup> March, 2018

(₹ In lakhs)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
<b>Income</b>			
Revenue from Operations	21	22,490	21,530
Other Income	22	404	194
<b>Total Revenue</b>		<b>22,894</b>	<b>21,724</b>
<b>EXPENSES</b>			
Purchase of Stock-in-Trade	23	11,024	11,026
Changes in Inventories	24	(15)	98
Employee Benefit Expense	25	3,502	3,477
Finance Costs	26	547	1,578
Depreciation and Amortisation Expense	4	2,316	2,142
Other Expenses	27	3,293	2,858
<b>Total Expenses</b>		<b>20,667</b>	<b>21,179</b>
<b>Profit / (Loss) from operations before exceptional items</b>		<b>2,227</b>	<b>545</b>
Exceptional Items		(323)	-
<b>Profit / (Loss) from ordinary activities before tax</b>		<b>1,903</b>	<b>545</b>
<b>Tax expense</b>		<b>-</b>	<b>-</b>
Tax expense for current year		599	221
MAT credit		(205)	-
Deferred Tax		509	354
<b>Net Profit / (Loss) from ordinary activities after tax</b>		<b>1,000</b>	<b>(30)</b>
<b>Shares of Profit/(Loss) of Associates &amp; Joint Ventures</b>		<b>(3)</b>	<b>(5)</b>
<b>Net Profit / (Loss) for the Period</b>		<b>997</b>	<b>(35)</b>
<b>Other Comprehensive Income (after tax)</b>			
Items that will not be Reclassified to P&L			
Actuarial Gain/(Loss) on Gratuity		36	47
Items that will be reclassified subsequently to P&L			
Exchange Difference on Monetary Items		50	450
Foreign Currency Translation Difference		10	(42)
<b>Total Comprehensive Income (after tax)</b>		<b>1,094</b>	<b>421</b>
<b>Net Profit/(Loss) attributable to:</b>			
<b>Owners</b>		<b>1,089</b>	<b>378</b>
<b>Non-Controlling Interest</b>		<b>(5)</b>	<b>(43)</b>
Paid-up equity share capital (Face Value of ₹ 5/-)		2,510	2,510
Reserves Excluding Revaluation Reserves as per balance sheet		39,865	41,686
<b>Earning per Share (of ₹ 5/- each) (not annualised):</b>			
Basic		1.99	(0.07)
Diluted		1.99	(0.07)

The accompanying notes form an integral part of the financial statements.

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

**Ramesh Pipalawa**  
M. No. 103840

**For and on behalf of the Board  
of Allied Digital Services Ltd.**

**Nitin Shah**  
Chairman & Managing Director

**Prakash Shah**  
Whole Time Director

Place: Mumbai  
Date : May 28, 2018

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary

## Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2018

(₹ In lakhs)

A. Equity Share Capital	Balance
Balance as at 01.04.2017	2510
Change in Equity Share Capital During the year	-
Balance as at 31.03.2018	<b>2510</b>

## B. Other Equity

(₹ In lakhs)

Particulars	Other Equity					
	Reserve and Surplus					
	Capital Redemption Reserve	General Reserve	Retained Earnings	Securities premium account	Other Component of Equity	Total
Balance as at 01.04.2017	30	1,338	2,076	37,056	1,187	41,687
Profit for the Year	-	-	1,089	-	76	1,165
Adjustment for Prior period taxes	-	-	(41)	-	-	(41)
Adjustment IND AS	-	-	(2,478)	-	(467)	(2,945)
Balance as at 31.03.2018	30	1,338	646	37,056	796	39,866

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

**Ramesh Pipalawa**  
M. No. 103840

Place: Mumbai  
Date : May 28, 2018

**For and on behalf of the Board  
of Allied Digital Services Ltd.**

**Nitin Shah**  
Chairman & Managing Director

**Gopal Tiwari**  
Chief Financial Officer

**Prakash Shah**  
Whole Time Director

**Neha Bagla**  
Company Secretary

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

(₹ In lakhs)

