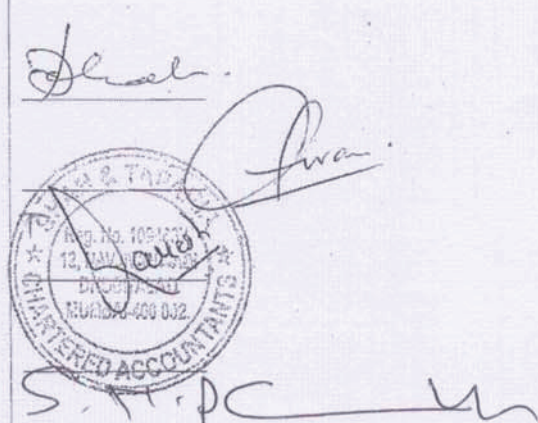
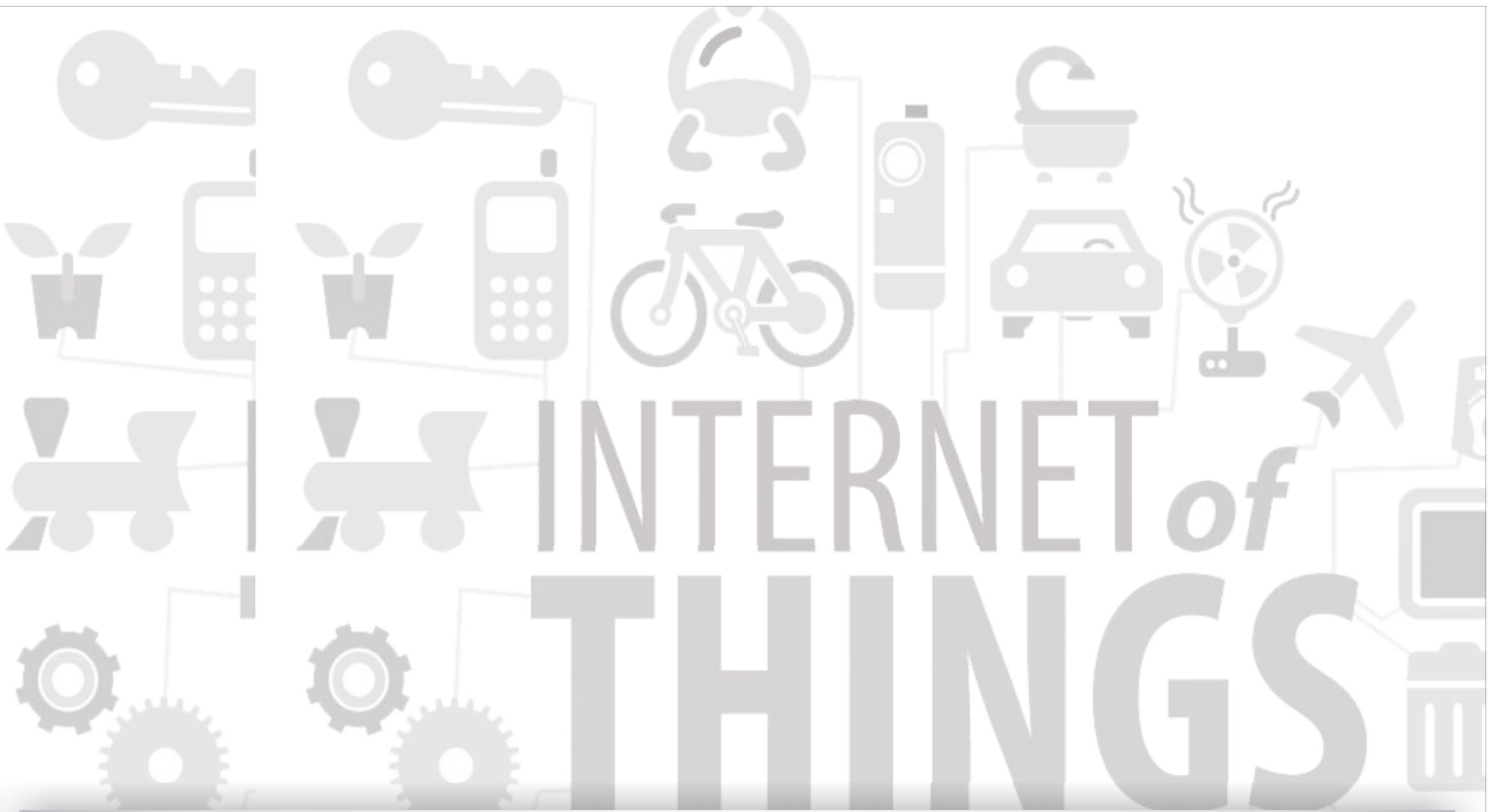


Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1.	<b>NAME OF THE COMPANY</b>	Allied Digital Services Limited
2.	<b>ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED</b>	31 <sup>st</sup> March, 2015
3.	<b>TYPE OF AUDIT OBSERVATION</b>	<p><b>Matter of Emphasis:</b></p> <p>1. Refer point No. 5 of the Notes To Accounts on Page 74 of the Annual Report which states that the Company has not made the repayment of Principal and Interest to the public during the F.Y 2014-15.</p> <p>2. Refer point No. 7 of the Notes To Accounts on Page 75 of the Annual Report which states that the Company is not generally been regular in depositing undisputed statutory dues as applicable with the appropriate authorities.</p>
C	<b>FREQUENCY OF OBSERVATION</b>	The aforementioned matter of emphasis in point 2 has been mentioned in the Annual Report for the year ended March 31 <sup>st</sup> 2012, March 31 <sup>st</sup> 2013, March 31 <sup>st</sup> 2014 and March 31 <sup>st</sup> 2015.
5.	<b>TO BE SIGNED BY:</b> <ul style="list-style-type: none"> <li>• CEO/MANAGING DIRECTOR</li> <li>• CFO</li> <li>• AUDITOR OF THE COMPANY</li> <li>• AUDIT COMMITTEE CHAIRMAN</li> </ul>	



# INTERNET of THINGS

## ANNUAL REPORT 2014-15



allied|digital<sup>TM</sup>

*IT managed. Responsibly.*

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# Corporate Information :

## Board of Directors

### Mr. Nitin D. Shah

Chairman & Managing Director

### Mr. Prakash D. Shah

Executive Director-Commercial

### Mr. Paresh B. Shah

Executive Director & CEO

### Prof. Venugopal R. Iyengar

Independent Director

### Dr. Shrikant N. Parikh

Independent Director

### Dr. Roopkishan S. Dave

Independent Director

### Shubhada Jahagirdar

Director CSR

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ravindra Joshi

## REGISTERED OFFICE

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

**CIN: L72200MH1995PLC085488**

## BANKERS

State Bank of India  
Standard Chartered Bank  
Barclays Bank

## REGISTRAR AND TRANSFER AGENT

Linkintime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (West),  
Mumbai - 400078.

Tel: +91 2225946970

Fax: +91 2225946969

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

## AUDITORS

Shah & Taparia





**CMD**

## **Mr. Nitin Shah**

On behalf of Allied Digital Services Limited, I welcome you all at this function of 9<sup>th</sup> Annual General Meeting. The challenging economic environment globally with the strong ripple effect on the domestic front and the economic meltdown affecting all industries and people across the board and many companies. Dearth of quality projects topped by liquidity draught and palpable strain on the margin and payments left many companies reeling under severe pressure. Your beloved company did not compromise on its now fabled high business prudence, moral ethics and continuous adaptation and research on technology up gradation and weathered all adverse situations to emerge as a Market leader and Winners in the City Surveillance & Smart Cities.

### **GLOBAL MARKET :**

A strong wind of global recession leaving a crippling effect on the economic growth and prosperity of the human beings. This pan global atmosphere is directly interfering and posing a positive threat to further technological innovations and

implementations. Many Indian companies however, by default, have emerged as a prominent global players. It may be heartening to all of you to be enlightened with the fact that your company has emerged as a very strategic global player, with its conspicuous growing global presence in more developed economies. There is more a reason to cheer and look forward and assume this new role aggressively, in the light of the fact that the company has strived too hard to nurture and develop its workforce and which is the USP of your company, to corner opportunities. The company has efficiently and profitably utilized the rapid transition in the IT Technology to newer way of computing, prominent one of which is “Cloud Technology in the virtual environment”, which proved itself to come handy and a cropper to reap the benefit in the ever growing IT Infrastructure business. Continuous in House Research and Development in exploring and adding value to the latest IT buzz terminologies like Internet of Things (IoT's), Big Data, Analytics, Social Media and security et.al. has placed your company to an enviable position, compared to its peers, globally. I assure you that your company is now ready to be in the Driver's seat and committed to scale the newer heights to secure the position of the company to a very respectable position.

### **Indian Market:**

Business scenario in India has grown increasingly tougher in last couple of years precisely for the onset of rising interest rates regimen from financing institutions mainly banks, sluggish market, pressure on margin et. al., leaving a choking effect on the overall business prospect. However, New Central Govt. “ Make in India” initiative has pumped in much needed timely supply of oxygen, aiming to create “Digital India”. Refreshing novel ideas of concepts like “Smart City”, Automation, e-governance, etc. and other Real Time initiatives has promised to create a vast space for IT Infrastructure companies like us, evidenced from the increase in number of business

enquiries. Plethora of never before opportunities is knocking the doors, which can be translated into a very sustainable profitable business.

### **Allied Digital Services Limited:**

Your company is fully geared up to reap the benefit of the opportunities thrown open by the “ Make in India” initiative of the new Govt. We consider it as a major paradigm shift from the hitherto prevalent business scene available to the IT infrastructure companies operating in India and ready to grab benefits of such initiative. Rapid transformation of the company over last three years has placed the company in a position to encash all the opportunities thrown open by the “Digital India” initiative of the Govt. To begin with, the company has successfully bagged the most iconic Rs. 224 crores worth project, Pune City Surveillance Project, which is first of the Govt initiative in Smart City. We take this august forum to happily announce that the Project, entailing installation and activation of 1400 Hi-tech Cameras, has since been successfully completed and inaugurated by the Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis. The robust Digital Backbone across 640 sq. kms. Of area of Pune, Pimpri and Chinchwad area along with GIS, GPS and Intelligent Actionable Video Analytics Software are the key highlights of this project. Central Command and Control Centre at Commissioner of Pune Police Office is fully operational, 24x7, and the Police Dept. finding it extremely handy and useful to unravel and solve crimes in the city. This opens the much cherished flood gates to implement more “smart City” projects across Pan India. In the kind words of the Hon'ble Chief Minister, Shri Devendra Fadnavis, this project fulfills the stringent benchmark of International standard.

Buoyed by the success stories in India, Your beloved company has been doing very well into International Arena and receiving major contracts in USA , UK, Europe, Middle East and African markets. More

viable business enquiries are on the pipeline. It will not be an exaggerated statement to put in place that your company has carved a niche in the IT Infrastructure domain and poised to take a giant leap forward to take this company, which was created out of the sweat and blood of your Promoters, to a newer height.

In recognition to the milestone achievements, it is raining various accolades to your company. The company has bagged “Best Smart City Surveillance Project of the country” Award by Elets Technomedia, Best Managed Service Provider Globally Award by LANDESK for the third consecutive year. Your Chairman was awarded the “Entrepreneur of the Year in Service Business Security 2015” by Entrepreneur India. These are the prominent ones in the long list of Awards.

I conclude with a promise that as a Chairman and Managing Director of the company and my team is poised to take your company to the new height of glory and pride. I promise that you will invariably take immense pride in announcing that you are the privileged share holder of Allied Digital Services Limited.

With Best Wishes

*Nitin Shah*

**NITIN SHAH**

CHAIRMAN & MANAGING DIRECTOR





**CFO**

## **Mr. Prakash Shah**

Like all companies in India, our company has also been at the receiving end of the all economic upheavals witnessed during last couple of years due to global phenomenon of economic slowdown. Our unstinted faith on fair business ethics and lack of compromise on pursuing the continuous process of technological up gradation remained uncompromised. In the hindsight, this has paid rich dividends that we maintained our existence with rapid transformation into IT Infrastructure industry and emerged a major player commanding huge respect from the reputed players of the industry.

The company has forayed into the International Business for last couple of years and gradually made a strong presence in the countries like USA, UK, Middle East etc. The overseas outfits of the company, over last few years, have grown from strength to strength, making itself a formidable force to reckon with. Gradually, doing business overseas making more sense, in the context of high interest regimen with the domestic Banks, pressure on the margin, delayed Receivables etc. As amply highlighted in our Annual Report, our balance sheet remains strong, in respect of Net Worth, Debt Equity Ratio and other important parameters. Post completion of the Rs. 224 crs worth of Pune City Surveillance Project, the company has considerably improved its Cash flow position with the projected steady inflow of cash for 20 quarters. This will help fulfill the strategy of the

company to steadily marginalize the existing debt burdens from the consortium of Banks and wipe out the entire credit exposures of the Project funding Banks.

The success stories of Pune Project will be recreated in all future Smart City Projects, where the company may participate, in near future. Smart City Projects are destined to come up in 98 different centers across the country, including few more in Maharashtra State, as was announced by the Central Govt. Rich with the practical experience from the successfully concluded Pune City Surveillance Project, your company is definitely enjoying the edge over many of its peers. Conservatively speaking, the pioneering role your company has played in the "Smart City" segment in India, will usher in an era of many more technological initiatives in India. This experience, coupled with the zeal and passion for continuous In House Technological Up gradation process will ensure the company to be elevated to "Numero Uno" position, not only in the domestic front but also in the International Arena.

On behalf of the company, I conclude with a firm assurance that your company will grow stronger with every passing of years. I thank you all for the trust and faith reposed on Allied Digital Services Limited, which will surely but steadily take it to the zenith of a glorious period.

*Prakash Shah*

**PRAKASH SHAH**  
Wholetime-Director



**Global CEO**

## **Mr. Paresh Shah**

Dear Shareholders,

It has been a year of lot of hard work, but at the end, huge success, opportunity and recognition.

The Indian economy has failed to pick up in spite of hopes or revival during the mid-quarters of the financial year 2014-15. However, it seems a major correction, as the government and reserve bank is pushing towards improved governance and taking cautious steps on protecting us from the global economic rollercoasters. While the Greek crisis, china devaluation have worried the entire world, including India, the US economy has seen a strong upside.

Your company has been very alert to the volatile economy within India and outside India. Its service transformation has truly helped your company to not only survive in this turbulence but also show growth and roadmap for upward movement in the coming few years.

Today the words “Digital; Business” and “Digital Governance” are catching up in the IT industry, as drivers such as Social Media, Cloud, Analytics, Mobility” along with “IoT (Internet of Things) and Security” drive every enterprise to transform and be successful in the changing economy. The name “Allied Digital” rhymes very well in our strategy for digital business.

### **Our last fiscal Year**

Irrespective of tough times today, your company has achieved great recognition; some great customer wins outside India and is well set for improved stability and positive growth in coming years. It has been a dramatic success this year, both in India and outside.

The company started the first quarter with some toughest challenges due to travel on unknown path in implementing a mammoth and complex “Pune City Surveillance” Project. After extreme tough times and some heroic efforts, in the previous quarters, the project got into full-swing, the last few months have seen massive improvements, finally getting the project complete and then inaugurated by the Chief Minister of Maharashtra. The Project is the first such large state-of-the-art Safe-city project in India with a smart-city ready backbone.

The project has been a huge success, as over 200 crimes have been identified in the last few months of its operations. There is appreciation from the media, the state government and also the project has won the best security award from one of the leading central government driven agencies. As the government funds start coming, this makes your company all set for good consistent support revenue for next few years. All the more, it is important to say that your company is now sitting with huge opportunities, as an experienced leader to implement such projects in other parts of India.

Outside India, the last year has been a successful year in getting important contract renewals from key customers. Your company has delivered great value to existing customers as a result; we have been able to retain the old customer contracts. Also ADiTaaS has made a valuable impact both in saving costs of operations as well as in attracting new customers. However the end of the 2014 and the start of next year have been very impactful in acquiring new business. This is primarily due to bringing innovative service offerings in end user services and upgrading our remote managed service offerings. One major impact has been the transformation of our company into global field service offerings. As a result of which, we have won a large retail account along with our partner. Today your company is proud to say, that it operates in over 25 countries, with strategic tie-ups in some of the countries. Our UK business has been stable. We completed a project on managed security in Kenya and are opening new



doors in Saudi Arabia. Your company has also taken major strides to renovate its managed security offering to get ready for new opportunities.

This year has also marked a year of proven delivery both in terms of creating new benchmarks in project management, the largest project delivered by Allied Digital as well as innovation and transformation showing good results globally. Today, the company has gained recognition as well as direction to take up new opportunities for growth.

### **Current Industry Scenario**

The current year in the first two quarters, of Indian economy looks worrying. However, there seems a good spending on smart city initiatives by the governments, which can be a major driver for our business in India due to our recent grand success. The corporate economy will revive in coming quarters. Globally, we see big traction in winning some global outsourcing infrastructure deals primarily driven out of US business. We have increased our sales capacity in the US and globally, through partnerships, which will further help us add new business.

Technology wise, the current year will see huge growth in Smart City projects, including IoT (Internet Of Things) space. The demand for large CCTV projects is huge in the public sector. In the corporate world, we see big growth in mobility, analytics and managed security space. Globally, we see new trend in end user computing as anytime, any device, anywhere computing takes mainstream stage

Your company has embarked on an ambitious plan for next three years. The three growth engines are "Accelerators", "Big Drivers" and "Smart Initiatives". The "Accelerators" offering of services deal with next generation innovated offerings such as moving from "end user computing" to "end user experience", moving standard NOC to Command and Control Center and re-energized managed security services. Our "Big Drivers" offering deals with potential for huge revenues in the area of Smart City Solutions, IoT and Global Field Services. Our "Smart initiatives" will build new bridges to reach new upcoming opportunities in the area of "Data Analytics", "Mobility" and "ADiTaaS 3.0 for IoT".

Today, Digital India and Digital Business globally, are a big opportunity, and your company is well oriented

and poised to explore opportunities in this year and coming two years.

### **Allied Positioning**

We have successfully delivered a very large project, "Digital Governance", in the form of Safe-City Project. You all should be extremely proud of this. The company employees have worked their heart out to make this iconic project of India a big success. Today, your company carries that passion, teamwork and innovation capability to build new success stories.

We are working with customers globally, to drive such Digital Business Projects. Our revenues are now at positive trend. Your company is fast gaining recognition as a state-of-the-art technology solutions and top-notch services company. At this time, I seek your continued support to take the company to the next level and I am keen to replicate such success and drive the digital business from the front with my colleagues.

With warm regards  
Yours sincerely

*Paresh Shah*

**Paresh Shah**  
Chief Executive Officer  
Allied Digital Services Ltd.





**CEO  
(ISG)**

## **Mr. Jawahar Ali**

### **Allied Digital - Internet of Things initiative**

Commissioning of the Rs. 225 crores Pune City Surveillance (PCS) project as a Master Systems Integrator has been a journey of discovery and skill development for Allied Digital as it comprehensively includes all the components of Information Communication Technology that covers Command and Control Centre, Data Centre, Network, as well as devices such as IP Camera, illuminators and the advanced software for Video surveillance and integration with third party systems such as Vahan (RTO) and police crime investigation system. It has also provided Allied Digital with extensive experience in outdoor work such as underground cabling and erection of poles and gantries at strategic locations. PCS is the largest City Surveillance Project in the country so far that covers an area of 650+ Sq. Km

PCS Project opens up the opportunity for launching the Smart City initiative in Pune by way of sharing of resources such as network backbone and the ICT infrastructure in place. This will result in cost saving and reduction in turnaround time for project completion. Allied Digital now has a proven solution frame work for executing City Surveillance or similar large infrastructure project anywhere in the country or abroad having gained significant knowledge and experience in cost optimization and efficient project execution.

The execution of the PCS project has added significantly to Allied Digital's potential to acquire new business as it provides pre-qualification to bid for large opportunities such as Intelligent Traffic

management system, Smart City and Internet of Things (IoT).