Sr. No.	Particulars	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
I	<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
(a)	<b>Profit/Loss as per Profit &amp; Loss Account after Tax</b>	1,053	331
	Adjustments:		
	Adjustments for Prior period taxes & IND AS effect	(86)	(498)
	Bad Debts Written off during the year	1,496	270
	Interest Written back	(1,172)	
	Depreciation and amortization	2,316	2,142
	Income from Investing Activities	(404)	(229)
	Deferred Tax	509	591
	Finance Cost	547	1,578
	Expenses on Employee stock option plan		13
	Actuarial gain through OCI	36	36
	Income tax paid	(599)	(221)
(b)	<b>FCTR/Revaluation of asset</b>	(40)	(408)
	<b>Changes in Assets and Liabilities</b>		
	Inventories	40	64
	Trade receivables	12,424	(14,066)
	loans and advances	2,264	(683)
	Other Financial Assets	(1,294)	(627)
	other assets	(22)	(1,297)
	Trade payables	(223)	1,879
	Other Financial liability	(10,393)	11,117
	Liabilities & Provisions	(3,219)	2,656
	<b>Net Cash generated by Operating Activities</b>	3,232	2,649
II	<b>CASH INFLOW FROM INVESTING ACTIVITIES</b>		
	Payment toward acquisition of the fixed assets	17	(86)
	Disposal of the Investment\Changes due to Ind As in Investments	11	90
	Dividend received	-	14
	Interest Write off/ Write back	199	85
	Other Non-Operating Income	205	129
	<b>Net Cash generated by Investing Activities</b>	433	233
III	<b>CASH INFLOW FROM FINANCING ACTIVITIES</b>		
	Repayment of loan	(2,284)	(555)
	From borrowings	451	(940)
	Finance Cost	(547)	(1,650)
	<b>Net Cash generated by Financing Activities</b>	(2,380)	(3,145)
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,284	(263)
	Add: Cash and cash equivalents at the beginning of the period (B)	1,638	1,902
	Cash and cash equivalents at the end of the period (A+B)	2,923	1,638

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

**Ramesh Pipalawa**  
M. No. 103840

**For and on behalf of the Board  
of Allied Digital Services Ltd.**

**Nitin Shah**  
Chairman & Managing Director

**Prakash Shah**  
Whole Time Director

Place: Mumbai  
Date : May 28, 2018

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary

## Note No. 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.

##### 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 recognized when its right to receive the dividend is established.
- (iv) Financial instruments: All financial instruments are recognized 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:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) 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**

- (i) 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.
- (ii) 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, if any, 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	Straight line	60 Years
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 re-measured 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 GST as 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.

**(xiii) 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.

#### (xiv) 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.

#### Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

#### Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognized as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Group does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

#### Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

**NOTE - 2 : PROPERTY PLANT & EQUIPMENT**

(₹ In lakhs)

Particulars	Gross Block			Depreciation			Net Block		
	As at 31-03-2017	Add during the year 2017-2018	Adj for Cons/Del during the year 2017-2018	As at 31-03-2018	Upto 31-03-2017	For the year 2017-2018	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Premises Lease Hold	2,886		95	2,981	400	79	400	2,581	2,486
Civil and Plumbing Work	1,818			1,818	175	57	231	1,587	1,643
Furniture and Fixtures	3,314	2	36	3,352	2,055	400	2,417	934	1,259
Office Equipments	950		14	964	929	18	945	19	21
Motor Vehicles	136		-	136	130	4	132	4	6
Computers and IT Equipments	10,509	15	77	10,601	10,162	371	10,460	141	346
Computers (Given on lease)	156			156	156	2	158	(2)	-
<b>Total</b>	<b>19,769</b>	<b>17</b>	<b>222</b>	<b>20,008</b>	<b>14,007</b>	<b>931</b>	<b>14,743</b>	<b>5,265</b>	<b>5,761</b>