IoT is an emerging technology that has relevance for increasing value in any industry such as manufacturing, energy, traffic management, water /gas / electricity supply and many more. Since all these components are also part of the Smart City concept, core competency in IoT is crucial for going forward in this concept and the new business environment of emerging technology.

### **IT comprises of the following components:**

- Sensors: to collect data (e.g. Temperature, pressure, gases, pollutants, vehicle count etc.)
- ICT infrastructure for collecting, transmitting, and storing data (e.g. Server, storage, telecom network)
- Processing of Data and making them available to relevant agencies (e.g. Power / Electric/ water Supply, Municipal Corporation) for Big Data analytics to supports decision making process.

Allied Digital being an early mover in the emerging technology business, has acquired the knowledge and competency for a winning participation in the opportunities that are surfacing in the market. Partnering with the leading global players in the IoT Technology Allied Digital is adopting innovation driven approach to address the market. The PCS project is an example of this approach.

Being a Master Systems Integrator, Allied Digital has to provide solution life cycle support to its customers after commissioning the integrated system as part of the contract. Therefore as a strategy it has always used technology that is based on open standards and platforms to avoid getting locked in with a single vendor for solution life cycle support. Moreover open standards ensure freedom of choice to the customers combined with reduced Total Cost of Ownership.

To consolidate its position in the market and continue to deliver quality solution specially in the emerging business such as IoT, Allied Digital has ensured manpower competency building through training and certification of its team from leading global partners in technology.

According to the Gartner Report, the global IoT industry is expected to generate business of US\$ 300 Billion by 2020 supporting 27 billion devices. India is expected to have around 5% to 6% share of the global business. Allied Digital is aiming to position itself as a major player in this business in India.

With warm regards

Yours sincerely

*Jawahar Ali*

**Jawahar Ali**

Chief Executive Officer

Allied Digital Services Ltd.

# Global Footprints of Allied Digital





# AdiCube

Represents our Modular, Flexible and Technology Neutral Services Offerings where innovation is our core Focus.



**Cross Functional Services**

- ❖ Service Delivery Management
- ❖ Managed Security Services
- ❖ Governance, Risk, Compliance (GRC) & Quality
- ❖ Disaster Recovery
- ❖ Innovation & Continuous Service Improvement
- ❖ Transition, PMO & Professional Services

### ❖ Benefits ❖



## Events & News

### Allied digital & Huawei networking event –Mumbai



Allied digital and Huawei held an exciting and informative session dinner session on 10th October 2014 at Royal orchid hotel, Mumbai to help understand how large enterprises leverage Huawei's cutting-edge solutions to transform their existing IT infrastructure.

### Pune City surveillance project completion & launch, Pune



Allied digital services limited for the Government of Maharashtra successfully completed and launched "India's largest smart city surveillance project", "India's 1<sup>st</sup> Safe city-Pune". It was inaugurated by Honorable Chief Minister of Maharashtra-Mr. Devendra Fadnavis.

- The Pune City Surveillance project is a comprehensive safe city project covering an area of more than 640 sq. km with 1250+ cameras at 440 junctions.
- Integration of Video Analytics and Automatic Number Plate Recognition System for real time alerts and for investigative incident reconstruction.
- Enterprise Management System for real time tracking of health of entire system to ensure maximum uptime.
- Future Proof Command and Control Centre for integration of subsystems required to meet current and future security requirement.
- Integration of registered Smart Phone with the Surveillance System.



- Network Architecture of the City Surveillance System provides Digital Communication backbone for deploying Smart City solution for Pune



## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-First Annual General Meeting of Allied Digital Services Limited will be held on Thursday, September 24, 2015 at IMC Building, IMC Marg, Churchgate, Mumbai - 400020, at 03:00 P.M., to transact the following businesses:

### **Ordinary Business:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2015, Statement of Profit and Loss Account for the Financial Year ended on that date and the Reports of the Auditor's and the Directors' thereon;
2. To appoint a Director in place of Mr. Prakash Dhanji Shah, who retires by rotation and being eligible, offers himself for re-appointment;
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and read with Companies (Audit and Auditors) Rules, 2014 including any statutory modification, re-enactment and amendments made from time to time, consent of members be and is hereby accorded to re-appoint M/s. Shah & Taparia Chartered Accountants, Mumbai, bearing Membership Number 033594, as Statutory Auditors to hold the office for a period of five years i.e. from conclusion of this Annual General Meeting until conclusion of Twenty-Fifth Annual General Meeting of the Company subject to ratification of their appointment in every Annual General Meeting at such remuneration plus service tax, out of pocket and travelling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

For and on behalf of the Board of Directors

Sd/-

**Mr. Nitin Shah**

DIN: 00189903

Chairman and Managing Director

Registered Office:

Premises No. 13A, 13th Floor,

Earnest House,

Backbay Reclamation,

NCPA Road, Block III,

Nariman Point,

Mumbai – 400021

Date: 14<sup>th</sup> August, 2015

## NOTES:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
- 2) A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty 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 may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder;
- 3) The Register of Members and Transfer Books of the Company will be closed from 18<sup>th</sup> September, 2015 to 24<sup>th</sup> September, 2015, both days inclusive;
- 4) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Pvt Ltd;
- 5) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s. Link Intime India Pvt Ltd for assistance in this regard;
- 6) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or M/s. Link Intime India Pvt Ltd, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon;
- 7) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote;
- 8) Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF): Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956 and section 123 of Companies Act, 2013 all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2015, nor shall any payment be made in respect of such claim;

- 9) In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice;
- 10) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting;
- 11) Members/Proxies should fill the attendance slip for attending the meeting and bring their attendance slip along with their copy of Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting;
- 12) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such a representative to attend and vote on their behalf at the meeting;
- 13) All documents referred to in the notice are open for inspection at the registered office of the Company between Business hours on all working days up to the date of the Meeting;
- 14) Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Link Intime India Pvt Ltd., C-13 Pannalal Silk Mills Compound L B S Marg, Bhandup-West, Mumbai - 400 078. Tel. No.: +91-22-25946970. Fax No.: +91-22 -25946969.
- 15) Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Ravindra Joshi, Company Secretary and Compliance Officer at the Company's registered office. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, be transferred to the Investor Education and Protection Fund as per Section 205C of the Companies Act, 1956;
- 16) The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the Central Government, which remain unpaid:

Sr. No.	Date of Declaration	Dividend for the year	Due date of transfer to the Government
1	September 23 <sup>rd</sup> , 2009	Final Dividend 2008-09	October 22 <sup>nd</sup> , 2016
2	September 29 <sup>th</sup> , 2010	Final Dividend 2009-10	October 28 <sup>th</sup> , 2017
3	September 29 <sup>th</sup> , 2011	Final Dividend 2010-11	October 28 <sup>th</sup> , 2018
4	September 27 <sup>th</sup> , 2012	Final Dividend 2011-12	October 26 <sup>th</sup> , 2019



It may be noted that the claimant of the shares transferred above shall be entitled to claim the transfer of shares from Investor Education & Protection Fund in accordance with the procedure and submission of such documents as may be prescribed. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all the unclaimed dividend warrants to the Registrar & Share Transfer Agents or to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

- 1) Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended March 31, 2015 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

Sr. No.	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund	Date of transfer to Investor Education & Protection Fund
Nil	Nil	Nil	Nil	Nil

- 2) As per the provisions of the Companies Act, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company;
- 3) Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting;
- 4) Information under clause 49 of the listing agreement relating to directors retiring by rotation and seeking re-appointment given at **Annexure I**;
- 5) **E- voting :**  
In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

#### Process for E –Voting –

#### The procedure and instructions for e-voting are as follows:

- i. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- ii. Click on “Shareholders” tab to cast your votes;

- iii. Now select the “**COMPANY NAME**” from the drop down menu and click on “**SUBMIT**”;
- iv. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below;
- vi. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account / folio number in the PAN field.

In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the Name in CAPITAL letter. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

# Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- i. After entering these details appropriately, click on “**SUBMIT**” tab;
- ii. Members holding shares in physical form will then reach directly 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;
- iii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- iv. Click on the **EVS**N for the relevant <Company Name> on which you choose to vote;
- v. 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;
- vi. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolutions;
  - vii. 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;
  - viii. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote;
  - ix. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page;
  - x. If Demat account holder has forgotten the changed password then Enter the User ID and Image verification code and click on Forgot Password & enter the details as prompted by the system;
  - xi. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - xii. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - xiii. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - xiv. The list of accounts should be mailed to [helpdesk.evoting@cdsl.com](mailto:helpdesk.evoting@cdsl.com) and on approval of the accounts they would be able to cast their vote.
  - xv. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same;

**In case of members receiving the physical copy:**

- 1) Please follow all steps from sr.no. (i) to sr.no (xxi) above to cast vote.
- 2) The voting period begins from 9.00 a.m. on Monday, 21<sup>st</sup> September, 2015 and ends on 5:00 p.m. on Wednesday, 23<sup>rd</sup> September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 16<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- 3) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com);
- 4) M/s. Pramod S. Shah & Associates, Practicing Company Secretaries, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2(two) witness not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company;
- 5) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.alliedigital.net](http://www.alliedigital.net) and on the website of CDSL immediately after the result is declared by the Chairman.

**For and on behalf of the Board of Directors**

**Sd/-**

**Mr. Nitin Shah  
DIN: 00189903**

**Chairman and Managing Director**

**Date: 14<sup>th</sup> August, 2015**

**INFORMATION UNDER CLAUSE 49 (IV)(G)(I) AND CLAUSE 49 (IV)(E)(V) OF THE LISTING AGREEMENT  
REGARDING RE - APPOINTMENT OF DIRECTORS:**

**Mr. Prakash Dhanji Shah** aged 52 years was appointed as a Chief Finance Officer (CFO) of the Company with effect from 14<sup>th</sup> August, 2014 and resigned from the position with effect from 14<sup>th</sup> August, 2015. He is also the Whole time Director of the Company since 10<sup>th</sup> February, 1995.

**For and on behalf of the Board of Directors**

**Sd/-  
Nitin Shah  
DIN: 00189903  
Chairman and Managing Director**

**Registered Office:**

Premises No. 13A, 13th Floor,  
Earnest House,  
Backbay Reclamation,  
NCPA Road, Block III,  
Nariman Point,  
Mumbai – 400021

**Date: 14<sup>th</sup> August, 2015**

## DIRECTORS' REPORT

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

Your Directors are pleased to present herewith the 21<sup>st</sup> Annual Report on the business and operations of your Company and Audited Accounts for the Financial Year ended March 31, 2015 together with the Audited Statement of Accounts and Auditor's Report thereon.

### The State of the Company's Affairs:

#### 1. KEY FINANCIAL HIGHLIGHTS :

(INR in Lakhs)

Particulars	2014-15	2013-14
Total Operational Income	12,549.52	14,938.06
Other Income	1,075.61	3,250.95
<b>Total Income</b>	<b>13,625.13</b>	<b>18,189.01</b>
Less: Operating Expenditure	9,395.47	13,492.09
<b>Profit before Interest, Depreciation, Amortization Tax &amp; Exceptional Item</b>	<b>4,229.66</b>	<b>4,696.92</b>
Less: Depreciation	2,394.88	2,325.24
Less: Interest	1,618.87	1,437.98
<b>Profit before Tax and Exceptional Item</b>	<b>215.91</b>	<b>933.69</b>
Exceptional Item	-	-
<b>Profit before Tax</b>	<b>215.91</b>	<b>933.69</b>
Less: Provision for Taxation	40.00	194.80
Less: Deferred Tax Liability	174.10	(542.28)
<b>Net Profit for the year</b>	<b>41.81</b>	<b>1,281.17</b>
Add: Balance brought forward from the Previous Year	28,707.51	27,426.34
Less: Adjustment for Depreciation	1,734.01	--
<b>Amount Available for Appropriation</b>	<b>27,015.31</b>	<b>28,707.51</b>
Less: Transfer to General Reserve	-	-
Proposed Dividend Including Dividend Tax	-	-
Short provision of Tax of earlier years (Net)	-	-
Add: Excess provision of Tax of earlier years	-	-
<b>Balance carried to Balance Sheet</b>	<b>27,015.31</b>	<b>28,707.51</b>

During the year under review your Company has reported a total income of INR 13,625.13 lakhs out of which non-operating income amounts to INR 530.42 lakhs. Revenue from Operating Income decreased by INR 2,388.54 lakhs i.e. by 15.99% as compared to the previous year.

**2. RECENT DEVELOPMENTS:**

During the Financial Year 2014-2015, your Company has made the following Developments:

- Completed the prestigious Pune City Surveillance (safe city) project, first of its kind and size in India;
- Won the large global deal in retail industry and expanded globally to 20 other cities;
- Looking forward for better opportunities for trading in Africa and Middle East;
- Robust business growth in the United States of America;
- New initiatives in Digital business such as IOT, Analytics & Security.

**3. OUTLOOK:**

During Financial Year 2015-2016, the company aims to deepen its engagements with existing clients, draw repeat business, and emerge as the "First Choice" and the preferred partner for its marquee global customers.

The Company sees its eco-system of critical partnerships and alliances with reputed global companies as an important asset and will continue to explore opportunities to further expand it.

The Company's differentiated business model with strong capabilities in its chosen verticals, programme management track-record, investments in intellectual property, and a reinforced leadership team are great advantages in the prevailing macro-environment that remains volatile.

**4. DIVIDEND:**

In recognition of the fact that the economy is recovering and in view of the Company's performance the Directors do not recommend any Dividend for the Financial Year 2014-2015.

**5. CONSOLIDATED FINANCIAL STATEMENT:**

Your Directors are pleased to attach the Consolidated Financial Statements pursuant to Section 129 and all other applicable provisions of the Companies Act, 2013 and as per the requirement of Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards (AS) – 21 and all other applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

**6. DETAILS OF SUBSIDIARY/JOINT VENTURES/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;	Subsidiary	02 <sup>nd</sup> July 2008
2.	Allied Digital INC;	Subsidiary	31 <sup>st</sup> October,2007
3.	Allied Digital Singapore Pte Ltd	Subsidiary	12 <sup>th</sup> October,2010
4.	Allied Digital Asia Pacific PTY LTD (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	6 <sup>th</sup> August,2007

**Details of the Company who ceased to be its Subsidiary/ Joint ventures/Associate Companies:**

Sr. No	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of cession of Subsidiary / Joint ventures/ Associate Company.
<b>Not Applicable</b>			

Pursuant to the provisions of Section 129 of the Companies Act, 2013 ("the Act"), the Company is required to attach to its Annual Report, the Balance Sheet, Profit and Loss Account, Directors' Report and the Report of the Auditors' (collectively referred to as "the accounts and reports"), of its subsidiaries for the year ended March 31st, 2015.

As required under the Listing Agreement with the stock exchange(s) a consolidated financial statement of the Company and all its subsidiaries have been prepared and attached hereto.

The Ministry of Corporate Affairs has granted a general exemption to the companies from attaching financials of the subsidiaries, subject to the laid down conditions. The Board of Directors has also given their consent for not attaching the accounts and reports of its subsidiary to the Annual Report. Therefore, the Company shall not be attaching the audited accounts of the subsidiaries to the annual accounts of the Company for the current year. The annual accounts of the subsidiary companies and related detailed information will be made available to any member of the Company or subsidiary company upon request and are also available for inspection by any member of the Company, during the business hours, at the registered office of the Company and that of the subsidiary company concerned.

**7. TRANSFER TO RESERVES:**

The Company has not proposed to transfer any amount to the General Reserve out of amount available for appropriations.

**8. MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR:**

No material changes and commitments have occurred after the close of the year till the date of this Report, which affects the financial position of the Company.

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013:**

Particulars required to be furnished by the Companies as per Rule 8 of Companies (Accounts) Rules, 2014, are as follows:

**A. RULE 8 SUB-RULE 3 (A) PERTAINING TO CONSERVATION OF ENERGY**

Although operations of the Company are not energy intensive, steps are always been taken to conserve energy in all possible areas.

**B. SUB-RULE 3 (B) PERTAINING TO TECHNOLOGY ABSORPTION**

The sub rule is not applicable to the company.

**C. RULE 8 SUB-RULE 3 (C) PERTAINING TO FOREIGN EXCHANGE EARNINGS AND OUTGO-**

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

(INR in Lakhs)

Particulars	2014-15	2013-14
Earnings	1,343.17	2,748.95
Outflow (including Capital imports)	738.14	151.52
Net Foreign Exchange Earnings (NFE)	605.03	2,597.43
NFE / Earnings (%)	45	94

**10. MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, is presented in a separate section forming a part of this Annual Report.

**11. ANNUAL RETURN:**

The extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is annexed as “**ANNEXURE 1**” to this report as on 31st March, 2015.

**12. FIXED DEPOSITS:**

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

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

(INR in Lakhs)

<b>Sr. No</b>	<b>2014-15</b>	<b>2013-14</b>
Deposits accepted during the year	--	--
Deposits unpaid or unclaimed at the end of the year	108.33	--
Default in repayment of deposits or payment of interest:	10.66	--

Further, in case of default in repayment of deposits or payment of interest:

(INR in Lakhs)

<b>Number of cases</b>	<b>At the beginning of the year</b>	<b>Maximum during the year</b>	<b>At the end of the year</b>
Total amount involved	118.99	118.99	118.99

**Details of Deposits not in compliance with the Companies (Acceptance of Deposits) Rules, 2014:**

There are no deposits which are not in compliance with the requirement of the aforementioned rules as on 31st March, 2015.



**13. BOARD MEETINGS:**

The Board of Directors (herein after called as “the Board”) met for Four times during the Year under review:

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1	30.05.2014	<b>Venue:</b> Premises No.13A, 13 <sup>th</sup> Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021.  <b>Time:</b> 11 A.M.	1) Mr. Nitin Shah 2) Mr. Prakash Shah 3) Dr. Shrikant Parikh 4) Mr. Paresh Shah 5) Dr. Roop Kishan Dave	Prof. Venugopal Iyengar.
2	14.08.2014	<b>Venue:</b> Premises No.13A, 13 <sup>th</sup> Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021  Time: 4:30 P.M	1) Mr. Nitin Shah 2) Mr. Prakash Shah 3) Dr. Shrikant Parikh 4) Mr. Paresh Shah 5) Dr. Roop Kishan Dave 6) Prof. Venugopal Iyengar	None
3	14.11.2014	<b>Venue:</b> Premises No.13A, 13 <sup>th</sup> Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021  Time: 3:00 P.M.	1) Mr. Nitin Shah 2) Mr. Prakash Shah 3) Prof. Venugopal Iyengar 4) Dr. Roop Kishan Dave	1) Dr. Shrikant Parikh 2) Mr. Paresh Shah
4	12.02.2015	<b>Venue:</b> Premises No.13A, 13 <sup>th</sup> Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021  Time: 5:00 P.M.	1) Mr. Prakash Shah 2) Dr. Shrikant Parikh 3) Mr. Paresh Shah 4) Prof. Venugopal Iyengar 5) Ms. Shubhada Jahagirdar	1) Mr. Nitin Shah 2) Dr. Roop Kishan Dave

#### 14. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Changes in Directors and Key managerial personnel are as follows:

Sr. No	Name of the Director/Key managerial personal	Particulars	Date of Appointment and resignation
NOT APPLICABLE			

#### 15. STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013:

As per the provisions of Section 149(4) of the Companies Act, 2013 every listed public company shall have at least one-third of the total number of directors as independent directors.

In view of the above your Company has duly complied with the provision by appointing following Independent Directors:

Sr. No.	Name of the Independent Director	Date of appointment / Reappointment	Date of passing of resolution (if any)
1.	Ms. Shubhada Jahagirdar	01/10/2014	25.09.2014
2.	Prof. Venugopal Ramaswami Iyengar	28/04/2009	25.09.2014
3.	Dr. Shrikant Navnittal Parikh	23/05/2006	25.09.2014
4.	Dr. Roopkishan Sohanlal Dave	05/10/2009	25.09.2014

All the above Independent Directors meets the criteria of 'independence' prescribed under section 149(6) and have submitted declaration to the effect that they meet with the criteria of 'independence' as required under section 149(7) of the Companies Act, 2013.