**NOTE - 3 : INVESTMENT PROPERTY**

(₹ In lakhs)

Particulars	Gross Block			Depreciation			Net Block			
	As at 31-03-2017	Add during the year 2017-2018	Adj for Cons/Del during the year 2017-2018	As at 31-03-2018	Upto 31-03-2017	For the year 2017-2018	Adj for Cons/Del during the year 2017-2018	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Leasehold Land	2,278	-		2,278	176	55		232	2,046	2,102
Premises Lease Hold	6,873	-		6,873	592	167		759	6,115	6,281
<b>Total</b>	<b>9,151</b>	<b>-</b>	<b>-</b>	<b>9,151</b>	<b>769</b>	<b>222</b>	<b>-</b>	<b>991</b>	<b>8,161</b>	<b>8,383</b>

**NOTE - 4 : INTANGIBLE ASSETS**

(₹ In lakhs)

Particulars	Gross Block			Depreciation			Net Block		
	As at 31-03-2017	Add during the year 2017-2018	Adj for Cons/Del during the year 2017-2018	As at 31-03-2018	Upto 31-03-2017	For the year 2017-2018	Upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Computer Software Licenses	76	-		76	74	2	76	1	2
Intellectual Property Rights	9,612	-	78	9,690	2,373	1,162	(62)	6,217	7,239
Total	9,688	-	78	9,766	2,447	1,163	(62)	6,217	7,241
Grand Total	38,609	17	300	38,925	17,223	2,316	(257)	19,643	21,384

**Note 05: Investments**

**i) Non Current Investments**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Non- Quoted, Long Term, Trade: (Carried at Cost)</b>		
<b>Investment in Associates</b>		
<b>Soft Shell System India Pvt. Ltd.</b>	<b>600</b>	600
117,924 (Previous year: 117924) shares of ₹ 10/- each fully paid up at a premium of ₹ 498.81 per share		
<b>Investment in Others (Unquoted)</b>		
<b>Uthopia Green Trans pvt ltd</b>	<b>0</b>	0
200 (Previous Year: 200) Shares of ₹ 10 each		
<b>Investment carried at amortised cost</b>		
450000 (Previous Year : 450000) Preference shares @ 100/- Devyog Builders Pvt Ltd	<b>148</b>	137
<b>Total Non Current Investments</b>	<b>748</b>	737

**Note 6 : Loans**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non-Current</b>		
Loans and advances to related parties		
Unsecured, considered good	1,551	2,951
<b>Others</b>		
Inter Corporate Deposits	210	315
Others loan and advances	-	1
<b>Total Long Term Loans and Advances</b>	<b>1,761</b>	3,266
<b>(ii) Current</b>		
Loans and advances to related parties		
Subsidiaries & Associates	138	922
Loans and advances (others)		
Unsecured, considered good		
Others loans and advances	113	88
<b>Total Current loans and advances</b>	<b>251</b>	1,010
<b>Total loans</b>	<b>2,012</b>	4,276

**Current and Non Current Loans & Advances**

In respect of other current and non-current loans and advances as appearing above, the Company has not produced the confirmation for the same. The management is of the opinion that these loan and advances are good and recoverable. Due to the absence of these confirmations need to make provision for the doubtful debts has not been ascertain and provided by the company.

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

**Note 7: Other Financial Assets**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non-Current</b>		
Security Deposits		
Unsecured, considered good	6	8
Deferred Interest Exp (Preference Shares)	232	250
Deferred Interest Exp (Loan to Related Party)	72	48
Deferred Interest Exp (Inter Corporate Loan)	95	1
Deferred Interest Exp (Security Deposits)	1	63
Deferred Interest Exp (Loan to Employees)	0	0
<b>Total</b>	<b>406</b>	<b>370</b>
<b>(ii) Current</b>		
Rental Security Deposits	-	
Unsecured, considered good	51	13
Unbilled revenue	3,249	2,214
Deferred Interest Exp (Preference Shares)	18	24
Deferred Interest Exp (Loan to Related Party)	48	-
Deferred Interest Exp (Inter Corporate Loan Given)	63	1
Deferred Interest Exp (Security Deposits Given)	2	31
Interrest Accrued	254	143
Deferred Interest Exp (Loan to Employees)	0	-
<b>Total</b>	<b>3,685</b>	<b>2,427</b>
<b>Total Other Financial Assets</b>	<b>4,091</b>	<b>2,797</b>

\* Financial assets carried at amortised cost

Unbilled Revenue of ₹ 3,249 Lakhs has been considered as certified and represented by the Management.

**Note 8: Other Assets**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non-Current</b>		
Deferred tax Asset	1602	-
Advance Income Tax Assets (Net of provisions)	1,599	3,694
<b>Total</b>	<b>3201</b>	<b>3,694</b>
<b>(ii) Current</b>		
MAT Credit Entitlement	942	736
Prepaid expenses	427	117
<b>Total</b>	<b>1,368</b>	<b>853</b>
<b>Total Other Assets</b>	<b>4,569</b>	<b>4,547</b>

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

**Note 9: Inventories**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Stock in Trade (For Service)	3,145	3,181
Stock in Trade (For trading)	166	170
<b>Total Inventories</b>	<b>3,311</b>	<b>3,351</b>

Inventories are valued at lower of cost and net realizable value. The value of the Inventory as on 31<sup>st</sup> March 2018 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 10: Trade Receivables**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Unsecured, considered good	3,638	3,357
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	11,431	26,925
Less : Provision for doubtful debts	(38)	(46)
<b>Total Trade Receivable</b>	<b>15,031</b>	<b>30,236</b>

**Trade Receivable stated above include debts due from:**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Private Company in which director is a member	2,393	1,898

Note (i) Due to the absence of confirmation from Sundry Debtors need to make provision 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:**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
In Bank Current Account	1,550	567
Cash on hand	17	4
<b>Total Cash and Cash Equivalents</b>	<b>1,567</b>	<b>571</b>

**Note 12: Other Balances with Bank:**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
In fixed deposit accounts (pledged with bank against guarantees issued by them)	1,356	1,067

**Note 13: Share Capital**

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

(₹ In lakhs)

Share Capital	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity shares of ₹ 5 each with voting rights	60,000,000	3,000	60,000,000	3,000
<b>Issued</b>				
Equity shares of ₹ 5 each with voting rights	50,205,528	2,510	50,205,528	2,510
<b>Subscribed &amp; Paid up</b>				
Equity shares of ₹ 5 each with voting rights	50,205,528	2,510	50,205,528	2,510

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

(₹ In lakhs)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
<b>Equity shares with voting rights</b>					
<b>Year ended 31<sup>st</sup> March, 2018</b>					
- Number of shares	50,205,528	-	-	-	50,205,528
- Amount	2,510	-	-	-	2,510
<b>Year ended 31<sup>st</sup> March, 2017</b>					
- Number of shares	50,205,528	-	-	-	50,205,528
- Amount	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 ₹ 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 lakhs)

Name of Shareholder	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	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
Prakash Dhanji Shah	8,178,348	16.29	8,178,348	16.29

**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 29<sup>th</sup> 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 lakhs)

Particulars	2017-2018	2016-2017
<b>Opening Outstanding option</b>	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)	-	-
<b>Closing Outstanding option</b>	2,512,500	2,512,500