#### 15. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

A new concept of 'Familiarisation programme for Independent Directors' has been introduced by Clause 49.

As per Clause 49(II) (B) (7) of the Equity Listing Agreement:

“The Company shall familiarise the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.”

The Company is in the process of developing familiarisation programmes for its independent directors including their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters. The same shall be updated on website of the Company in due course.

#### 16. COMMITTEES OF BOARD:

##### I. Nomination and Remuneration Committee:

The Remuneration Committee of the Board has been constituted in the year 2007, which inter-alia recommends to the Board the compensation terms of Executive Directors, managerial personnel's and the senior most level of management immediately below the Executive Directors. The Remuneration Committee deals with all elements of remuneration package of all the Executive Directors i.e. salary, benefits, bonuses, stock options, pension etc.

including details of fixed component and performance linked incentives, along with the performance criteria. The remuneration of Executive Directors is decided by the Board of Directors and the Remuneration Committee as per the remuneration policy of the Company within the overall ceiling limits approved by shareholders.

a) Composition of the Committee:

The Composition of the Committee is as under :

- Chairman** : Dr. Shrikant Parikh- Non- Executive and Independent Director  
**Members** : 1. Prof. Venugopal Iyengar - Non-Executive and Independent Director  
 2. Dr. Roopkishan Dave - Non-Executive and Independent Director

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

To approve the Remuneration Plan of the Company;

To review and grant increments to Executive / Managing Director;

Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

c) Attendance at the Remuneration Committee Meetings :

During the Financial Year 2014 –15, No meeting of the Remuneration Committee was held.

d) Disclosure of Remuneration paid :

At present Non – executive and Independent Directors are not paid any remuneration except sitting fees for attending Board and Committee Meetings.

Details of remuneration paid to Directors during the accounting year ended March 31st, 2015 are as under:

Name of Directors	Salary (Amt. in `)	Sitting fees (Amt. in `)	Total (Amt. in `)	Stock Option granted
Mr. Nitin Shah	50,00,004	-	50,00,004	-
Mr. Prakash Shah	30,00,000	-	30,00,000	-
Mr. Paresh Shah	13,51,864	-	13,51,864	-
Dr. Shrikant Parikh	-	80,000	80,000	-
Dr. Roopkishan Dave	-	40,000	40,000	-
Prof. Venugopal Iyengar	-	80,000	80,000	-

Mr. Nitin Shah, Managing Director and Chairman and Mr. Prakash Shah, Whole-time Director were appointed w.e.f. April 01st, 2011 and the details of the remuneration during the accounting year ended March 31st, 2015 are given as under:

Name of Directors	Fixed Salary	Perquisite	Performance linked Incentive	Sitting Fees	Total	Service Contract / Notice Period	Stock Option granted, if any
Mr. Nitin Shah	1,500,004	3,500,000	N.A.	NIL	5,000,004	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	NIL
Mr. Prakash Shah	750000	2250000	N.A.	NIL	3000000	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	NIL

## **Nomination and Remuneration Policy**

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as "ANNEXURE 2" to the Directors' Report.

Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual directors. The Company's Nomination and Remuneration Policy is directed towards rewarding performance based on review of achievements periodically. The Nomination and Remuneration Policy is in consonance with the existing industry practice.

## **II. Audit Committee:**

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

In accordance with the provisions of Section 177 of the Companies Act, 2013 your Company has constituted an "Audit Committee" comprising of minimum three directors consisting of two non- executive Independent directors and one executive director with the Chairman being Independent director. The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing.

a) The Composition of the Committee is as under:

**Chairman** : Dr. Shrikant Parikh- Non-Executive & Independent Director

**Members** : 1. Prof.Venugopal Iyengar- Non-Executive & Independent Director  
2. Mr. Prakash Shah- Executive Director

The Board of Directors constituted the Audit Committee in the year 2007. The Audit Committee for the accounting year comprises of following two non-executive and independent directors and one executive director who have financial / legal / accounting acumen to specifically look into the internal controls and audit procedures.

In addition to the members of the Audit Committee, these meetings are attended by the Head of Finance & Accounts and other respective functional heads, internal auditors and statutory auditors of the Company, whenever necessary and those executives of the Company who can provide inputs to the Committee. The quarterly / half-yearly and annual audited financials of the Company are reviewed by the audit committee before consideration and approval by the Board of Directors. The Committee also reviews the internal control systems, IT systems and conduct of the internal audit.

b) Meetings :

Four (4) Audit Committee Meetings were held during the Financial Year 2014-15. The date on which the said meetings were held are, May 30th, 2014, August 14th, 2014, November 14th, 2014 and February 12th, 2015.

c) Mr. Ravindra Joshi, Company Secretary, acts as Secretary of the Committee.

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

The Terms of reference of the Audit Committee are broadly stated as under:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;

6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.

A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year. Suitable disclosures have been made in the financial statements. The Minutes of the Meetings of the Committee are circulated through email to all Directors and are confirmed at the subsequent Meeting.

### III. INVESTORS /SHAREHOLDER'S GREIVANCE COMMITTEE:

a) Composition:

**Chairman:** Prof. Venugopal Iyengar-Non-Executive & Independent Director

**Member:** 1) Mr. Prakash Shah-Executive Director

2) Dr. Shrikant Parikh-Non-Executive & Independent Director

The Board of Directors constituted a Shareholders Grievance Committee in the Financial Year 2007. The Shareholders' Grievance Committee for the Accounting Year comprises of following two Non-Executive and Independent Directors and one Executive Director

b) Meeting of the Shareholders' grievance Committee Meetings: Four (4) Shareholders' Grievance Committee Meetings were held during the Financial Year 2014-15. The dates on which the said Meetings were held are May 30th, 2014, August 14th, 2014, November 14th, 2014 and February 12th, 2015.

c) Compliance Officer:

Mr. Ravindra Joshi, Company Secretary, has been designated as the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchange.

d) Investors' / Shareholders' Grievance Redressal:

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Nature of Complaints	Opening	Received	Resolved	Pending
Non Receipt of Annual Report	0	1	1	0
Non receipt of dividend	0	0	0	0
Total	0	1	1	0

During the Accounting Year ended March 31st, 2015, one complaint was received from shareholders, and the same has been resolved as on date.

All valid Share Transfers received during the accounting year ended March 31st, 2015 have been acted upon. There were no share transfers pending for more than 30 days for the half-year ended September 30th, 2014, and for more than 15 days for the half-year ended March 31st, 2015.

The Shareholders' Grievance Committee continued to function effectively and held Four (4) meetings during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. The complaints and grievances of shareholders received were duly attended by the Committee and as of now no complaints are pending.

- e) Terms of reference of the Committee, inter alia, includes the following :
- Transfer/Transmission of shares;
  - Redressal of the Complaints of the share holders;
  - Issue of duplicate share certificates;
  - Review of shares dematerialized and all other related matters;
  - Monitors expeditious redressal of investors' grievances;
  - Non receipt of Annual Report and declared dividend;
  - Non receipt of Notices, Share Certificates, Annual reports, Dividends;
  - All other matters related to shares.

### III. COMPENSATION COMMITTEE:

The Compensation Committee was formed inter alia to formulate detailed terms and conditions of Employee Stock Option Scheme.

a) Constitution and Composition of Committee :

Chairman : Mr. Nitin Shah- Chairman & Managing Director

Members: 1) Dr. Shrikant Parikh -Non-Executive & Independent Director  
2) Prof. Venugopal Iyengar- Non-Executive & Independent Director

b) Meeting of the Compensation Committee:

During the Financial Year 2014 – 2015, No Compensation Committee Meeting was held.

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

To decide the terms and conditions of the Employee Stock Option Scheme (ESOP);

The quantum of any option to be granted under an employee stock option scheme per employee and in aggregate;

The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;

The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

The right of the employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights, issues, bonus issues, merger, sale of divisions and other; The grant, vest and exercise of option in case of employees who are on long leave.

### IV. MANAGEMENT COMMITTEE :

a) Constitution and Composition of Committee:

The Board constituted Management Committee on April 28th, 2009 comprising of Mr. Nitin Shah, Chairman and Managing Director as Chairman, Mr. Prakash D. Shah and Mr. Paresh Shah as Members of the Committee.

b) Meeting of the Management Committee:

Management Committee Meetings were held Four times during the Financial Year 2014–2015. The dates on which the said Meetings were held are May 30th, 2014, August 14th, 2014, November 14th, 2014 and February 12th, 2015.

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 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 power or for 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 decide on 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 suits against distributors / dealers / customers and to authorize company's executives to prosecute the same;

To launch criminal proceedings against those misusing the company's rights under the Design, Patents, Trademarks and Copyright Laws;

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

## V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

In accordance with Section 135 of the Companies Act, 2013 your Company has constituted a Corporate Social Responsibility Committee consisting of 3 Directors out of which 2 directors are independent Directors.

The Composition of this Committee is as under.

Chairman: Ms. Shubhada Jagirdar

Members: Mr. Prakash Shah

Dr. Shrikant Parikh

### Corporate Social Responsibility (CSR) Initiatives:

As part of its initiatives under "Corporate Social Responsibility (CSR), the Corporate Social Responsibility Committee (CSR Committee) has been formed in accordance with Schedule VII of the Companies Act, 2013. However, formulation of the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by your Company is under process and shall be recommended to the Board for their approval in due course.

### **23. LISTING FEES :**

The Equity Shares of your Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Your Company has paid the applicable listing fees to the above Stock Exchanges for the financial year 2014 - 2015. Your Company's shares are also traded in dematerialized segment for all investors compulsorily and your Company had entered into agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for custodial services.

### **24. THE VIGIL MECHANISM :**

Your Company believes in promoting a fair, transparent, ethical and professional work environment.

The Board of Directors of the Company has established a Whistle Blower Policy & Vigil Mechanism in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement for reporting the genuine concerns or grievances or concerns of actual or suspected, fraud or violation of the Company's code of conduct. The said Mechanism is established for directors and employees to report their concerns. The policy provides the procedure and other details required to be known for the purpose of reporting such grievances or concerns. The same shall be uploaded on the website of the Company in due course.

### **25. QUALIFICATION GIVEN BY THE AUDITORS:**

#### **(a) QUALIFICATION GIVEN BY THE STATUTORY AUDITORS:**

There are no qualificatory remarks made by the Statutory Auditors of the Company in their report.

#### **(b) QUALIFICATION GIVEN BY THE SECRETARIAL AUDITOR:**

The Secretarial Auditor is appended as “ANNEXURE 3” in their report.

### **26. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES**

Pursuant to Section 188 read with Rule 15 of The Companies (Meetings of the Board and its Powers) Rules, 2014, a Company shall enter into any contract or arrangement with a related party with respect to the following only with consent of Board of Directors at a meeting of the Board:

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g. underwriting the subscription of any securities or derivatives thereof, of the company.

Further, these transactions as mentioned above, with the related parties shall be entered only with the prior approval of the company by a special resolution if the same exceeds the limits prescribed under the aforementioned Rules.

A detailed disclosure of these transactions with the Related Parties is annexed with this Report in **Form AOC-2** in “ANNEXURE-4” of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is duly entered in the register.



**27. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

**28. LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

As provided in Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 every Company shall :

1. Give any loan to any person or other body corporate;
2. Give any guarantee or provide security in connection with a loan to any other body corporate or person;
3. Acquire by way of subscription, purchase or otherwise, the securities of any other body corporate.

Exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more only with prior approval by means of a special resolution passed at a general meeting.

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to Financial Statement and also detailed in “ANNEXURE 5”.

**29. STATUTORY AUDITOR:**

M/s. Shah & Taparia, Statutory Auditors of your Company, bearing (Registration number: 033594) retires at the ensuing Annual General Meeting and are eligible for re-appointment. The Auditors have given their consent in writing and have furnished a certificate to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 139(1) and that they meet with the criteria prescribed under section 141 of the Companies Act, 2013. Yours Directors recommend their re-appointment in the ensuing Annual General Meeting.

**30. INTERNAL AUDITOR:**

Pursuant to the provisions of Section 138 and 179(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Directors of the Company hereby appoint M/s. Satya Prakash Natani & Co. (Firm Registration No. 115438W), Mumbai as Internal Auditors of the Company for the financial year 2015-2016 on such remuneration as may be decided by the Board in consultation with the Internal Auditor.

### 31. SECRETARIAL AUDITOR

Pursuant to the provisions of the Section 179(3) and 204 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 and as a measure of good corporate governance practice, the Board of Directors of the Company hereby appoint M/s. Pramod S. Shah & Associates (Membership No. 334), Practicing Company Secretaries as a Secretarial Auditors of the Company for the Financial Year 2015-2016 on such remuneration as may be decided by the Board in consultation with the Secretarial Auditor.

### 32. ESOP 2010:

At present the Company has an Option plan for its employees, "ESOP 2010". "ESOP 2010", was approved by the members at their meeting held on September 29th, 2010. The Company had granted total 502,500 options under "ESOP 2010" to the eligible employees in tranches out of total 3,000,000 grants allocated under the effective ESOP scheme. During the financial year ended March 31st, 2015, No options were granted to employee of the Company or its Subsidiary. Each option entitles the holder thereof to apply for and be allotted Equity Shares of the Company upon payment of the exercise price during the exercise period.

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

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.)	487,500
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

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

- a. None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5)(2), Chapter XIII as provided under Section 197 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- b. The further details with regard to payment of remuneration to Director and Key Managerial Personnel is provided in Form No. MGT 9- extract of annual return appended as "ANNEXURE 1."

### 34. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that-

- a) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **35. PARTICIPATION IN THE GREEN INITIATIVE:**

Your Company continues to wholeheartedly participate in the Green Initiative undertaken by the Ministry of Corporate Affairs (MCA) for correspondences by Corporate to its Members through electronic mode. All the Members are requested to join the said program by sending their preferred e-mail addresses to the Registrar and Share Transfer Agent.

### **36. CORPORATE GOVERNANCE CERTIFICATE:**

Our Company acknowledges its responsibilities to its Stakeholders and believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholder's value by focusing towards all stakeholders. Your Company maintains highest level of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. Your Company is committed to meeting the aspirations of all its stakeholders.

our Company has taken appropriate steps and measures to comply with all the applicable mandatory provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges. The Company's governance practices are described separately in the Corporate Governance section of this Annual Report. We have obtained certification from a Statutory Auditor on our compliance with Clause 49 of the Listing Agreement with Indian Stock Exchanges, described in the separate section forming a part of this Annual Report.

### **37. AWARDS AND RECOGNITION:**

During the year Company has received various awards & recognitions. The awards are listed below:

- Pune city surveillance project was awarded best smart city surveillance project in the country by ELETS Technomedia in New Delhi and Bhopal
- Winner of Channel world Premier 100 awards,2015 for being agile and adopting rapidly to the changing technology and business landscape.
- Mr. Nitin shah was awarded Entrepreneur of the year services-security 2015 by Franchise India.

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

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Your Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year ended 31 March, 2015, no complaints have been received pertaining to sexual harassment.

**ACKNOWLEDGEMENT :**

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

We thank the Government of India, the Ministry of Communication and Information Technology, the State Government, various government agencies and the Government of United States of America where we have operations, for their immense support, and look forward to their continued support in the future.

**For and on behalf of the Board**

**Sd/-  
Nitin D. Shah  
Chairman & Managing Director  
DIN: 00189903**

**Sd/-  
Prakash D. Shah  
Executive Director- Commercial  
DIN: 00189842**

Place : Mumbai  
Date : 29<sup>th</sup> May, 2015

## ANNEXURE INDEX

Annexure	Content
I	MGT-9- Annexure to Annual Return
II	Nomination & Remuneration Policy
III	Form MR-3
IV	Form AOC-2
V	Details of Loans, Guarantees & Advances

### ANNEXURE TO BOARD'S REPORT:

#### ANNEXURE 1:- ANNUAL RETURN

##### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended **March 31, 2015**

[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

i)	CIN	:	L72200MH1995PLC085488
ii)	Registration Date	:	10/02/1995
iii)	Name of the Company	:	Allied Digital Services Limited
iv)	Category / Sub-Category of the Company	:	Limited by shares
v)	Address of the Registered office and contact details	:	Premises No. 13A, 13 <sup>th</sup> Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai 400 021, Maharashtra. India. Phone Number: - 2266816681.
vi)	Whether listed company	:	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078. Number: - +91-22-25946970   Fax No. : +91-22-25946969

#### 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%

## I. 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
	20120078	0	20120078	43.56%	20120078	0	20120078	43.56%	0
a) Individual/HUF									
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	187150	0	187150	0.41%	187150	0	187150	0.41%	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	20307728	0	20307728	43.97%	20307728	0	20307728	43.97%	0
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
a) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	20307728	0	20307728	43.97%	20307728	0	20307728	43.97%	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	27642	0	27642	0.06%	27642	0	27642	0.06%	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	24642	0	27642	0.06%	24642	0	27642	0.06%	0

<b>2. Non-Institutions</b>									
a) Bodies Corp.	3455044	0	3455044	7.48%	3455044	0	3455044	7.48%	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas									
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11391657	0	11391811	24.66%	11391657	0	11391811	24.66%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6182903	0	6182903	13.39%	6182903	0	6182903	13.39%	0
c) Qualified Foreign Investor	1333000	0	1333000	0	1333000	0	1333000	0	0
d) Any Other (specify)	0	0	0	0	0	0	0	0	0
d-i) Clearing Members	451447	0	451447	0.98%	451447	0	451447	0.98%	0
d-ii) NRI	847471	0	847471	1.83%	847471	0	847471	1.83%	0
d-iii) NRN	699681	0	699681	1.15%	699681	0	699681	1.15%	0
d-iv) Foreign National	0	0	0	0	0	0	0	0	0
d-iv) Foreign Companies	0	0	1490000	3.23%	0	0	1490000	3.23%	0
d-vi) Persons Acting in Concert	0	0	0	0	0	0	0	0	0
d-vii) Other Director	0	0	0	0	0	0	0	0	0
d-viii) Trust	0	0	0	0	0	0	0	0	0
d-ix) HUF	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):</b>	24361203	0	25851357	55.97%	24361203	0	24361203	55.97%	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	24385845	0	25878999	56.03%	24385845	0	25878999	56.03%	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	00	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	44693073	0	46186727	100%	44693073	0	46186727	100%	0

**(ii) Shareholding of Promoters:**

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	12596364	27.27	1340000/10.64	12596364	27.27	1340000/10.64	
2	Prakash Dhanji Shah	6346214	13.74	660000	6346214	13.74	660000	0
3	Tejal Prakash Shah	1176000	2.55	0	1176000	2.55	0	0
4	Vivil Investments Private Ltd	187150	0.41	0	187150	0.41	0	0
5	Dhara Shah	500	0	0	500	0	0	0
6	Nehal Shah	500	0	0	500	0	0	0
7	Ramesh Manilal Shah	500	0		500	0	0	0
8	Rohan Shah	500	0	0	500	0	0	0
	TOTAL	20307728	43.97	2000000/10.64	20307728	43.97	2000000/10.64	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**  
No Change.**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs a**

Sr. No	Particulars	Shareholding at the beginning of the year (31/03/2014)		Share holding at the end of the year (31/03/2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Nitin Dhanji Shah	12476954	27.0142	12596364	27.2727
2.	Prakash Dhanji Shah	6346214	13.7403	6346214	13.7403
3.	En Point Technologies Sales Inc.	1490000	3.2260	1490000	3.2260
4.	Intel Corporation	1333000	2.8861	1333000	2.8861
5.	Tejal Prakash Shah	0	0	1176000	2.5462
6.	K.S.Gopaldaswamy	857528	1.8567	857528	1.8567
7.	Times Publishing House Limited	0	0	764464	1.6552
8.	Suresh Ayodya Mahadevan	0	0	520000	1.1259
9.	Clover Technologies Pvt.Ltd	720669	1.5603	450669	0.9758
10.	Jhaveri Satishkumar Umedlal	250940	0.5433	250940	0.5433



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No. 1	MR. NITIN SHAH	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
	For Each of the Directors and KMP				
	At the beginning of the year	12596364	27.27%	12596364	27.27%
	Date wise Increase / Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Decrease in	-	-	-	-
	At the End of the year	12596364	27.27%	12596364	27.27%

Sr. No.2	PRAKASH SHAH	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
	For Each of the Directors and KMP				
	At the beginning of the year	6346214	13.74%	634 6214	13.74%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-----	-----	-----	-----
	At the End of the year	6346214	13.74%	634 6214	13.74%

(VI) Remuneration of Directors and Key Managerial Personnel:

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

Sr No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Total Amount
		Mr. Nitin Shah	Mr. Prakash Shah	Mr. Paresh Shah	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,000,004	3,000,000	13,51,864	9,351,868
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	---	---	---	---
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---	---
2	Stock Option	---	---	---	---
3	Sweat Equity	---	---	---	---
4	Commission/ Performance Pay	---	---	---	---
	- as % of profit	---	---	---	---
	- others, specify...	---	---	---	---
5	Others, please specify	---	---	---	---
	<b>Total (A)</b>				
	Ceiling as per the Act	The total managerial remuneration payable in respect of financial year 2014-2015 shall not exceed eleven per cent of the net profit of the Company for financial year 2014-2015 or if the same exceeds, it shall be within the limits of Schedule V Part II of the Companies Act 2013.	The total managerial remuneration payable in respect of financial year 2014-2015 shall not exceed eleven per cent of the net profit of the Company for financial year 2014-2015 or if the same exceeds, it shall be within the limits of Schedule V Part II of the Companies Act 2013.	The total managerial remuneration payable in respect of financial year 2014-2015 shall not exceed eleven per cent of the net profit of the Company for financial year 2014-2015 or if the same exceeds, it shall be within the limits of Schedule V Part II of the Companies Act 2013.	The total managerial remuneration payable in respect of financial year 2014-2015 shall not exceed eleven per cent of the net profit of the Company for financial year 2014-2015 or if the same exceeds, it shall be within the limits of Schedule V Part II of the Companies Act 2013.

**B. Remuneration to other er directors**

Sr No	Particulars of Remuneration	Dr. Shrikant Parikh	Dr. Roopkishan Dave	Prof. Venugopal Iyengar	Total
	1. Independent Directors				
	• Fee for attending board / committee meetings	80,000	40,000	80,000	200,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
	2. Other Non-Executive Directors				
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, Remuneration	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	Total (B)=(1+2)				
	Total Managerial Remuneration	80,000	40,000	80,000	200,000
	Overall Ceiling as per the Act	Sitting fee payable to the Director for attending the meeting of the Board or Committee shall not exceed one lakh rupees per meeting of the Board or Committee.			

### C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	150,000	—	150,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission as % of profit others, specify...	—	—	—	—
5.	Others, please specify - Incentive	—	—	—	—
	<b>Total</b>		150,000		150,000

### (V) Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (INR in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year			
i) Principal Amount			
ii) Interest due but not paid			
iii) Interest accrued but not due			
Total (i+ii+iii)	9379.67	171.70	531.90
Change in indebtedness during the financial year			
Addition	—	119.72	—
Reduction	971.47	—	54.38
Net Change			
Indebtedness at the end of the financial year			
i) Principal Amount	—	—	—
ii) Interest due but not paid	—	—	—
iii) Interest accrued but not due	—	—	—
Total (i+ii+iii)	8408.20	291.42	477.52

### VI) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - NOT APPLICABLE

## **ANNEXURE 2**

### **Nomination and Remuneration Policy**

#### **1. Purpose of the Policy:**

The Nomination and Remuneration Committee ("Committee") of the Company and this Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013, Clause 49 of the Listing Agreement and such other rules / regulations as may be applicable to the Company.

The Policy is framed with the objective(s):

1. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the working potential of all the Directors and Key managerial Personnel (KMP) of the Company;
2. To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
3. To ensure that the remuneration to Directors and Key Managerial Personnel (KMP) of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
4. To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration;
5. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
6. To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and to provide for reward(s) linked
7. directly to their effort, performance, dedication and achievement relating to the Company's operations; and

#### **2. Definitions:**

2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2 **Board** means Board of Directors of the Company.

2.3 **Directors** mean Directors of the Company

2.4 **Policy or this Policy** means, "Nomination and Remuneration Policy."

2.5 **Key Managerial Personnel** means

- 2.5.1. Chief Executive Officer or the Managing Director or the Manager;
- 2.5.2. Whole-time director;
- 2.5.3. Chief Financial Officer;
- 2.5.4. Company Secretary; and
- 2.5.5. Such other officer as may be prescribed.

### **3. ROLE OF COMMITTEE**

#### **3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.**

The Committee shall:

- 3.1.1 Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down.
- 3.1.2 Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance.
- 3.1.3 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.4 Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees.

3.1.5 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate.

3.1.6 Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

### **3.2. Policy for appointment and removal of Director and Key Managerial Personnel (KMP)**

#### **3.2.1. Appointment criteria and qualifications**

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### **3.2.2. Criteria for Remuneration to Directors, Key Managerial Personnel and Senior Management:**

**(a) Performance:** The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company.

**(b) Responsibilities and Accountability:** The roles and responsibilities towards the organisation and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration.

**(c) Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

#### **3.2.3. Remuneration to Directors and Key Managerial Personnel:**

The Committee shall ensure that the Remuneration payable to Directors and Key Managerial Personnel shall be paid after complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Companies Act, 2013.

#### **3.2.4. Term/Tenure**

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

#### **3.2.5. Evaluation**

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

#### **3.2.6. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.



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### **3.2.7. Retirement**

The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **3.3 Policy relating to the Remuneration for the Whole-time and Director.**

#### **3.3.1. General**

a) The remuneration / compensation / commission etc. to the Whole-time Director, and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.

b) In determining the remuneration of Whole-time Director and Key Managerial Personnel the Committee should consider among others:

- Conducting benchmarking with companies of similar type on the remuneration package;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Clear linkage of remuneration and appropriate performance benchmarking; and
- Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the Company and its goals.

c) Increments including bonuses, incentive and other rewards to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Central Government, wherever required.

#### **3.3.2. Remuneration to Non- Executive / Independent Director**

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### **4. Membership**

4.1 Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.

4.2 The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.

4.3 Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.

4.4 The Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

### **5. Frequency of the meetings**

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities.

### **6. Committee Members' Interests**

6.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

6.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **7. Minutes of Committee Meeting**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

## **ANNEXURE - 3**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

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

To,  
The Members,  
Allied Digital Services Limited

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

Based on our verification of Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015, 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 for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

1. The Company was required to file Form DPT-4 by 30<sup>th</sup> June, 2014. However, the Company has filed Form DPT-4 by 7<sup>th</sup> October, 2014.
2. The Company had to file Return on Foreign Liabilities and Assets for the Financial Year ended 31<sup>st</sup> March, 2014 by 15<sup>th</sup> July, 2014. However, the Company has filed the Return on Foreign Liabilities and Assets by 8<sup>th</sup> April, 2015.



3. The Company had re-appointed Mr. Paresh Bipinchandra Shah as Whole-Time Director of the Company at its Annual General Meeting held on 25<sup>th</sup> September, 2014 but they have not filed Form MR-1 for his re-appointment. However, as per the representation received from the management, Company is in the process of filing of Form MR-1.

**We further report that**

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

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

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

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

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

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2015

Pramod Shah - Partner  
Pramod S. Shah & Associates  
FCS No.: 334  
C.P No.: 3804

## Annexure I

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, 1948
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

## **ANNEXURE 4**

### **Form No. AOC-2**

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

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

#### **1. Details of material contracts or arrangements or transactions at arm's length basis:**

Related Parties and transactions as required under Accounting Standard (AS-18) are furnished under paragraph number 10 of significant accounting policies of the Notes to the Accounts attached with the financial statements for the year ended March 31st, 2015.

No transaction of material nature has been entered into by the Company with its Promoters, the Directors or the Management, their subsidiary or relatives etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

## ANNEXURE 5

#### **Details of Loans & Advances during the Financial Year ended 31st March, 2015:**

Sr. No.	Particulars	Remarks
<b><u>a. Loans and advances to related parties:</u></b> Subsidiaries & Associates	INR 644.58 Lakh of loans and advances made to related parties	Not Applicable
<b><u>b. Loans and advances (others):</u></b> <u>Unsecured, considered good:</u> (i) Security Deposit (ii) Loans and advances to employees (iii) Inter Corporate Deposits (iv) Prepaid Expenses	INR 35.09 Lakhs INR 358.41 Lakhs INR 2,927.66 Lakhs INR 300.66 Lakhs	

# CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15

(As required under Clause 49 of the Listing Agreement with the Stock Exchange)

The Directors present the Company's report on Corporate Governance for the financial year ended March 31, 2015.

## 1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

Allied Digital Services Limited is committed to the highest standards of corporate governance. As a global organization the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

The Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through Clause 49 of its Listing Agreement. The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Indian Stock Exchanges ("the Listing Agreement").

We believe that timely disclosures, transparent accounting policies and a strong and Independent Board go a long way in maintaining good corporate governance, preserving shareholders trust and maximizing long-term corporate value.

The Corporate Governance philosophy of M/s. Allied Digital Services Limited is based on the following principles:

- a. Management must have the executive freedom to drive the enterprise forward without undue restraints and Management is the trustee of the shareholders capital and not the owner. This freedom of management should be exercised within a framework of effective accountability.
- b. Provide an enabling environment to harmonise the goals of maximizing stakeholder value and maintaining a customer centric focus.
- c. Have a simple and transparent corporate structure driven solely by business needs.
- d. Communicate externally, in a truthful manner, about how the Company is running internally.
- e. Make clear distinction between personal conveniences and corporate resources.
- f. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
- g. Satisfy the spirit of the law and not just the letter of the law.
- h. Our philosophy on Corporate Governance is thus concerned with the ethics, values and morals of Eco Recycling Limited and its Directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

## 2. BOARD OF DIRECTORS:

As on March 31<sup>st</sup>, 2015, the Board of Allied Digital Services Limited had 6 Directors, comprising:

- i) 3 Executive Directors, including the Chairman and ,
- ii) 3 Independent Directors as defined under the Listing Agreement with Indian Stock Exchanges detailed profiles of the Directors have been discussed in this annual report. The Directors have expertise in the fields of Finance, Computer Engineering, Computer Management, Business Transformation, Enterprise Solutions Architecture and Business Administration. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. Each Director informs the Company on an annual basis about the Board and Committee positions he occupies in other companies including Chairmanships and notifies changes during the term of their directorship in the Company.

### a) Size and Composition of Board:

As stated earlier the Composition of Board of Directors is a combination of Executive and Non-Executive Directors. As on March 31<sup>st</sup>, 2014, the Board consists of 6 Directors, out of which 3 are Non-Executive, Independent Directors. The Company is in compliance with the Clause 49 of the Listing Agreement pertaining to compositions of Directors. The Composition of the Board and Category of Directors are as follows:

Serial No.	Name of Director	Category
1.	Mr. Nitin Shah	Promoter & Chairman & Managing Director
2.	Mr. Prakash Shah	Promoter & Executive Director - Commercial
3.	Mr. Paresh Shah	CEO & Executive Director
4.	Dr. Shrikant Parikh	Independent & Non-Executive Director
5.	Prof. Venugopal Iyengar	Independent & Non-Executive Director
6.	Dr. Roopkishan Dave	Independent & Non-Executive Director

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence. None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and shareholders' Grievance Committee) across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Company.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and various Committees. They do not receive any remuneration apart from the sitting fees. The Board reviews the declaration made by the Executive Directors regarding compliance with all applicable laws on regular basis as also steps taken to remediate instances of non-compliance.

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.

The above composition is consistent with the relevant provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

a) **The names and categories of the Directors on the Board and the number of Directorships and Committee Chairmanship/ Memberships held by them in other Companies are given herein below:**

Name of Directors	Category	No. of Directorship(s) in other Companies <sup>1</sup>		No. of Membership / Chairman of other Board of Committees <sup>2</sup>	
		Public	Private	Member	Chairman
Mr. Nitin D. Shah	Chairman & Managing Director	-	4	-	-
Mr. Prakash Shah	Executive Director – Commercial	-	4	2	-
Mr. Paresh Shah	Executive Director & CEO	-	-	-	-
Dr. Shrikant Parikh	Non-Executive – Independent Director	-	1	2	1
Prof. Venugopal Iyengar	Non-Executive - Independent Director	-	1	2	1
Dr. Roopkishan Dave	Non-Executive - Independent Director	-	-	-	-

1. Excluding directorship in Allied Digital Services Limited
2. For the purpose of considering the limit of the committee memberships and chairmanships of a Director, the Audit Committee and Shareholders' Grievances Committee.

**a) Board Meetings:**

The Board meets at regular intervals to discuss and decide on company/ business policy and strategy apart from other normal Board business. The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors to facilitate them to plan their schedules and to ensure meaningful participation in the meetings well in advance. However, in case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the subsequent Board Meeting.

The agenda for the Board/Committee meetings is generally accompanied by background notes and other material information which is circulated to Directors well in advance to facilitate discussions and for taking an informed decision. The Independent Directors meet amongst themselves and separately with the Chairman before every Board meeting to discuss on various issues and their concerns, if any.

**Four (4)** Board meetings were held during the Financial Year 2014-15. The date on which the said meetings were held are May 30<sup>th</sup> 2014, August 14<sup>th</sup> 2014, November 14<sup>th</sup> 2014 and February 12<sup>th</sup> 2015 and the gap between two Meetings did not exceed four months.

**The details of Directors attendance at Board Meeting held during the Financial Year 2014-15 and the last AGM held on September 25<sup>th</sup>, 2014:**

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Nitin Shah	3	Present
Mr. Prakash Shah	4	Present
Mr. Paresh Shah	3	Absent
Dr. Shrikant Parikh	3	Present
Prof. Venugopal Iyengar	3	Absent
Dr. Roopkishan Dave	3	Absent

**a) Board Business:**

The Board has complete access to any information within the Company.

**The items placed at the Meeting of the Board include the following:-**

- Unaudited Quarterly/Half Yearly financial results and Audited Annual Accounts of the Company, results and capital employed, for consideration and approval,
- Minutes of Meetings of Audit Committee, Stakeholders relationship Committee /Share Holders Grievance Committee and Nomination and Remuneration Committee.
- Abstracts of circular resolutions passed,
- General notices of interest,
- Sale and/or purchase of investments, fixed assets,
- Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any,
- Related party transactions,
- Reviewing the Company's Financial and Risk Management policies,
- Reviewing the business plan and strategy of the Company,
- Reviewing the operations of the Subsidiary Company,
- Minutes of the Board of Directors of Subsidiary Company,

- Financial results of Subsidiary Company,
- Disclosure of Independent Directors at the time of appointment/annually,
- Disclosure of Directors Interest and their shareholding.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans and financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The Minutes of the Meetings of the Board are circulated to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's relationship Committee / Shareholders' Grievance Committee are also circulated to all Directors and thereafter tabled for discussion at the subsequent Board Meeting.

**b) Risk Management:**

We at Allied Digital Services Limited have established effective risk assessment and minimization procedures, which are reviewed by the Board periodically. The procedure comprises of an in-house exercise of Risk Management carried out periodically by the Company including the functioning of a structure to identify and mitigate various risks faced by the Company from time to time. The structure also comprises of risk identification and assessment by the concerned departments identification of controls in place/ mitigation process in place and presenting the same in front of the Company.

**1. COMMITTEES OF THE BOARD:**

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. **The Company has 5 (five) Board-level Committees, namely:**

- Audit Committee;
- Remuneration Committee;
- Shareholders' Grievance Committee;
- Compensation Committee and;
- Management Committee
- Corporate Social Responsibility Committee

**➤ AUDIT COMMITTEE:**

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

**a) Constitution and Composition of Committee:**

The Board of Directors constituted the Audit Committee in the year 2007. The Audit Committee for the accounting year comprises of following two non-executive and independent directors and one executive director who have financial/legal/accounting acumen to specifically look into the internal controls and audit procedures.

Name of Members	Designation	Category of Director	No. of meetings attended
Dr. Shrikant Parikh	Chairman	Non-Executive Independent	4
Prof. Venugopal Iyengar	Member	Non-Executive Independent	4
Mr. Prakash Shah	Member	Executive	4

In addition to the members of the Audit Committee, these meetings are attended by the General Manager Finance & Accounts and other respective functional heads, internal auditors and statutory auditors of the Company, whenever necessary and those executives of the Company who can provide inputs to the Committee. The quarterly/half-yearly and annual audited financials of the Company are reviewed by the audit committee before consideration and approval by the Board of Directors. The Committee also reviews the internal control systems, IT systems and conduct of the internal audit.

**a) Meetings :**

Four (4) Audit Committee Meetings were held during the Financial Year. The date on which the said meetings were held are, May 30<sup>th</sup> 2014, August 14<sup>th</sup> 2014, November 14<sup>th</sup> 2014 and February 12<sup>th</sup>, 2015.

**b) Mr. Ravindra Joshi, Company Secretary, acts as Secretary of the Committee.**

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

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included 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. Qualifications in the draft audit report ;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
  - Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;

- The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases;
19. 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;
  20. The Audit Committee shall mandatorily review the following information:
    - a. Management discussion and analysis of financial condition and results of operations;
    - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d. Internal audit reports relating to internal control weaknesses; and
    - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  21. The Audit Committee shall have powers, which should include the following:
    - a) To investigate any activity within its terms of reference:
      - The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
    - b) To seek information from any employee;
    - c) To obtain outside legal or other professional advice;
    - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
  22. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company;
  23. All Related Party Transactions shall require prior approval of the Audit Committee:
    - Approval or any subsequent modification of transactions of the company with related parties;
  24. When money is raised through an issue (public issues, rights issues, preferential issues etc.), the company shall disclose the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc), on a quarterly basis as a part of their quarterly declaration of financial results to the Audit Committee .

Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and place it before the audit committee. Such disclosure shall be made only till such time that the full money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company. Furthermore, where the company has appointed a monitoring agency to monitor the utilization of proceeds of a public or rights issue, it shall place before the Audit Committee the monitoring report of such agency, upon receipt, without any delay. The audit committee shall make appropriate recommendations to the Board to take up steps in this matter.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to take informed decisions.

The Minutes of the Meetings of the Committee are circulated to all Members and confirmed at the subsequent Meeting.

➤ **REMUNERATION COMMITTEE:**

The Remuneration Committee of the Board has been constituted in the year 2007, which inter-alia recommends to the Board the compensation terms of Executive Directors, managerial personnel's and the senior most level of management immediately below the Executive Directors. The Remuneration Committee deals with all elements of remuneration package of all the Executive Directors i.e. salary, benefits, bonuses, stock options, pension etc. including details of fixed component and performance linked incentives, along with the performance criteria.

**Remuneration Policy:**

The remuneration of Executive Directors is decided by the Board of Directors and the Remuneration Committee as per the remuneration policy of the Company within the overall ceiling limits approved by shareholders

**a) Composition of the Committee:**

The Remuneration Committee comprises of Dr. Shrikant Parikh - Non- Executive and Independent Director as Chairman, Prof. Venugopal Iyengar - Non-Executive and Independent Director and Dr. Roopkishan Dave - Non-Executive and Independent Director as Members of the Committee.





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

- 1) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) To identify 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;
- 3) To determine such policy, taking into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage, enhance performance, retain and are, in a fair and responsible manner rewarded for their individual contributions to the success of the Company;
- 4) To review the ongoing appropriateness and relevance of the remuneration policy;
- 5) To approve the design of any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 6) To decide on all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive Directors and other senior executives and the performance targets to be used;
- 7) To consider and make recommendations in respect of any other terms of the service contracts of the executives and any proposed changes to these contracts, and to review the company's standard form contract for executive directors from time to time;
- 8) To consider any other matters relating to the remuneration of or terms of employment applicable to the remuneration of the directors, key managerial personnel and other employees.