**Note 14: Other Equity**

**(i) Reserves and Surplus**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Capital Redemption Reserve</b>		
Opening Balance	30	30
Closing Balance	<b>30</b>	30
<b>Securities Premium Account</b>		
Opening Balance	37,056	37,056
Securities premium credited on allotment of equity shares		-
Utilized during the year for:		-
Closing Balance	<b>37,056</b>	37,056
<b>General Reserves</b>	1,338	1,338
Opening Balance		
Closing Balance	<b>1,338</b>	1,338
<b>Surplus</b>		
<b>Opening balance</b>	2,076	2,523
Minority Interest	-	-
Net Profit/(Net Loss) For the current year	1,089	(77)
Excess Provision made for Proposed Dividend	-	-
Excess Provision made for Dividend Distribution Tax	-	-
Dividends proposed to be distributed to equity shareholders	-	-
Adjustment for consolidation	(2,519)	-
Short Provision of Tax of earlier years (Net)	-	-
Bad debts and other balances Adjusted	-	-
Adjustment of Prior Period Debt	-	(370)
Closing Balance	<b>646</b>	2,076
<b>Foreign Currency Translation Reserve</b>		
<b>Total Reserves and Surplus</b>	<b>39,069</b>	<b>40,499</b>

**(ii) Other component of equity**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Employee Stock Options Outstanding</b>		
Opening	720	707
During the Year		13
<b>Total ESOP Outstanding</b>	<b>720</b>	720
<b>Accumulated Other Comprehensive Income</b>		
Opening		100
During the Year	36	497
<b>Total other comprehensive Income opening</b>	<b>36</b>	597
Foreign Currency Translation Reserve		(88)
Foreign Exchange Difference	40	(42)
<b>Total Other Component of Equity</b>	<b>796</b>	1,187

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Share Warrant Application Money		
Opening Balance	-	-
Current Year Transfer	-	-
Closing Balance	-	-
<b>Total Reserve and Surplus</b>	<b>39865</b>	<b>41686</b>

**Note 15: Borrowings**

(₹ In lakhs)		
Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non Current Borrowings Secured</b>		
Bank of India	-	258
Kotak Bank	451	-
Equitable mortgage of the immovable property situated at Office no. 405 & 406, 4 <sup>th</sup> Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai-400096		
Plot no. 22/1 & 13/5, Rajiv Ghandhi infotech Park, Hinjewadi phase-3 (SEZ) MIDC, Near Lexwear & Yash technologies, Village Hinjewadi, Pune		
Flat no .9, First floor building No A, Sidharth Court, corporative Housing society Ltd, Final plot No. 196, S No.347/2c, Near Hotel Madhuban, Dhole patil Road, Ghorpadi Pune		
Plot no A-24 & A-25 Talawade Software park, MIDC Opposite Fujitsu, Talawade chakhan - MIDC road, Pune owned by Ms. Gateways		
Pledge of shares & Mutual Fund belonging to Mrs. Tejal Shah		
Personal Guarantee of Promoters.		
Corporate guarantee of M/S The Gateways		
<b>Total Non-Current Borrowings</b>	<b>451</b>	<b>258</b>
<b>(ii) Current Borrowings</b>		
<b>Secured</b>		
Loans repayable on demand	5,350	6,627
<b>Total Current Borrowings</b>	<b>5,350</b>	<b>6,627</b>
<b>Total Borrowings</b>	<b>5,802</b>	<b>7,635</b>

In respect of the Fixed Deposits from public unclaimed amount overdue as at 31.03.2018; (Principal - ₹ 33.84 lakhs and Interest ₹ 5.42 lakhs).

**Details of Secured short-term borrowings alongwith Security and Terms of repayment:**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Loans repayable on demand		
From banks:		
Working Capital Facility From State Bank of India	3,442	4,719
Barclays Bank (Foreign Currency Loan)	1,908	1,908
<b>Loans repayable on demand from banks</b>	<b>5,350</b>	<b>6,627</b>

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

Following securities have been offered as the first charge with State Bank of India and pari pasu charge with Barclays Bank -

- (a) Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai;
- (b) Mortgage of office at 13 A, Earnest House, 13<sup>th</sup> Floor, Nariman Point, Mumbai;
- (c) Mortgage of Gala nos. 3,4,7, 301,302,305,306.307 & 308 at Bldg. No. 3, Sector III, MIDC Mahape, Navi Mumbai;
- (d) Hypothecation Charge on Movable assets except Vehicles;
- (e) Hypothecation Charge on Current Assets;
- (f) Personal Guarantee of Promoters.