**c) Attendance at the Remuneration Committee Meetings:**

During the financial year 2014–15, no meeting of the Remuneration Committee was held.

**d) Disclosure of Remuneration paid:**

At present Non – executive and Independent Directors are not paid any remuneration except sitting fees for attending Board and Committee Meetings.

**Details of remuneration paid to Directors during the accounting year ended March 31<sup>st</sup>, 2015 are as under:**

<b>Name of Directors</b>	<b>Salary (Amt. in Rs)</b>	<b>Sitting fees (Amt. in Total (Amt. in Rs)</b>	<b>Total (Amt. in Rs)</b>	<b>Stock Option granted</b>
Mr. Nitin Shah	50,00,004	-	50,00,004	-
Mr. Prakash Shah	30,00,000	-	30,00,000	-
Mr. Paresh Shah	13,51,864	-	13,51,864	-
Dr. Shrikant Parikh	-	80,000	80,000	-
Dr. Roopkishan Dave	-	40,000	40,000	-
Prof. Venugopal Iyengar	-	80,000	80,000	-

Mr. Nitin Shah, Managing Director and Chairman and Mr. Prakash Shah, Whole-time Director were appointed w.e.f. April 01<sup>st</sup>, 2011 and the details of the remuneration during the accounting year ended March 31<sup>st</sup>, 2015 are given as under:

Name of Directors	Fixed Salary	Perquisite	Performance linked Incentive	Sitting Fees	Total	Service Contract / Notice Period	Stock Option granted, if any
Mr. Nitin Shah	5,000,004	--	N.A.	NIL	5,000,004	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil
Mr. Prakash Shah	3000000	--	N.A.	NIL	3,000,000	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil

➤ **INVESTORS' / SHAREHOLDERS' GRIEVANCE COMMITTEE:**

**a) Composition:**

The Board of Directors constituted a Shareholders Grievance Committee in the financial Year 2007. The Shareholders Grievance Committee for the Accounting Year comprises of following two non-executive and independent directors and one executive director;

Name of Members	Designation	Category of Director	No. of meetings attended
Prof. Venugopal Iyengar	Chairman	Non-Executive Independent	4
Mr. Prakash Shah	Member	Executive	4
Dr. Shrikant Parikh	Member	Non-Executive Independent	4

**b) Meeting of the Shareholders' grievance Committee Meetings:**

Four (4) Shareholders' Grievance Committee Meetings were held during the year 2013-14. The dates on which the said Meetings were held are May 30<sup>th</sup> 2014, August 14<sup>th</sup> 2014, November 14<sup>th</sup> 2014 and February 12<sup>th</sup> 2015.

**b) Compliance Officer:**

Mr. Ravindra Joshi, Company Secretary, has been designated as the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchange.

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

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Investor Complaints/Requests	No. of Complaints/Requests
Pending at the beginning of the quarter	NIL
Received through Correspondence (letters) during the quarter (Non Receipt of Annual Report)	01
Received through Correspondence (letters) during the quarter (Non receipt of Dividend)	NIL
Received for Correction in Refund Instrument	NIL
Received from NSE during the year	NIL
Received from BSE during the year	NIL
Received from SEBI during the year	NIL
Disposed off during the year	NIL
Pending at the end of the year	01

During the Accounting Year ended March 31<sup>st</sup>, 2015, One (1) complaint was received from shareholders, all of which have been attended/ resolved as on date.

All valid Share Transfers received during the accounting year ended March 31<sup>st</sup>, 2015 have been acted upon. There were no share transfers pending for more than 30 days for the half-year ended September 30<sup>th</sup> 2014, and for more than 15 days for the half-year ended March 31<sup>st</sup>, 2015.

The Shareholders Grievance Committee continued to function effectively and held Four (4) meetings during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. The complaints and grievances of shareholders received were duly attended by the Committee and as of now no complaints are pending.

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

- Transfer /Transmission of shares;
- Issue of duplicate Share Certificates;
- Reviewing Shares dematerialized, rematerialized and all other related matters;
- Monitoring expeditious redressal of Investors' Grievances;
- Non receipt of Annual Report and declared dividend;
- All other matters related to Shares.

➤ **COMPENSATION COMMITTEE:**

The Compensation Committee was formed inter alia to formulate detailed terms and conditions of Employee Stock Option Scheme.

**a) Constitution and Composition of Committee:** The Board constituted a Compensation Committee comprising of Mr. Nitin Shah, Chairman & Managing Director as Chairman, Dr. Shrikant Parikh and Prof. Venugopal Iyengar, Non-Executive Independent Directors as Members of the Committee.

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

During the Financial Year 2014 – 2015, No Compensation Committee Meeting was held.

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

- To decide the terms and conditions of the Employee Stock Option Scheme (ESOP);
- The quantum of any option to be granted under an employee stock option scheme per employee and in aggregate;
- The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- The right of the Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights, issues, bonus issues, merger, sale of divisions and other;
- The grant, vest and exercise of option in case of employees who are on long leave.

➤ **MANAGEMENT COMMITTEE**

**a) Constitution and Composition of Committee:**

The Board constituted Management Committee on April 28<sup>th</sup>, 2009 comprising of Mr. Nitin Shah, Chairman and Managing Director as Chairman, Mr. Prakash D. Shah and Mr. Paresh Shah as Members of the Committee.

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

Four (1) Management Committee Meetings were held during the Financial Year 2014 – 2015. The dates on which the said meetings were held are May 30th, 2014, August 14th, 2014, November 14th, 2014 and February 12th, 2015.

Name of Members	No. of Management Committee Meetings attended
Mr. Nitin Shah	3
Mr. Prakash Shah	4
Mr. Paresh Shah	4

**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 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 power or for 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 decide on 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 suits against distributors /dealers/customers and to authorize company's executives to prosecute the same;
- To launch criminal proceedings against those misusing the company's rights under the Design, Patents, Trademarks and Copyright Laws;
- 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 :**

The Chairman informed the Board that pursuant to the notification dated 27th February, 2014 issued by the Ministry of Corporate Affairs the Provisions of Section 135, Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 shall become effective with effect from 1st April, 2014.

Section 135 (1) of the Companies Act, 2013 states as under:

“Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent Director.

**Terms of Reference for the Corporate Social Responsibility (CSR) Committee:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

**ACTIVITY WHICH MAY BE INCLUDED BY COMPANIES IN THEIR CSR POLICIES:**

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports , nationally recognized sports, paralympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- rural development projects.”

The Board shall:

- After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed.
- Ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.
- Ensure that the company spends, in every financial year, at least two percent, of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.
- Preference shall be given to the local areas and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- If the Company fail to spend such amount, the Board shall specify the reasons for not spending the amount in the Directors' Report.
- The Board's Report of the Company relating to a financial year commencing on or after 1st April, 2014 shall include an annual report on CSR containing particulars specified in Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- Since the Company falls within the prescribed limits as specified in Section 135 mentioned above, the Chairman requested the Board to constitute a Corporate Social Responsibility Committee in order to comply with the provisions of Section 135 of the Companies Act, 2013.
- The Board discussed the aforesaid provision of Companies Act, 2013 in detail and decided to constitute Corporate Social Responsibility (CSR) Committee for the Company in the next Board Meeting.

➤ **GENERAL BODY MEETINGS:**

Annual General Meetings

a) **The particulars of last Three Annual General Meetings are as under:-**

Financial Year	Day and Date	Location of AGM	Time
2013-2014	Thursday, September 25, 2014	IMC Building, IMC Marg, Churchgate, Mumbai - 400020	03:30 P.M.
2012-2013	Wednesday, September 25 <sup>th</sup> 2013	Tarabai Hall, Shiv Prasad Building, 97, Marine Drive, Mumbai - 400 002.	03:30 P.M.
2011 -2012	Thursday, September 27 <sup>th</sup> 2012	Tarabai Hall, Shiv Prasad Building, 97, Marine Drive, Mumbai - 400 002.	03:30 P.M.

#### **4. Familiarisation Programmes for Independent Directors:**

A new concept of 'Familiarisation programme for Independent Directors' has been introduced by Clause 49.

As per Clause 49(II) (B) (7) of the Equity Listing Agreement:

- a. The Company shall familiarise the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.
- b. The details of such familiarisation programmes is disclosed in the Board's Report which forms part of the Annual Report.

#### **5. Evaluation of Board and Committee**

The Companies Act 2013, rules thereunder and the Listing Agreement provide that the Annual Report of the Company shall disclose the following:

Manner in which formal performance evaluation of the Board, its Committees, and Individual Directors has been carried out; Evaluation criteria.

The details of evaluation of Board, Committee(s) and Chairman of the Board have been provided in the Directors' report.

#### **6. DISCLOSURES:**

##### **1) Related Party Transactions:**

- Related Parties and transactions as required under Accounting Standard (AS-18) are furnished under paragraph number 10 D of the Notes to the Accounts attached with the financial statements for the year ended March 31<sup>st</sup>, 2015.
- No transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiary or relatives etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

##### **2) Compliance by the Company:**

The Company has complied with the requirements of the Stock Exchanges (BSE & NSE), the Securities and Exchange Board of India (SEBI) and Statutory Authorities on all matters related to capital markets and no penalties / strictures were imposed on the Company during the last three years except a few from Company Law Board (CLB).

##### **3) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

##### **4) Mandatory & Non Mandatory requirement of this clause:**

Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is reviewed by the Board from time to time.

##### **5) Means of Communication:**

- The Quarterly and Half Yearly results of the Company are published in an English and one Regional language newspaper namely The Economic Times and Maharashtra Times respectively. The results are also displayed on the Company's website: [www.allieddigital.net](http://www.allieddigital.net)
- The Company informs the Stock Exchanges about all price sensitive matters or such other matters which are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters. A Management Discussion and Analysis Statement is a part of the Company's Annual Report, which is sent to each member by post.

##### **6) Code of Conduct:**

The Board of Directors has adopted the Business Ethics Policy and Code of Conduct for Directors and Senior Management. The Code is reviewed from time to time by the Board. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website [www.allieddigital.net](http://www.allieddigital.net)

**7) Trading in the Company's shares by directors and designated employees:**

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our company has appointed Mr. Ravindra Joshi, Company Secretary of the Company as Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

**8) Prevention of Insider Trading:**

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992 your Company has adopted the Insider Trading Code for prevention of Insider Trading with a view to regulate trading in securities by the directors and designated employees of your Company. The Code requires pre-clearance for dealing in your Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to your Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

All the Board Directors and the designated employees have confirmed compliance with the Code.

**7. GENERAL SHAREHOLDER INFORMATION :**

**I. Annual General Meeting:**

Date: 24<sup>th</sup> September, 2015

Time: 03:00 P.M.

Venue: IMC Building, IMC Marg, Churchgate, Mumbai - 400020

**II. Financial Year**

The financial year of the Company is from April 01<sup>st</sup> 2014 to March 31<sup>st</sup> 2015.

**III. Date of Book Closure:**

Book closure is from September 18<sup>th</sup>, 2015 to September 24<sup>th</sup> 2015, both days inclusive.

**IV. Listing on Stock Exchange:**

The Company is listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. Listing fee for the year 2014 – 2015 has been paid in full to both the Stock Exchanges.

**V. Stock Code :**

National Stock Exchange India Limited : ADSL

Bombay Stock Exchange Limited : 532875

ISIN in NSDL and CDSL for Equity Shares : INE102I01027

Corporate Identification No : L72200MH1995PLC085488

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

Link Intime India Private Limited,  
C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup (West), Mumbai - 400078

Tel. No. : +91-22-25946970

Fax No. : +91-22-25946969

Email: investors@allieddigital.net

Website: www.linkintime.co.in

**VII. Share Transfer System & Other Related Matters:**

**• Share Transfer System:**

The Shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days for the half-year ended September 30<sup>th</sup>, 2013 and 15 days for the half-year ended March 31<sup>st</sup>, 2015 from the date of receipt, subject to documents being valid and complete in all respects. Similarly all requests for demat are received and processed by the Registrar and Transfer Agent and confirmations are given to the depositories within the prescribed time limit.



- **Nomination Facility for Shareholding**

As per the provision of the Companies Act, 1956, facility for making nomination is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.

- **Correspondence regarding Change in Address**

Members are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, Link In time India Private Limited, Tel. No.: +91-22-2594 6970, Fax No.: +91-22-2594 6969 Email: investors@allieddigital.net

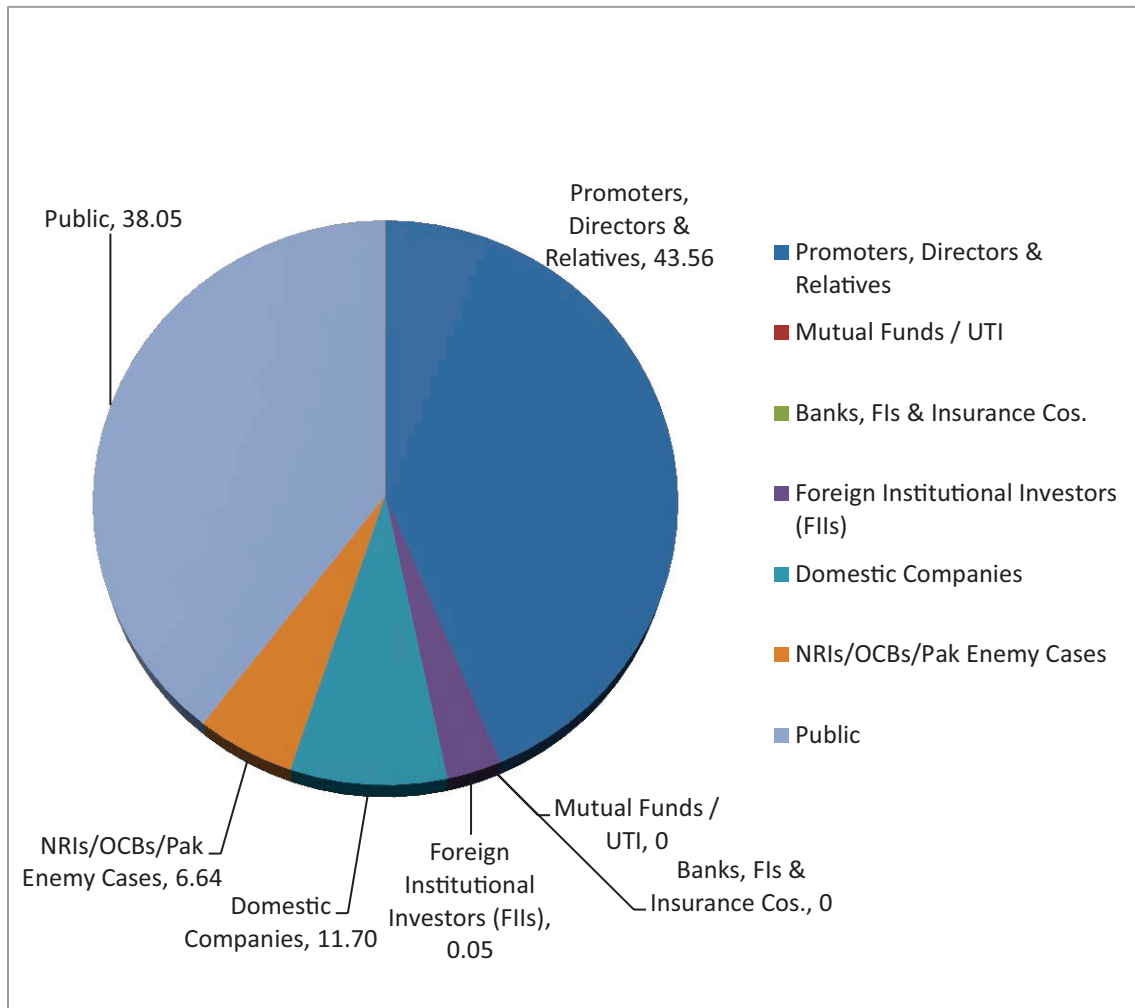
#### VIII. Distribution of Share Holding as on March 31<sup>st</sup>, 2015:

NO. OF EQUITY SHARES HELD (1)	NO. OF SHAREHOLDERS (2)	% OF SHAREHOLDERS (3)	SHARES HELD (in Rs.) (4)	% OF SHARE HOLDING (5)
UPTO 5000	22202	89.6001%	21771435	9.4276%
5001 - 10000	1181	4.7661%	9231270	3.9974%
10001 - 20000	647	2.6111%	9513415	4.1195%
20001 - 30000	254	1.0251%	6366700	2.7569%
30001 - 40000	112	0.4520%	4019775	1.7407%
40001 - 50000	101	0.4076%	4750480	2.0571%
50001 - 100000	135	0.5448%	9294810	4.0249%
100001 AND ABOVE	147	0.5932%	165985750	71.8760%
<b>TOTAL</b>	<b>24779</b>	<b>100.00%</b>	<b>230933635</b>	<b>100.00%</b>

#### Shareholding Pattern as on March 31<sup>st</sup>, 2015

Category	No. of Shares Held	Shares Held in Rs. (Amount)	Percentage to total Number of Shares (%)
a. Clearing Member	451447	2257235	0.9774%
b. Other Bodies Corporate	3455044	17275220	7.8406%
c. Foreign Company	1490000	7450000	3.2260%
d. Foreign Institutional Investor	27642	138210	0.0598%
e. Non-Resident Indians	847471	4237355	1.8349%
f. Non-Resident (Non- Repatriable)	699681	3498405	1.5149%
g. Person Acting in Concert	187150	935750	0.4052%
h. Public	17574714	87873570	38.0514%
i. Promoters	18942578	94712890	41.0130%
j. Relative of Director	1178000	5890000	2.5505%
k. Foreign Portfolio Investor (Corporate)	1333000	6665000	2.8861%
<b>Total</b>	<b>46186727</b>	<b>230933635</b>	<b>100.00%</b>





**I. Dematerialization of Shares:**

The Shares of the Company can be held and traded in electronic form. As on March 31<sup>st</sup>, 2015, 44696073 (230933635 Shares) of total shares of the Company were held in demat form. Break up of shares in physical and demat form as of March 31<sup>st</sup>, 2015:

Particulars	No. of Share	Percentage (%) of Total Shares
Physical Segment	1490654	-
Demat Segment	44696073	-
NSDL	-	-
CDSL	-	-
<b>Total</b>	<b>230933635</b>	<b>100.00%</b>

- I. **Outstanding GDRs/ ADRs** : NIL
- II. **Warrants or any Convertible Instrument, Conversion date and likely impact on equity** :NIL
- III. **Plant Location** : Not Applicable.
- IV. **Address for Correspondence** : **ALLIED DIGITAL SERVICES LIMITED**  
81, Harchandrai House,  
Maharshi Karve Road,  
Marine Lines, Mumbai - 400020, India  
Tel.: (022) 66816681  
Fax: (022) 2206 4170  
Email: investors@allieddigital.net  
Website: www.allieddigital.net

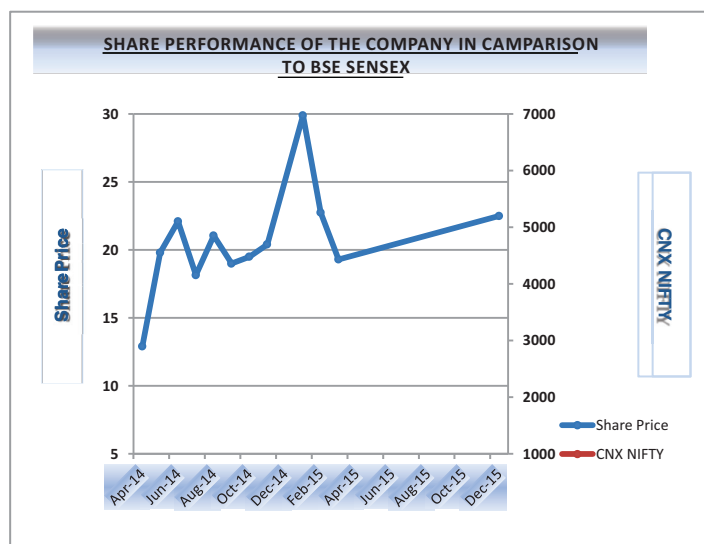
- V. **E-mail Id for Investor's Grievances:**  
The Company has designated separate Email Id for the investor grievance and to improve the quality of the services to the investor. The e-mail address for investor grievance is investors@allieddigital.net

**XV. Market information:**

Market Price Data: High low during each month in last financial year:

BSE HIGH AND LOW PRICE AS ON APRIL'2014 - MARCH'2015										SPREAD	
MONTH	OPEN	HIGH	LOW	CLOSE	NO OF SHARES	NO OF TRADES	TOTAL T/O	Deliverable quantity	%	HIGH	CLOSE
										-LOW	-OPEN
APR'2014	12.29	15.8	11.75	12.98	402551	2354	5720199	252265	62.67	4.05	0.69
MAY'2014	13.45	23.76	12	19.93	1418984	7885	25738678	901671	63.54	11.76	6.48
JUNE'2014	21	24.4	20.1	22	1015435	7406	22604850	674760	66.45	4.3	1
JULY'2014	22.2	25.7	17.65	18.35	516195	4619	11373246	343300	66.51	8.05	-3.85
AUG'2014	18	21.55	16.2	20.95	557058	4459	10443197	417246	74.9	5.35	2.95
SEP'2014	21.4	25.4	18.85	19.1	1324007	10178	30655255	869092	65.64	6.55	-2.3
OCT'2014	19.05	19.65	17.45	19.5	316197	3203	5828915	217605	68.82	2.2	0.45
NOV'2014	20.45	21.95	18.75	20.5	574134	6523	11806621	374395	65.21	3.2	0.05
DEC'2014	19	24.55	19	22.6	699588	10530	15434708	468325	66.94	5.55	3.6
JAN'2015	22.45	34.55	20.65	30.1	3502788	39654	1.03E+08	1354076	38.66	13.9	7.65
FEB'2015	29.7	33.35	21.5	22.9	1472171	24221	39306585	780035	52.99	11.85	-6.8
MAR'2015	22.45	24.4	15	19.5	766999	10246	15193334	463016	60.37	9.4	-2.95

Month	Apr 14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec- 14	Jan- 15	Feb-15	Mar-15
Share Price	12.98	19.93	22	18.35	20.95	19.1	19.5	20.5	22.6	30.1	22.9	19.5
Sensex	252265	901671	674760	343300	417246	869092	217605	374395	468325	1354076	780035	463016

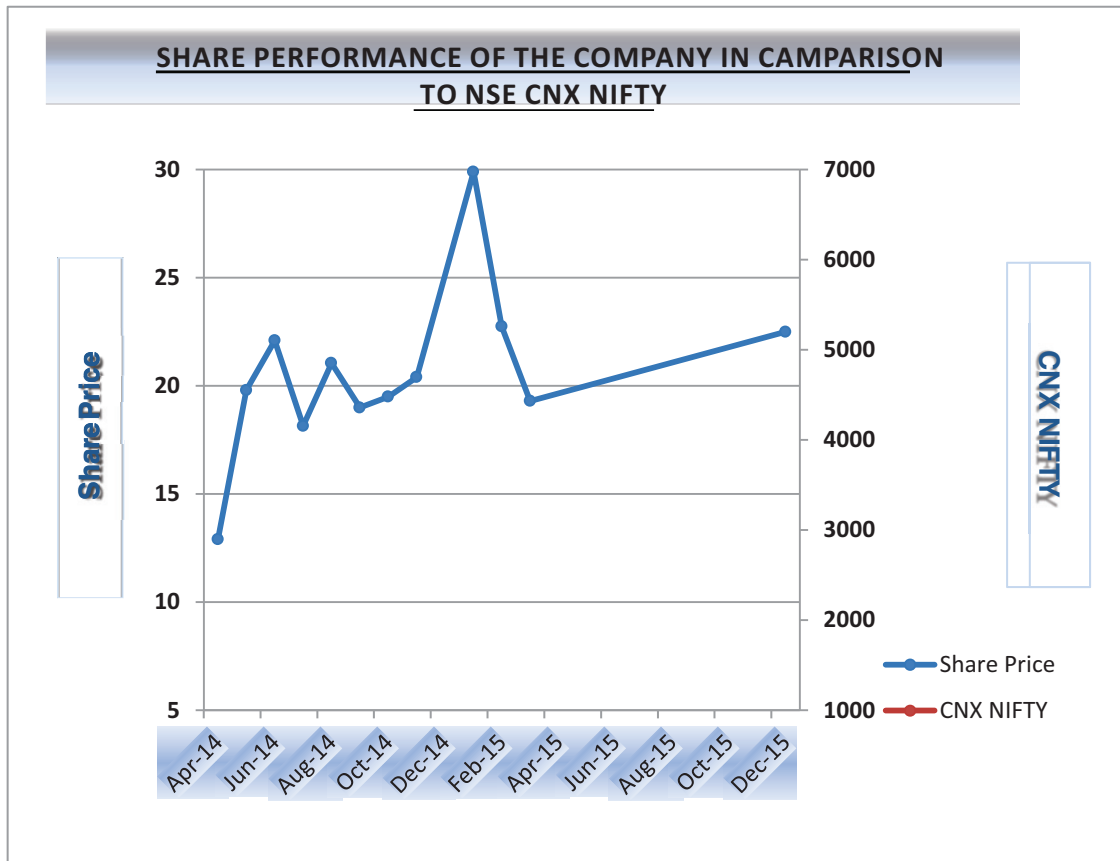


#### I. Market information:

Market Price Data: High low during each month in last financial year:

ALLIED DIGITAL SERVICES LIMITED											
NSE HIGH AND LOW PRICE AS ON APRIL'2014 - MARCH'2015								NSE NIFTY			
MONTH	Prev Close	Open Price	High Price	Low Price	Last Price	Close Price	Average Price	Total Traded Quantity	Turnover in Lacs	No. of Trades	Deliverable Qty
APR'2014	13.25	13.15	13.75	12.8	12.8	12.9	13.22	30126	3.98	67	29984
MAY'2014	19.45	20	20.8	18.55	19.8	19.8	19.8	59679	11.82	269	35347
JUNE'2014	22.25	22.5	22.9	22	22.35	22.1	22.3	65561	14.62	232	40476
JULY'2014	18.45	17.8	19	17.8	18	18.15	18.13	29763	5.4	198	21692
AUG'2014	19.8	20.7	21.65	20.1	21.5	21.05	21.06	119217	25.11	624	83363
SEP'2014	19.4	19.85	19.85	18.85	18.9	19	19.06	23735	4.52	175	17660
OCT'2014	18.6	19.5	19.5	18.8	19.5	19.5	19.5	41058	8.01	179	35949
NOV'2014	19.95	19.8	20.75	19.8	20.75	20.4	20.15	36170	7.29	282	26923
DEC'2014	21.4	21.4	23.1	21.4	22.2	22.55	22.46	52003	11.68	399	37403
JAN'2015	30.05	30.55	31.5	29.3	30	29.9	30.22	151259	45.71	946	92611
FEB'2015	23.1	21.55	23.75	21.55	22.85	22.75	22.76	79882	18.18	623	37438
MAR'2015	18.5	19.25	21.35	18.9	19	19.3	19.95	182701	36.44	1211	116277

Month	Apr 14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec- 14	Jan- 15	Feb-15	Mar-15
Share Price	12.9	19.8	22.1	18.15	21.05	19	19.50	20.4	22.5	29.9	22.75	19.3
Sensex	29984	35347	40476	21692	83363	17660	35949	26923	37403	92611	37438	116277



**I. Secretarial Audit Report:**

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**8. DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AS REQUIRED UNDER CLAUSE 49 VIII E (1) OF THE LISTING AGREEMENT:-**

In accordance with the provisions of Section 152 of the Companies Act, 2013, one-third of the total number of Directors for the time being is liable to retire by rotation. Accordingly one Directors of the Company viz. Mr. Prakash Shah will be retiring by rotation at the ensuing Annual General Meeting of the Company. Mr. Prakash Shah, being eligible, offers himself for re-appointment.

## **9. MANAGEMENT CERTIFICATION:**

We, Nitin Shah, Chairman & Managing Director and Prakash Shah, Executive Director – Commercial of **ALLIED DIGITAL SERVICES LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the audited balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
5. The Company's other certifying officers and we are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have:
  - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
  - b. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):
  - a. all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
  - c. the Company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and
  - d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity –based compensation, which was inflated on account of such errors, as decided by the Audit Committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

**For Allied Digital Services Limited,**

**sd/-  
Prakash Shah  
Executive Director – Commercial  
DIN: 00189842**

**sd/-  
Nitin Shah  
Chairman & Managing Director  
DIN: 00189903**

**Place: Mumbai**

**Date: 29<sup>th</sup> May, 2015**

## **10. CERTIFICATE ON CORPORATE GOVERNANCE**

### **Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

**To,  
The Members of  
Allied Digital Services Limited**

We have examined the Compliance of conditions of Corporate Governance by Allied Digital Services Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges of India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement except that during the year the Company did not have any Officer designated as Compliance officer for the purpose of Clause 49 of the Listing Agreement.

We state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-  
**Pramod S. Shah**  
Partner  
Membership No. - 334  
C.P. No. 3804  
**For Pramod S. Shah & Associates**  
Practising Company Secretaries

**Place: Mumbai  
Date: 29<sup>th</sup> May, 2015**

## **12. DECLARATION ON CODE OF CONDUCT:**

Pursuant to Clause 49 of the Listing Agreement, the Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2014-15. A declaration to this effect signed by the Managing Director is given in this report.

### **13. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS:**

The Code of Conduct for Independent Directors ('Code') has been adopted by the Company to comply with the Section 149, read with Schedule IV under the Companies Act, 2013 ('Act') and such other rules and regulations as applicable.

The Code is a guide to professional conduct for Independent Directors. It is believed that adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators in the institution of independent directors.

Further pursuant to the provisions of Act and the Listing Agreement, Independent Directors of the Company hold at-least one meeting in a financial year without attendance of Non-Independent Directors and the members of the Management.

### **14. POLICY ON PROHIBITION OF INSIDER TRADING:**

The Company has in place a Code of Conduct for Prohibition of Insider Trading and Code for Fair Disclosure ('the Code') pursuant to Section 195 of the Companies Act, 2013, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company has instituted reporting system to prevent insider trading by employees, as applicable, and also takes periodic disclosures from them as stipulated in the said Code of Conduct. Further, Company has put in place a 'Pre-Intimation / Pre-Clearance of Trade' mechanism which makes it mandatory for all the designated employees to pre-intimate / obtain prior approval, before dealing in Company's securities, depending upon respective minimum threshold limit set out in the said Code. Pursuant to the Code, all the designated employee(s) of the Company are also required to inform his/her shareholding in the Company, if any, as on the date of joining, being promoted to the designation, subject to the Insider Trading Code and at the time of leaving the organisation. The Code of Conduct also provides for post transaction disclosure(s) based on which the Company makes filing with the Stock Exchange(s), pursuant to the relevant SEBI Regulations.

### **15. TRADING IN THE COMPANY'S SHARES BY DIRECTORS AND DESIGNATED EMPLOYEES:**

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our Company has appointed Mr. Ravindra Joshi as the Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

**For Allied Digital Services Limited,**

**sd/-**  
**Prakash Shah**  
**Executive Director – Commercial**  
**DIN: 00189842**

**sd/-**  
**Nitin Shah**  
**Chairman & Managing Director**  
**DIN: 00189903**

**Place: Mumbai**

**Date: 29<sup>th</sup> May, 2015**



# INDEPENDENT AUDITOR'S REPORT

To The Members of  
Allied Digital Services Ltd  
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ALLIED DIGITAL SERVICES LTD ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

## Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 standalone financial statements based on 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matters

### Without qualifying our opinion we invite attention to:

- a. Intellectual Property Rights (IPRs) which are in the process of being developed further, these being technical in nature we have relied on the estimates and assumptions made by the management in determining the amount capitalised.
- b. 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.
- c. In respect of Investments in subsidiaries, the Company has not made any provisions for diminution in the value of these Investments inspite of there being negative network.
- d. In respect of delays in deposit of statutory dues with Government, Semi-Government and Local Authorities, the Company has not made provision for interest/penalty for late payment of these dues.
- e. Trade Receivables outstanding for a period of more than six months Rs 205.56 Crores is considered good for recovery by the management.

## Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2015, issued by the Central Government in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as 'the Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 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) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note no. 26).
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been delay in transferring Unpaid Dividend amount of Rs 4.13 lacs pertaining to FY 2006-07 which is required to be transferred to the Investor Education and Protection Fund by the Company.

**For SHAH & TAPARIA**  
Chartered Accountants  
(Firm Regn No 109463W)

**RAMESH PIPALAWA**  
(M. No. 103840)  
Place: Mumbai  
Date: 29.05.2015

## Annexure to Independent Auditor's Report

### Referred to in paragraph 1 under the heading "Report on Other Legal and regulatory Requirements" of our Report of even date

1. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) There is no written policy for physical verification; however as per explanation given to us, fixed assets were physically verified during the year by the Management in accordance with a regular program of verification. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. In respect of the Company's inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification
3. The company has granted interest free unsecured loan to two companies covered in the register maintained under section 189 of the Companies Act.
  - a) The terms of arrangements do not stipulate any repayment schedule and these are repayable on demand. Accordingly this para of the Order is not applicable to the Company in respect of the repayment of the principal.
  - b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained u/s 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal controls.
5. During the F.Y. 2014-15 the company has not accepted any deposits from the public. However in respect of existing deposits accepted during the preceding years, the Company has not made the repayment of Principal and Interest due thereon as under:

No. of Deposit Holders	Principal Amount due as at 31.03.2015	Interest due up to 31.03.2015	Total Dues as at 31.03.2015
144	108.33 Lacs	10.66 Lacs	118.99 Lacs

The Company has paid a sum of Rs 1.13 lacs out of the above dues after the year end.



6. The Central Government has not prescribed the maintenance of cost records under sub section (l) of section 148 of the Act.

**7. 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, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) There were undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable. (Details as under):-

Particulars	Period	Amount
Provident Fund	13-14	1,34,33,005
Provident Fund	14-15	90,25,601
ESIC	14-15	7,78,023

- c) Details of dues of Sales Tax and Value Added Tax, Service Tax and Income Tax which have not been deposited as at March 31, 2015 on account of disputes are given below.

Particulars	Period to which amount relate	Forum where dispute is pending	Amount (In Lacs)
Sales Tax and Value Added Tax	F.Y. - 2005-06 , 2006-07, 2008-09, 2010-11	Dy. Commissioner of Sales Tax Appeal	9940.25
Income Tax	A.Y. - 2005-06 , 2006-07, 2007-08,2008-09 ,2009-10 ,2011-12. 2012-13	Dy. Commissioner of Income Tax.	591.25

There were no dues of Wealth Tax, Customs Duty, Excise Duty and Cess which have not been deposited as at March 31, 2015 on account of dispute.

- a) The Company has not transferred unpaid dividend required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under;

Period	Amount
2006-07	4,12,300



8. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.
10. In our opinion and according to the information and explanations given to us, having regard to the fact that the guarantee has been given for loan taken by subsidiary, the terms and conditions of the guarantee given by the Company for loan taken by the subsidiary from a bank are not prima facie prejudicial to the interest of the Company.
11. In our opinion and according to the information and explanations given to us the term loans taken have been applied for the purpose for which they were obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For SHAH & TAPARIA**

Chartered Accountants

(Firm Registration No.: 109463W)

**RAMESH PIPALAWA**

Partner

M. No.: 103840

Place: Mumbai

Date: 29.05.2015



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*IT managed. Responsibly.*

# Allied Digital Services Limited

## Balance Sheet as at March 31 2015

(Rs. In Lacs)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	2,309.34	2,309.34
Share Warrant Application Money		150.71	0.00
Reserves and Surplus	2	65,000.39	66,692.59
<b>Non-Current Liabilities</b>			
Long term borrowings	3	1,637.37	0.00
Deferred tax liabilities (Net)	4	1,220.14	1,479.54
Long term provisions	5	1.02	153.98
<b>Current Liabilities</b>			
Short term borrowings	6	9,177.14	10,083.27
Trade Payables	7	1,280.74	1,375.64
Other Current Liabilities	8	1,881.56	490.38
Short term provisions	9	326.32	281.02
<b>Total</b>		<b>82,984.73</b>	<b>82,865.76</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible assets	10	16,070.72	20,095.32
Intangible assets	10	4,248.11	4,297.77
Capital work-in-progress	10	3,769.10	3,769.10
Non current investments	11	15,245.35	15,246.22
Long term loans and advances	12	5,514.44	5,412.74
<b>Current Assets</b>			
Current Investments			
Inventories	13	3,789.78	3,867.65
Trade receivables	14	28,207.29	23,321.85
Cash and cash equivalents	15	758.03	1,419.12
Short-term loans and advances	16	4,266.40	4,311.62
Other current assets	17	1,115.51	1,124.37
<b>Total</b>		<b>82,984.73</b>	<b>82,865.76</b>
Contingent Liabilities	24		
Significant Accounting Policies	25		

For Allied Digital Services Limited

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

sd/-  
**Ramesh Pipalawa**  
M. No. 103840

sd/-  
**Nitin Shah**  
Chairman &  
Managing Director

sd/-  
**Prakash Shah**  
Executive Director  
Commercial

sd/-  
**Ravindra Joshi**  
Company Secretary

Place: Mumbai  
Date: 29-05-2015

# Allied Digital Services Limited

## Statement of Profit and Loss for the year ended March 31, 2015

(Rs. In Lacs)

Particulars	Note No.	For the year ending Mar 31, 2015	For the year ending March 31, 2014
<b>INCOME</b>			
Revenue from operations	18	12,549.52	14,938.06
Other Income	19	1,075.61	3,250.95
Total Revenue		13,625.13	18,189.01
<b>EXPENSES:</b>			
Purchases for Traded Goods & Service Spares	20.a	5,690.46	9,110.01
Changes in inventories of stock-in-trade	20.b	77.80	-66.68
Employee benefits expense	21	2,504.02	2,639.66
Finance costs	22	1,618.87	1,437.98
Depreciation and amortisation expense	10	2,394.88	2,325.24
Other expenses	23	1,123.19	1,809.10
Total Expenses		13,409.22	17,255.31
Profit before tax and Exceptional items		215.91	933.70
Exceptional Items		0.00	0.00
Profit before tax		215.91	933.70
Tax expenses:			
Tax expense for current year		40.00	194.80
MAT credit		-40.00	0.00
Net current tax expense		0.00	194.80
Deferred Tax		174.10	-542.28
Total Tax Expenses		174.10	-347.48
Profit/(Loss) for the period		41.81	1,281.18
Earnings per equity share:			
Equity Shares of par value Rs. 5/- each			
Basic		0.09	2.77
Diluted		0.08	2.77
Significant Accounting Policies	25		