During the year the Company has entered into one time settlement with respect to its fund & non fund based dues payable to State Bank of India ("SBI") by assignment of its dues to Kotak Mahindra Bank. Such Settlement was accepted by SBI vide its letter dated 23<sup>rd</sup> March, 2018. The details of the same is as under:

(₹ In lakhs)

Cash Component from Kotak Mahindra Bank	25.15
Counter Guarantees for entire BG outstanding/Replacement of existing BG	25.61
Cash Margin available for the BG outstanding with us	14.71
Less: Cash Margin for the proposed BG to be issued by Kotak Mahindra Bank @ 20% of BG amounting to ₹ 25.61 crores	5.13
<b>Total</b>	<b>60.34</b>

As a result of the above settlement, now the Company is not required to pay the amount of unpaid interest which was payable to SBI to the tune of ₹ 10.20 crores for which the company had made the provision in the books of accounts (₹ 4.80 crores for FY 2016-17 and ₹ 5.40 crores for the FY 2017-18).

The dues to SBI is settled by Kotak Mahindra Bank by May, 2018.

Considering the facts that SBI had accepted the settlement before the year end and further that all the formalities of this settlement including the movement of funds from Kotak Mahindra Bank to SBI was completed before the approval of the financials by the Board, the management has given the financial impact of the above settlement in the books of the company for the FY 2017-18.

## Note 16: Trade Payables

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Trade payable</b>		
Trade payable to other than Micro and Small enterprises	5,867	6,839

The Company has not received any intimation 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

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Other Non-Current Financial Liabilities</b>		
Deferred Rent Income ( Security Deposits)	3	2
<b>(ii) Other Current Financial Liabilities</b>		
Maturity of Long term Debts	-	1,652
Security deposit (Rented Property)	9	12
Deferred Income (Security Deposits)	2	1
Interest on FD	-	33
Kotak Bank OD facility	447	-
Loans and advances from related parties	2,983	11,360
Unsecured Loan Others	94	110
Fixed Deposits from public	39	432
Income received in Advance	-	367
<b>Total Other Current Financial Liabilities</b>	<b>3,573</b>	<b>13,968</b>
<b>Total Borrowings</b>	<b>3,577</b>	<b>13,970</b>

## Note 18: Provisions

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Non-Current Provisions</b>		
<b>Provision for employee benefits:</b>		
- Provision for gratuity	2	1
<b>(ii) Current Provisions</b>		
Contribution to Provident Fund	253	283
Contribution to Employee State Insurance Corporation	39	40
Profession Tax	25	23
Leave Travel Allowance	8	8
Provision for other expenses	194	3321
<b>Total Current Provisions</b>	<b>519</b>	<b>3674</b>
<b>Total Provisions</b>	<b>523</b>	<b>3675</b>

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 and other statutory dues.

**Note 19: Deferred tax Asset / Liabilities**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	2,422	1,668

**Note 20: Other liabilities**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>(i) Other Non-Current Liabilities</b>		
Others- Related party	-	100
<b>Total Other Non-Current Liabilities</b>	<b>-</b>	<b>100</b>
<b>(ii) Other Current Liabilities</b>		
Advance received from Customer	574	579
Duties & Taxes	43	2
<b>Total Other Current Liabilities</b>	<b>617</b>	<b>581</b>
<b>Total Other Liabilities</b>	<b>617</b>	<b>681</b>

**Note 21: Operating Income**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Services, Solutions and Sales	22,475	21,526
Lease Rented Income	15	4
<b>Total Operating Income</b>	<b>22,490</b>	<b>21,530</b>

**Note 22 : Other Income**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Interest Income on Deposit with Bank	199	164
Dividend Income	-	14
Net gain on foreign currency transactions	-	(35)
Other non-operating income (Refer Note 22.A)	205	50
<b>Total Other Income</b>	<b>404</b>	<b>194</b>