### For Allied Digital Services Limited

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

sd/-  
**Ramesh Pipalawa**  
M. No. 103840

sd/-  
**Nitin Shah**  
Chairman &  
Managing Director

sd/-  
**Prakash Shah**  
Executive Director  
Commercial

sd/-  
**Ravindra Joshi**  
Company Secretary

Place: Mumbai  
Date: 29-05-2015

## Cash Flow Statement for the year ended March 31, 2015

Sr. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>I</b>	<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
(a)	Profit/Loss as per Profit & Loss Account after Tax	41.81	1,281.17
	Adjustments:		
	Depreciation and amortization	2,394.88	2,325.24
	Income from Investing Activities	-625.00	-2,010.24
	Deferred Tax	174.10	-542.28
	Finance Cost	1,618.87	1,437.98
(b)	<b>Changes in Assets and Liabilities</b>		
	Inventories	77.87	-66.75
	Trade receivables	-4,885.41	-1,240.17
	loans and advances	-56.50	-114.97
	other non-current investment	0.00	-53.45
	other assets	8.85	208.79
	Trade payables	-94.90	-311.53
	Liabilities & Provisions	1,283.52	-193.66
	Income Tax Paid		
	<b>Net Cash generated by Operating Activities</b>	<b>-61.91</b>	<b>720.13</b>
<b>II</b>	<b>CASH INFLOW FROM INVESTING ACTIVITIES</b>		
	Payment toward acquisition of Fixed Assets	-488.11	-978.63
	Income from sale of investments	0.00	1,891.27
	Dividend received	20.15	35.63
	Interest received	75.29	83.34
	Other Non-Operating Income	530.41	
	<b>Net Cash generated by Investing Activities</b>	<b>137.74</b>	<b>1,031.61</b>
<b>III</b>	<b>CASH INFLOW FROM FINANCING ACTIVITIES</b>		
(b)	Share application money pending allotment	150.71	
(c)	Proceeds from borrowings	731.24	48.39
	Finance Cost	-1,618.87	-1,437.98
	<b>Net Cash generated by Financing Activities</b>	<b>-736.92</b>	<b>-1,389.59</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-661.09</b>	<b>362.15</b>
	Add: Cash and cash equivalents at the beginning of the period (B)	1,419.12	1,056.97
	Cash and cash equivalents at the end of the period (A+B)	758.03	1,419.12

For Allied Digital Services Limited

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

sd/-  
**Ramesh Pipalawa**  
M. No. 103840

sd/-  
**Nitin Shah**  
Chairman &  
Managing Director

sd/-  
**Prakash Shah**  
Executive Director  
Commercial

sd/-  
**Ravindra Joshi**  
Company Secretary

  
**allied|digital**<sup>®</sup>  
*IT managed. Responsibly.*



Notes forming part of the Balance Sheet as at March 31, 2015

Note 1: Share Capital

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

(Rs. In Lacs)

Share Capital	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity shares of Rs. 5 each with voting rights	6,00,00,000	3,000.00	60,000,000	3,000.00
<b>Issued</b>				
Equity shares of ` Rs. 5 each with voting rights	4,61,86,727	2,309.34	46,186,727	2,309.34
<b>Subscribed &amp; Paid up</b>				
Equity shares of Rs. 5 each with voting rights	4,61,86,727	2,309.34	46,186,727	2,309.34

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

(Rs. In Lacs)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
<b>Equity shares with voting rights</b>					
<b>Year ended 31 March, 2015</b>					
- Number of shares	4,61,86,727	-	-	-	4,61,86,727
- Amount in Rs.	2,309.34	0.00	0.00	0.00	2,309.34
<b>Year ended 31 March, 2014</b>					
- Number of shares	4,61,86,727	-	-	-	4,61,86,727
- Amount in Rs.	2,309.34	0.00	0.00	0.00	2,309.34

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

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

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

(Rs. In Lacs)

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares with voting rights</b>				
Nitin Dhanji Shah	1,24,76,954.00	27.01	1,24,76,954.00	27.01
Prakash Dhanji Shah	63,46,214.00	13.74	63,46,214.00	13.74

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

The Company by a Special Resolution passed at Annual General Meeting held on 29th September 2010 approved the Employee Stock Option Scheme under section 79A of the companies act 1956 to be read along with SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 whereby 30,00,000 options convertible into Equity Shares of Rs. 5/- each to be granted to eligible employees of the Company. This stock option scheme is titled as "ESOP 2010". Out of the same 4,27,500 options have been granted during the year.

(Rs. In Lacs)

Particular	2014-2015	2013-2014
Opening Outstanding option	2,512,500	25,72,500.00
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	60,000.00
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	-	-
Closing Outstanding option	2,512,500	25,12,500.00

### (e) Issue of Shares other than Cash

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

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

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

### (f) Buy- Back of Equity Shares

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

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

### (g) Share warrants application money

The Company will allot 40,18,801 share at the price of Rs. 15 per warrant to the promoters of the company. This was approved in the board meeting held on August 14, 2014. Out of which subscription price is received @ 25% of the price per share which comes to Rs. 3.75 per share

## Notes forming part of the Balance Sheet as at March 31, 2015

### Note 2: Reserves and Surplus

Sr. No.	Particulars	(Rs. In Lacs)	
		As at Mar 31, 2015	As at March 31, 2014
(a)	<b>Capital Redemption Reserve</b>		
	Opening Balance	29.85	29.85
	Closing Balance	<b>29.85</b>	<b>29.85</b>
(b)	<b>Securities Premium Account</b>		
	Opening Balance	36,617.46	36,617.46
	Closing Balance	<b>36,617.46</b>	<b>36,617.46</b>
(c)	<b>General Reserves</b>		
	Opening Balance	1,337.77	1,337.77
	Closing Balance	<b>1,337.77</b>	<b>1,337.77</b>
(d)	<b>Surplus</b>		
	Opening balance	28,707.51	27,426.34
(+)	Net Profit/(Net Loss) For the current year	41.81	1,281.17
(-)	Adjustment for Depreciation *	1,734.01	0.00
	Closing Balance	<b>27,015.31</b>	<b>28,707.51</b>
	<b>Total Reserves and Surplus</b>	<b>65,000.39</b>	<b>66,692.59</b>

\* Carrying amount of Fixed Assets whose remaining useful life as at 01st April 2014 was NIL, is adjusted net off tax Rs. 433.50 Lacs (as per schedule II of companies Act 2013)

Notes forming part of the Balance Sheet as at March 31, 2015

Note 3: Long Term Borrowings

(Rs. In Lacs)

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
	<b>Secured</b>		
a.	<b>Cosmos Bank</b>	690.20	0.00
	Escrow account for amount to be received from Govt. of Maharashtra & 1st Pari pasu charge on the amount to be received from Government of Maharashtra with SBI and Plot Repayment will be 24 months in 8 equal quarterly instalments for principal amount and		
b.	<b>Bank of India</b>	947.17	0.00
	1. Shared pari passu with Cosmos Bank 2. Equitable mortgage of the inmovable property situated at Office no. 405 & 406, 4lh Floor, Seepz, SEZ, M I D.C., Marol, Andheri- Repayment of Rs.7.5 Cr. (Lump Sum) after completion of maratorium period,of Term loan of 6 months after disbursement and the balance Rs. 12.50 Crores shall be repaid		
	<b>Total Long Term Borrowings</b>	<b>1,637.37</b>	<b>0.00</b>

The Repayment of these Borrowings has not yet commenced

Note 4: Deferred tax liabilities

The net deferred tax liabilities as at 31st March, 2015, comprises of the following components:

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
	<b>Deferred Tax Asset</b>		
	On account of Deferred Revenue Expenses (IPO Exp)	0.00	0.00
	Provision for Duties and Taxes	128.22	17.16
	Provision for employee benefits - Gratuity	0.00	0.00
	Provision for doubtful debts	0.00	4.74
	<b>Total Deferred Tax Asset</b>	<b>128.22</b>	<b>21.90</b>
	<b>Deferred Tax Liability</b>		
	On timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,348.36	1,501.44
	Provision for employee benefits		
	Gratuity	-	-
	<b>Total Deferred Tax Liability</b>	<b>1,348.36</b>	<b>1,501.44</b>
	<b>Net Deffered Tax Asset / (Liability)</b>	<b>-1,220.14</b>	<b>-1,479.54</b>

**Note 5 : Other Long Term Provisions**
**(Rs. in Lacs)**

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
	(a) Provision for employee benefits:		
	Provision for gratuity	1.02	153.98
	<b>Total Other Long Term Provisions</b>	<b>1.02</b>	<b>153.98</b>

**Note 6 : Short Term Borrowings**
**(Rs. in Lacs)**

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
	<b>Secured</b>		
a	Loans repayable on demand (Refer Note (a))	8,408.20	9,379.67
		<b>8,408.20</b>	<b>9,379.67</b>
	<b>Unsecured</b>		
a	Loans and advances from related parties	251.42	147.59
b	Inter Corporate Deposits	40.00	24.11
c	Fixed Deposits from public	477.52	531.90
		<b>768.94</b>	<b>703.60</b>
	<b>Total Short Term Borrowings</b>	<b>9,177.14</b>	<b>10,083.27</b>

Fixed deposits and interest due there on during the year 2014-2015 of Rs 108.33 Lacs (Principal) , Rs 10.66 Lacs (Interest) has not been paid

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

Particulars	As at March 31, 2015	As at March 31, 2014
Loans repayable on demand from banks:		
Barclays Bank Foreign Currency Loan	1,821.39	1,780.83
Working Capital Facility From ICICI Bank	0.00	26.65
ICICI Bank (Book Over Draft)	0.00	64.89
Working Capital Facility From State Bank of India	5,237.92	5,990.44
Working Capital Facility From Standard Chartered Bank	1,348.89	1,516.86
	-	-
<b>Loans repayable on demand from banks</b>	<b>8,408.20</b>	<b>9,379.67</b>

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

Following securities have been offered to various banks with the first charge with State Bank of India and pari pasu Standard Chartered Bank & Barclays Bank.

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

**Note 7 : Trade Payables**

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
<b>a</b>	<b>Trade payables</b>		
	Sundry Creditors		
	- Acceptances	161.01	68.40
	- Other than Acceptances	1,119.73	1,307.24
	<b>Total Trade Payables</b>	<b>1,280.74</b>	<b>1,375.64</b>

**Note 8 : Other Current Liabilities**

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
(a)	Current Maturities of Long term Debts	1,500.00	0.00
(b)	Security deposit for rented property	137.10	188.50
(c)	Duties & Taxes	240.34	301.88
(d)	Unpaid Dividend	4.12	0.00
	<b>Total Other Current Liabilities</b>	<b>1,881.56</b>	<b>490.38</b>

The Company has not received any instruction 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 9 : Short Term Provisions**

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
<b>a</b>	<b>Provision for employee benefits</b>		
(i)	Contribution to PF	152.70	83.41
(ii)	Contribution to ESIC	7.58	5.40
(iii)	Professional Tax	9.84	8.56
(iv)	LTA Payable	12.07	12.52
(v)	Provision for gratuity	144.13	0.00
<b>b</b>	<b>Others</b>		
(i)	Provision for Tax (AY 14-15)	0.00	171.13
	<b>Total Short Term Provisions</b>	<b>326.32</b>	<b>281.02</b>

The Company has generally not been regular in making the payment towards the Contributions payable by it on account of Employee Benefits and Profession Tax.

## Notes forming part of the Balance Sheet as on March 31, 2015

## Note 10 : Fixed Assets

(Rs. In Lacs)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2014	Additions	Deductions	Revaluations/ (Impairments)	As at March 31, 2015	As at April 1, 2014	For the year	Depreciation adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>											
Leasehold Premises	8,465.43	6.35	-	-	8,471.78	481.60	83.13	-	564.73	7,907.05	7,983.83
Leasehold Land	2,640.87	-	-	-	2,640.87	116.80	26.08	-	142.88	2,497.99	2,524.07
Freehold Premises	1,135.63	-	-	-	1,135.63	63.97	18.73	-	82.70	1,052.93	1,071.66
Civil and Plumbing Work	1,818.10	-	-	-	1,818.10	77.35	18.10	-	95.45	1,722.65	1,740.75
Furniture and Fixtures	3,212.38	-	-	-	3,212.38	739.91	408.41	3.94	1,152.26	2,060.12	2,472.47
Office Equipments	901.15	17.18	-	-	918.33	161.35	296.85	152.94	611.14	307.19	739.80
Motor Vehicles	131.19	-	-	-	131.19	86.44	18.51	-	104.95	26.24	44.75
Computers and IT Equipments	9,586.19	14.59	-	-	9,600.78	6,068.20	1,032.47	2,003.56	9,104.23	496.55	3,517.99
Computers (Given on lease)	155.98	-	-	-	155.98	155.98	-	-	155.98	-	-
<b>Total Tangible Assets</b>	<b>28,046.92</b>	<b>38.12</b>	<b>-</b>	<b>-</b>	<b>28,085.04</b>	<b>7,951.60</b>	<b>1,902.28</b>	<b>2,160.44</b>	<b>12,014.32</b>	<b>16,070.72</b>	<b>20,095.32</b>
<b>Intangible Assets</b>											
Computer Software Licenses	76.35	-	-	-	76.35	61.24	1.41	7.06	69.71	6.64	15.11
Intellectual Property Rights	4,911.95	450.00	-	-	5,361.95	629.29	491.19	-	1,120.48	4,241.47	4,282.66
<b>Total Intangible Assets</b>	<b>4,988.30</b>	<b>450.00</b>	<b>-</b>	<b>-</b>	<b>5,438.30</b>	<b>690.53</b>	<b>492.60</b>	<b>7.06</b>	<b>1,190.19</b>	<b>4,248.11</b>	<b>4,297.77</b>
<b>Capital Work in Progress</b>											
Capital Work in Progress	3,769.10	-	-	-	3,769.10	-	-	-	-	3,769.10	3,769.10
<b>Total Capital Work in Progress</b>	<b>3,769.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,769.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,769.10</b>	<b>3,769.10</b>
<b>TOTAL</b>	<b>36,804.32</b>	<b>488.12</b>	<b>-</b>	<b>-</b>	<b>37,292.44</b>	<b>8,642.13</b>	<b>2,394.88</b>	<b>2,167.50</b>	<b>13,204.51</b>	<b>24,087.93</b>	<b>28,162.19</b>
<b>Previous year</b>	<b>35,825.68</b>	<b>1,702.32</b>	<b>723.69</b>	<b>-</b>	<b>36,804.31</b>	<b>6,316.88</b>	<b>2,325.24</b>	<b>-</b>	<b>8,642.14</b>	<b>28,162.18</b>	<b>29,508.80</b>

**Note 1:**

- 1) Transfers of Capital Work in Progress, if any, to the respective Heads of Assets during the year under consideration is as per the representations made and certified by the Management.
- 2) Intellectual Property Right (IPR) are in process of being developed further but as represented by the Management the amount capitalised by them during the year under consideration represents the Employee Cost attributable to the development of these IPR.. As per the representation made by the Management these IPR's in its current form can be put to use or sold to its customers. The management has informed that the active utility life of this IPR is 10 years from the date it was first put to use This is the third year of the utilisation of these IPR's.

The company has recorded the Fixed Assets at Cost and the same shall include the additional cost paid to enable the company to acquire these assets. The value of each Fixed Assets as appearing in the Balance Sheet could not be verified by us and hence is taken as Certified by the Management.

During the year under review, it was represented that the Company is in process of developing 6 Intellectual Property Rights (IPR) the details of which are as under:

- 1) ADITAS :- This is a large software product, now being extensively deployed to all our customers world wide. This is an ITSM (IT service Management) platform that orchestrates IT service management for all kinds of devices and applications within the enterprise. This platform competes with world leaders such as BMC Remedy, ServiceNow and IBM . Tivoli. It is available as on-premise as well as cloud model. This platform has mobile applications, dashboards and multiple integration points and scales to automation of business processes. This is a cornerstone of Allied now, and is the center of our offerings. It went through three phases of development in two years, and further roadmap is planned for one more year at minimum.
- 2) WOTS :- This is a work order tracking system. The solution provides end to end logistics management and discrete assembly of products in warehouses. This solution was developed for US customers, and now has great potential to sell for customers who are into warehousing and order fulfillment. It integrates seamlessly with SAP.
- 3) YOUNIFY :- Younify is developed as an intranet portal, one of the most unique kind of portal development capabilities that we have. It showcases our powerful content management and web site development capabilities. This intranet integrates all our internal HR processes and is used by all employees in India. We have extended the portal to community portals, which is one of the unique in the world, and adds
- 4) SFA :- This is a comprehensive sales force automation tool. Which starts from lead management to deal closure. It has mobile application too to track workforce and their day to day activities. The key feature is also that it integrates with voucher management, and timesheet to track sales force performance and their travel costs. Commission management is under development.
- 5) Mobile Workforce Management :- A unique workforce management application useful for field force across the globe. This application runs on android and can run also on apple devices. The application also has central command center with GPS tracking for tracking, interaction with field force and intelligent work scheduling.
- 6) AWS :- Automobile warranty system is one of kind application, which tracks all interaction between the end customer, dealer and the manufacturer. Two customers in the US are already using this application. Very few vendors have such a focused application on parts warranty management. This application can be easily leveraged for other parts management industry apart from automobile warranty.

The Management has represented that these IPR's have been developed in house for which the Company has deployed various personnel on salary basis. As these salaries have been paid to the employees exclusively working for the development of these IPR's all these salary expenses and their related other overheads have been attributed to the development cost of these IPR's. Hence the amount of Rs. 450 Lakhs has been ascertained by the management attributable to these IPR's. However the allocation of these expenses have not been verified by us due to the absence of the relevant records and documents with the

It has been represented by the Company that once these IPR's have been developed and put to use they are likely to yield considerable revenue. As these IPR's are in the state of development and have not contributed to the earnings of the company the same have been capitalized under the head of IPR. The useful life of these IPR's as represented before us is that of 10 years.

## Notes forming part of the Balance Sheet as at March 31, 2015

### Note 11: Non Current Investments

Sr. No.	Particulars	Rs. In Lacs	
		As at Mar 31, 2015	As at March 31, 2014
	<b>Non- Quoted, long term, Trade: (at cost)</b>		
(a)	<b>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	7,530.79	7,530.79
(ii)	<b>Allied Digital Inc (USA)</b> 10000 (Previous year: 10000 ) equity shares of USD 0.0001/- each fully paid up (Refer Note)	7,074.83	7,074.83
(iii)	<b>Allied Digital Singapore Pte Limited</b> 100 (Previous year: 100) shares of SGD 1 each, fully paid up (Refer Note)	6.47	6.47
(iv)	<b>Allied Digital Asia Pacific Pty Limited (Australia)</b> 100 (Previous year: 100) shares of AUD 1 each, fully paid up (Refer Note)	127.84	127.84
(v)	<b>E-Cop Surveillance India Pvt. Ltd</b> 86010 (Previous year: 86010 ) equity shares of Rs. 10/- each fully paid up	1.01	1.01
(vi)	<b>Allied Digital Services (UK) Ltd.</b> 900 (Previous year: 900 ) shares fully paid up	1.01	1.01
	<b>Total Investment in Subsidiaries</b>	14,741.95	14,741.95
(b)	<b>Investment in Mutual Funds</b>		
(i)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 0.181 (Previous year: 0.181) units of Rs. 1002.7641 each	0.00	0.00
(ii)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend 12.9610 (Previous year: NIL) units of Rs. 105.7358 each	0.01	0.00
(iii)	ICICI Prudential Income Opportunities Fund Institutional Growth 154.952 (Previous year: NIL) units of Rs. 17.0532 each	0.03	0.00
(iv)	BSL Floating Rate Fund - Long Term - INSTL-Weekly Dividend 23.0680 (Previous year: 20.1880) units of Rs. 100.2903 each	0.02	0.02
(v)	DSP Black Rock Income Opportunities Fund - Institutional Plan - Daily Dividend 3.6440 (Previous year: 3.6440 ) units of Rs. 1012.266 each	0.04	0.04
(vi)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend 64.826 (Previous year: NIL ) units of Rs. 10.1227 each	0.01	0.00
(vi)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend 0.118 (Previous year: NIL) units of Rs. 1240.71 each	0.00	0.00
(vii)	Canara Robeco Income Growth Fund NIL (Previous year: 4,578.4592) units of Rs. NIL each	0.00	0.93
(ix)	Canara Robeco Short Term Institutional Growth Fund 124.2276 (Previous year: NIL) units of Rs. 16.1612 each	0.01	0.00
(x)	IL & FS Milestone Fund II B 50,000 (Previous year: 50,000) units of Rs. 1,000 each	500.00	500.00
(xi)	SBI-SHF-Ultra Short Term Fund - Institutional Plan - Daily Dividend 2.5020 (Previous year: 2.5020) units of Rs. 1000.2718 each	0.03	0.03
(xii)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend 0.28 (Previous year: NIL) units of Rs. 1004.393 each	0.00	0.00
	<b>Total Investment in Mutual Funds</b>	500	501



Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
(c)	<b>Other Investments</b>		
	<b>Digicomp Complete Solutions Limited</b>		
	3,250 Pref. Shares of Rs.100/- each (Previous year: 3,250 Pref. Shares ) of Rs. 100/- each fully paid up.	3.25	3.25
	<b>Total Non Current Investments</b>	<b>15,245.35</b>	<b>15,246.22</b>
	Aggregate amount of quoted investments	500.15	501.01
	Aggregate market value of quoted investments	500.15	518.17

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

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

Note 3 The Company has advanced Loans to Allied Digital Inc. (USA), its wholly owned Subsidiary, on regular basis. The same being in the nature of Contribution towards Working Capital of the Subsidiary should have been classified under the head of Loans & Advances but has been classified as Investments. No Shares have been issued against this contribution.