**Note 22.(A)**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Other non-operating income comprises of:</b>		
Rental Income	46	3
Miscellaneous Income	159	47
<b>Total Other non-operating income</b>	<b>205</b>	<b>50</b>



**Note 23 Purchase of Traded Goods**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Purchase of Traded Goods and Services	10,900	10,816
Other Direct Cost	124	210
<b>Total Purchase of Traded Goods</b>	<b>11,024</b>	<b>11,026</b>

**Note 24 Changes in Inventories of Stock-in-Trade**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Closing Stock	3,311	3,296
Less : Opening Stock	3,296	3,394
<b>Net (increase) / decrease</b>	<b>(15)</b>	<b>98</b>

**Note 25 : Employee Benefits Expenses**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Salaries and wages	3,269	3,164
Contribution to Provident Fund	91	40
Contribution to ESIC	30	21
Contribution to Gratuity	84	52
Staff welfare expenses	28	200
<b>Total Employee Benefit Expenses</b>	<b>3,502</b>	<b>3,477</b>

\* Salary and wages include Managerial Remuneration of ₹ 90 Lakhs for F.Y. 17-18 and ₹ 82 Lakhs towards F.Y. 16-17.

**Note 26 : Finance Cost**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Interest on Borrowings	531	1,368
Other borrowing costs	15	137
<b>Total Finance Cost</b>	<b>547</b>	<b>1,578</b>

**Note 27 Other Expenses**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Rent including Lease Rentals	57	99
Repairs and Maintenance	251	303
Insurance	110	148
Communication	174	184
Travelling and Conveyance	174	187
Electricity Expenses	147	149

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Freight and Forwarding	4	25
Advertisement Expenses	8	141
Legal and Professional Fees	926	699
Payments to Auditors (Refer Note (27A) below)	10	36
Rates and Taxes	583	66
Brokerage Charges	365	257
Security Charges	1	11
Printing & Stationery Expenses	10	14
Business Promotion Expenses	20	35
Office Expenses	49	52
Equipment Hire Charges	1	-
Labour Charges	58	78
CSR provision	9	5
Loss on Sale of Asset	-	-
Sundry Balance W/off	(8)	1
Bad debt W/off	-	270
Donation	1	-
Loss on Sales on Investment	-	37
Miscellaneous Expenses	344	61
<b>Total Other Expenses</b>	<b>3,293</b>	<b>2,857</b>

## 27A Payment to Auditors

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
For Statutory Audit	8	8
For Taxation Matters	2	3
<b>Total</b>	<b>10</b>	<b>11</b>

## Note 28 Exceptional Items

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Reversal of Bank Interest	(1,172)	-
Bad debts written off	1,496	-
<b>Total</b>	<b>323</b>	<b>-</b>

## Note 29 Component of Other Comprehensive Income

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial Gain/Loss on Gratuity	36	47
<b>Income tax relating to items that will not be reclassified to profit or loss</b>	-	450
<b>Total</b>	<b>36</b>	<b>497</b>

## Form No. MGT 11 Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

<b>Name(s) of Member(s)</b>	:	
<b>Registered Address</b>	:	
<b>Email Id</b>	:	
<b>DP ID Client ID / Folio No</b>	:	

I/We, being the member(s) of ..... Equity 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:** .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 03<sup>rd</sup> September, 2018 at 04:00 PM at Walchand Hirachand Hall, 4<sup>th</sup> 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
<b>Ordinary Business</b>	<b>Ordinary Resolutions</b>			
1.	To consider and adopt the audited Financial Statements (Standalone and Consolidated) of the Company for the year ended March 31, 2018 along with the reports of the Board of Directors and the Auditors thereon.			
2.	To appoint a Director in place of Mr. Prakash Dhanji Shah (DIN: 00189842), who retires by rotation and being eligible, offers himself for re-appointment			

Special Business	Special Resolution			
3.	Approval for Revision in Remuneration of Mr. Nitin Shah, Chairman and Managing Director of the Company			
4.	Approval for Revision in Remuneration of Mr. Prakash Shah, Whole-time Director of the Company			
5.	To appoint Mr. Nehal Shah (DIN: 02766841) as the Director of the Company			
6.	To mortgage, pledge, hypothecate or charge, in addition to the existing mortgages, hypothecations and charges created/to be created by the Company pursuant to Section 180(1)(a) of the Companies Act, 2013.			
7.	To borrow money together with the money already borrowed up to ₹ 10,000,000,000 pursuant to Section 180(1)(c) of the Companies Act, 2013.			
8.	To make Investments pursuant to Section 186 of the Companies Act, 2013			
	<b>Ordinary Resolution</b>			
9.	Approval for entering into the related party transactions with Allied Digital Services LLC, pursuant to Section 188 of the Companies Act, 2013.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

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, 13<sup>th</sup> 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.

Affix  
Revenue  
Stamp

## ATTENDANCE SLIP

I/We hereby record my/our presence at the 24<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Walchand Hirachand Hall, 4<sup>th</sup> Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020, on Monday, 03<sup>rd</sup> September, 2018 at 04:00 P.M.

Registered Folio / DP ID & Client ID	
Name	
Address of Shareholder	
No. of Shares held	

.....  
Signature of Shareholder/Proxy

\*Applicable to all Shareholders holding shares of the Company.

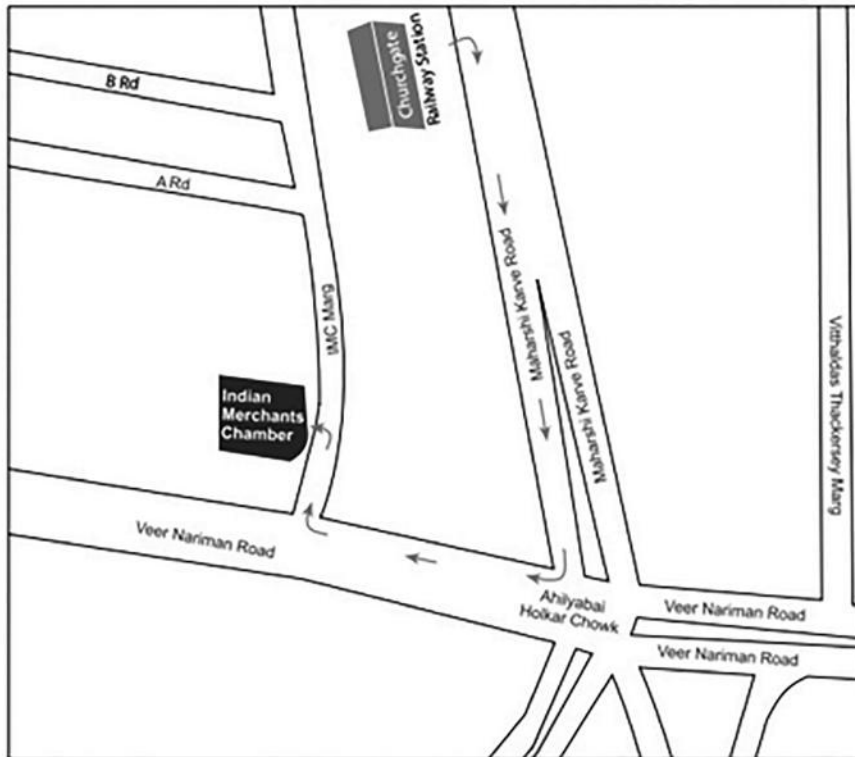
Note: Please fill the attendance slip and hand it over at the entrance of the Meeting Hall.

## DETAILS OF VENUE OF THE ANNUAL GENERAL MEETING

**Address:** Walchand Hirachand Hall, 4<sup>th</sup> Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate Mumbai – 400 020

**Landmark:** Near Churchgate Station

Route Map to the Venue of the AGM









**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](mailto:investors@allieddigital.net)

[www.allieddigital.net](http://www.allieddigital.net)