#### Note 12: Long Term Loans and Advances

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
(a)	<b>Security Deposits</b>		
	Unsecured, considered good	410.48	410.42
(b)	<b>Loans and advances to related parties</b>		
	Unsecured, considered good	347.27	347.56
(c)	<b>Advance given to a Suppliers</b>		
	Unsecured, considered good	3,469.27	3,468.68
(d)	<b>Others</b>		
	Advance income tax of prior years receivable	1,287.42	1,186.08
	Other Loans and Advances	0.00	0.00
	<b>Total Others</b>	<b>1,287.42</b>	<b>1,186.08</b>
	<b>Total Long Term Loans and Advances</b>	<b>5,514.44</b>	<b>5,412.74</b>

In respect of confirmation for Loans and Advances as at 31st March 2015, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

#### Note 13: Inventories

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
	Stock in Trade (for Trading)	3,555.64	3,589.97
	Stock in Trade (for Service)	234.14	277.68
	<b>Total Inventories</b>	<b>3,789.78</b>	<b>3,867.65</b>

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

Note 2 The value of the Inventory as on 31st March 2015 includes certain slow and non moving items which has not been provided for during the valuation of the same.

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

**Note 14: Trade Receivables**

(Rs. in Lacs)

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	7,651.23	7,504.99
	Less: Provision for doubtful debts		
		<u>7,651.23</u>	<u>7,504.99</u>
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	21,325.09	16,585.92
	Unsecured, considered doubtful		
	Less: Provision for doubtful debts	-769.00	-769.00
		<u>20,556.09</u>	<u>15,816.92</u>
	<b>Total Trade Receivable</b>	<b><u>28,207.32</u></b>	<b><u>23,321.91</u></b>

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

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
	Directors	0.18	0.18
	Private Company in which director is a member	625.92	625.92
		<u>626.10</u>	<u>626.10</u>

Note Whereas the Company has produced before us the Confirmation from Plainburgh Ltd. which amounts to Rs. 10,025.63 Lacs out of the Total Receivables of Rs.28.207.32 Lakhs. In respect of confirmation for Sundry Debtors for the balance amount, the Company has not produced the same from any of these other parties till the signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. However, the management is of the opinion that all the Sundry Debtors, as appearing in the Balance Sheet are good and recoverable.

**Note 15: Cash and Cash Equivalents:**

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
(a)	Balances with Banks		
(i)	In fixed deposit accounts (pledge with bank against LC margin/guarantees given by bank)	32.20	44.45
(ii)	In fixed deposit accounts (pledge with banks as security for borrowings)	665.65	1,345.64
(iii)	In Current Account	33.67	18.66
(b)	Cash on hand	26.51	10.37
	<b>Total Cash and Cash Equivalents</b>	<b><u>758.03</u></b>	<b><u>1,419.12</u></b>

**Note 16: Short-term loans and advances:**

(Rs. in Lacs)

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
<b>a</b>	<b>Loans and advances to related parties</b>		
	Subsidiaries & Associates	644.58	465.68
<b>b</b>	<b>Loans and advances (others)</b>		
	Unsecured, considered good		
(i)	Security Deposit	35.09	143.10
(ii)	Loans and advances to employees	358.41	343.60
(iii)	Inter Corporate Deposits	2,927.66	2,915.18
(iv)	Prepaid expenses	300.66	444.06
		<b>3,621.82</b>	<b>3,845.94</b>
	<b>Total Short-term loans and advances</b>	<b>4,266.40</b>	<b>4,311.62</b>

In respect of confirmation for Loans and Advances as at 31st March 2015, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

**Note 17: Other Current Assets**

Sr. No.	Particulars	As at Mar 31, 2015	As at March 31, 2014
(i)	Unbilled revenue	45.55	28.33
(ii)	Intererest Accrued	65.38	75.06
(iii)	MAT Credit Entitlement	730.10	690.10
(iv)	Income Taxes	274.48	330.88
	<b>Total Other Current Assets</b>	<b>1,115.51</b>	<b>1,124.37</b>

- (i) Unbilled Revenue of Rs.45.55 Lakhs has been considered as certified and represented by the Management.
- (ii) In the opinion of the management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

**Note 18 : Operating Income**

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Services, Solutions and Sales	12,513.79	14,809.34
	Lease Rent	35.73	76.99
	Other operating revenues	0.00	51.72
	<b>Total Operating Income</b>	<b>12,549.52</b>	<b>14,938.05</b>

**Note 19 : Other Income**

(Rs. in Lacs)

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Interest Income (Refer Note 19.a)	75.29	83.34
	Dividend Income	19.29	35.63
	Net gain on foreign currency transactions	450.62	721.70
	Other non-operating income (Refer Note 20.b)	530.41	2,410.28
	<b>Total Other Income</b>	<b>1,075.61</b>	<b>3,250.95</b>

**Note 19.a**

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	<b>Interest Income comprises:</b>		
	Interest on deposits from banks	75.29	83.34
	<b>Total Interest income</b>	<b>75.29</b>	<b>83.34</b>

**Note 19.b**

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	<b>Other non-operating income comprises:</b>		
	Income from Office Rent	526.84	511.36
	Miscellaneous income	3.58	1,898.92
	<b>Total Other non-operating income</b>	<b>530.42</b>	<b>2,410.28</b>

**Note 20 a Purchase of Traded Goods**

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Purchase of Traded Goods and Services	5,621.25	9,095.53
	Other Direct Cost	69.21	14.48
	<b>Total Purchase of Traded Goods</b>	<b>5,690.46</b>	<b>9,110.01</b>

**Note 20.b Changes in inventories of Stock-in-Trade**

(Rs. in Lacs)

Sr. No	Particulars	For the year ending Mar 31, 2015	For the year ending March 31, 2014
	Closing Stock	3,789.78	3,867.58
	Less : Opening Stock	3,867.58	3,800.90
	<b>Net (increase) / decrease</b>	<b>77.80</b>	<b>-66.68</b>

(i) Inventories are valued at lower of cost and net realizable value

(ii) The value of the Inventory as on 31st March 2015 includes certain slow and non 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 21 : Employee Benefits Expenses**

Sr. No	Particulars	For the year ending Mar 31, 2015	For the year ending March 31, 2014
(a)	Salaries and wages (Including Directors' Remuneration) (Refer note (21a))	2,410.52	2,351.85
(b)	Contributions to Provident Fund	34.94	201.49
(c)	Contributions to ESIC	40.93	58.43
(d)	Contributions to Labour Welfare Fund	0.25	0.51
(e)	Staff welfare expenses	17.38	27.38
	<b>Total Employee Benefit Expenses</b>	<b>2,504.02</b>	<b>2,639.66</b>

**(21a) Details of Managerial Remuneration:**

Sr. No	Particulars	For the year ending Mar 31, 2015	For the year ending March 31, 2014
	Salaries	135.97	116.50
	<b>Total</b>	<b>135.97</b>	<b>116.50</b>

**Note 22 : Finance costs**

Sr. No	Particulars	For the year ending Mar 31, 2015	For the year ending March 31, 2014
(a)	Interest expense on:		
(i)	Borrowings	1,278.98	1,142.11
(ii)	Trade payables	0.00	2.91
(b)	Other borrowing costs	298.57	52.99
(c)	Net (gain) / loss on foreign currency transactions and translation	41.31	239.97
	<b>Total Finance costs</b>	<b>1,618.86</b>	<b>1,437.98</b>

**Note 23 Other expenses**

(Rs. in Lacs)

Sr. No	Particulars	For the year ending Mar 31,	
		2015	March 31, 2014
	Rent including lease rentals	142.83	130.35
	Repairs and maintenance	53.64	69.04
	Insurance	29.29	45.45
	Communication	95.75	127.17
	Travelling and conveyance	78.84	86.74
	Electricity Expenses	101.25	83.31
	Freight and forwarding	224.04	70.03
	Advertisement Expenses	118.56	92.93
	Legal and professional	156.77	201.74
	Payments to auditors (Refer Note (23a) below)	6.00	6.00
	Bad trade and other receivables, loans and advances written off	0.00	705.14
	Miscellaneous expenses	116.24	191.19
	<b>Total Other expenses</b>	<b>1,123.21</b>	<b>1,809.09</b>

**23a Details of Auditors' Remuneration:**

Sr. No	Particulars	For the year ending Mar 31,	
		2015	March 31, 2014
	Payments to the auditors		
(a)	For statutory audit	5.00	5.00
(b)	For taxation matters	1.00	1.00
	<b>Total</b>	<b>6.00</b>	<b>6.00</b>

**Note 24 Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956**

Contingent liabilities and commitments (to the extent not provided for)	As at 31 March 2015	As at 31 March 2014
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	-	-
(b) Bank Guarantees	2,475.56	2,475.56
(c) Letter of Credit	2,791.75	3,056.70
(c) Sales Tax	161.01	67.91
(d) Income Taxes	9,940.25	-
(e) Other money for which the company is contingently liable	591.25	-
	<b>15,959.83</b>	<b>5,600.17</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature)	-	-
	<b>15,959.83</b>	<b>5,600.17</b>

Note 1 During the year ended 31<sup>st</sup> March 2012 the Company was subject to Audit from the Service Tax Department. The said audit has been concluded and the intimation from the Service Tax Department is awaited as on the date signing of this Balance Sheet.

Note 2 There is a delay in payment of statutory dues and filing of Return of Service Tax, Provident Fund, ESIC, Profession Tax, TDS and VAT due to which an additional liability of these taxes on account of Interest on delay in payment of these taxes as well as penalty on delay in filing the returns shall accrue for the year under consideration as well as the earlier years.

Note 3 The Income tax Authorities carried out a search operation at certain locations of the Company on 4<sup>th</sup> February 2011. The Company extended its full co-operation to the tax authorities and various statements were recorded during the course of search. The search operation got concluded on the same business day. The Company was thereafter asked to file the Revised Return of Income from A.Y. 2005-06 to 2011-12 which was duly complied with. Thereafter the Income Tax Department completed the Assessments of the Company till 2011-12 and the details of the same are as under:

(Rs in Lacs)

Asst. Year	Income Tax Demanded as per revied Order of the A.O. (incl Interest)	Payment made during the year	Actual Tax Payable as per the Company (incl. Interest upto 31/03/2014)
2005-06	3.94	-	3.94
2006-07	27.94	-	27.94
2007-08	37.47	-	37.47
2008-09	13.81	-	13.81
2009-10	211.97	-	211.97
2010-11	467.59	-	467.59
2011-12	252.55	75.00	177.55
2012-13	79.34		79.34
IT Refund Adjusted	-	428.35	(428.35)
<b>Total</b>	<b>1,094.60</b>	<b>503.35</b>	<b>591.25</b>

The additional Income Tax Liability of Rs 1,094.60 Lakhs is on account of some additions made by the Income Tax Department. Out of which company has paid Rs. 75.00 Lakhs and Income tax department adjusted Income tax refund for the A.Y. 12-13 of Rs. 125.47 Lacs and for the A.Y. 13-14. of Rs. 302.88 Lacs against the demand. Against the said order company has filed an appeal with Appellant authority with Income Tax department. The Company expects major reliefs from this demand once these appeals are decided.

Note5 The company has received the Assessment Orders from Maharashtra Value Added Tax Department (MVAT), demand has been raised on the company. This demand is on account of total disallowance of Input Credit availed by the Company. As the said Order is bad in law and on facts the company is filed an appeal with the Dy. Comm of Sales Tax Appeal V. The Company expects major reliefs from this demand once these appeals are decided. This liability has not been recognized in the Books of Accounts of the Company. the details of the same are as under:

Financial Year	Sales tax demand
2005-06	541.04
2006-07	1,257.07
2008-09	899.57
2010-11	7,242.56
<b>Total</b>	<b>9,940.25</b>

## SCHEDULE '25' – 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 pan India, USA, Australia, Europe and Middle east Asia with an impeccable track record for designing, developing, deploying 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, Singapore and Australia.

### 2) Significant Accounting Policies

#### a) Basis of preparation

The financial statements have been prepared in accordance with the Generally Accounting Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply with the in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) Principles of Consolidation

The financial statements of the subsidiary companies used for the publishing of the consolidated results are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on the line by line basis by adding together like item of assets, liabilities, income and expenses. Inter-Company balances and transactions and unrealized profits or losses have been fully eliminated.
- ii. The excess of cost to the Parent Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investment in subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- iii. Minority interest in the net assets of the consolidated subsidiaries consists of the amount of the equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- iv. Interest in a jointly controlled entity is reported using proportionate consolidation.

#### c) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for



income taxes, accounting for contract costs expected to be incurred to complete software development and the useful lives of depreciable fixed assets.

**d) Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Subsequent expenditure related to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

**e) Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its development cost/purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**f) Depreciation and amortization**

Depreciation has been provided based on estimated useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013:

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

Depreciation is charged only from the date the asset concerned is put to use by the Company.

Intangible assets are amortized over the estimate useful life.

The depreciation has been charged using straight line Method over the estimated life of assets of three to seven years in case of Allied Digital Services LLC.

**a) Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on pro-rata basis over the period of the lease.

**b) Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

**c) Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are tested at lower of cost and net realisable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

Profit or Loss on sale of Investments is determined on specific identification basis.

**d) Employee benefits**

**(i) Post-retirement benefit plans**

Payments to the defined retirement benefit schemes are recognized as expenses when employees have rendered services entitling them to contributions.

In accordance to the applicable Indian Laws and as per the Accounting Standard 15 (Revised) for "Accounting for Employees Benefit", the Company with effect from April 1, 2006 provides for gratuity for its eligible employees. The Actuarial Gains or Losses are charged to the Profit and Loss Account for the period in which they occur.

**(ii) Employees defined contribution plans**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. This contribution is made to the Government's Provident Fund.

**e) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Service revenue is considered on acceptance of the contract and is accrued over the period of the contract, net of all taxes, local levies and other discounts & rebates.

Sales in case of supply of goods are recognized when the goods are invoiced or dispatched to the customers and are recorded exclusive of VAT, CST, other local levies and other discounts and rebates.

Revenue from sale of software licenses are recognized upon delivery where there is no customization required. In case of sale of customized software the same is recognized on the basis of achieving the various milestones attached with the customization, net of all taxes, local levies and other discounts & rebates.

Interest income is accounted on time proportion basis taking into account the amount outstanding and the applicable interest rate. Dividends income is accounted when the right to receive it is established.

#### **f) Taxation**

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income of the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognised deferred tax assets.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

#### **g) Foreign Currency Transactions**

The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transaction. The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is treated as revenue / expenditure.

Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year end are recognized in the Profit and Loss Account except those relating to acquisition of fixed assets which are adjusted in the cost of the assets.

## h) Employee Stock Option Scheme

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the Company is following the Intrinsic Value Method of ESOP cost whereby the excess of Fair Market Value of the shares of the Company one day prior to the date of issue of the shares over the price at which they are issued is recognised as employee compensation cost. This cost is amortized on straight-line basis over the period of vesting of the Option.

However, during the year there were no Options exercised and vested hence no expenses have been provided on account of Employee Stock Options Cost (Previous Year: Nil).

## i) Inventories

Inventories are carried at lower of cost and net realizable value. Cost is determined on a first in first out basis. Purchased goods in transit are carried at cost. Stores and spare parts are carried at cost less provision for obsolescence.

## B) Notes on Accounts

### 1) Employee Benefits

#### Gratuity Plan

(i) An amount of Rs. 145.15 Lacs has been recognized towards the Employees Gratuity Fund against the liability of Rs. 145.15 Lacs as per the Actuarial Valuation for Gratuity as on 31<sup>st</sup> March 2015. 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:

Particulars	Valuation Date	Valuation Date
	31st March, 2015	31st March, 2014
<b>I Assumptions as at</b>		
Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
Discount Rate	7.90%	9.10%
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	15,397,787	N.A.
Interest cost	1,361,,943	N.A.
Current Service Cost	3,215,789	N.A.
Benefits Paid	(862,760)	N.A.
Actuarial (gain)/loss on obligation	(4,598,027)	N.A.
PVO at end of period	14,514,732	N.A.
<b>III Changes in fair value of plan assets</b>		
Fair Value of Plan Assets at beginning of period	916,784	N.A.
Adjustment to Opening Fair Value of Plan Assets	-	N.A.
Expected Return on Plan Assets	43,700	N.A.
Contributions	-	N.A.
Benefit Paid	(862,760)	N.A.
Actuarial gain/(loss) on plan assets	4,267	N.A.
Fair Value of Plan Assets at end of period	101,991	N.A.

Particulars	Valuation Date 31st March, 2015	Valuation Date 31st March, 2014
<b>IV Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of period	916,784	N.A.
Adjustment to Opening Fair Value of Plan Assets	-	N.A.
Actual Return on Plan Assets	47,967	N.A.
Contributions	-	N.A.
Benefit Paid	(862,760)	N.A.
Fair Value of Plan Assets at end of period	101,991	N.A.
Funded Status	(14,412,741)	N.A.
Excess of actual over estimated return on Plan Assets	4,267	N.A.
<b>V Actuarial Gain/(Loss) Recognized</b>		
Actuarial Gain/(Loss) for the period (Obligation)	4,598,027	N.A.
Actuarial Gain/(Loss) for the period (Plan Assets)	4,267	N.A.
Total Gain/(Loss) for the period	4,602,294	N.A.
Actuarial Gain/(Loss) recognized for the period	4,602,294	N.A.
Unrecognized Actuarial Gain/(Loss) at end of period	-	N.A.
<b>VI Amounts to be recognized in the Balance Sheet and statement of Profit &amp; Loss Account</b>		
PVO at end of period	15,514,732	N.A.
Fair Value of Plan Assets at end of period	101,991	N.A.
Funded Status	(14,412,741)	N.A.
Unrecognized Actuarial Gain/(Loss)	-	N.A.
Net Asset/(Liability) recognized in the balance sheet	(14,412,741)	N.A.
<b>VII Expense recognized in the statement of P &amp; L A/C</b>		
Current Service Cost	3,215,789	N.A.
Interest cost	1,361,943	N.A.
Expected Return on Plan Assets	(43,700)	N.A.
Net Actuarial (Gain)/Loss recognized for the period	(4,602,294)	N.A.
Expense recognized in the statement of P & L A/C	(68,262)	N.A.
<b>VIII Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	14,481,003	N.A.
Adjustment to Opening Fair Value of Plan Assets	-	N.A.
Expenses as above	(68,262)	N.A.
Contribution paid	-	N.A.
Closing Net Liability	14,412,741	N.A.
Experience Analysis - Liabilities		
Actuarial (Gain)/Loss due to change in basis		
Experience (Gain) / Loss due to change in Experience	1,859,470	N.A.
IX Total	(6,457,497)	N.A.
	(4,598,027)	N.A.
Experience Analysis – Plan Assets		
Experience (Gain) / Loss due to change in Plan Assets	(4,267)	N.A.
X Schedule VI Details		
Current Liability	14,412,741	N.A.
Non-current Liability	101,991	N.A.

\*N.A.= Not Available

**2) Current Assets, Loans and Advances**

(i) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated and are realisable in the ordinary course of business.

(ii) Amounts extended to wholly or partially owned subsidiaries Company has been shown under the head of investment as the same is long term in nature.

**3) MAT Credit Entitlement**

Considering the consistent profit over the years and also considering the future profit projections, the management believes that there are adequate and satisfying reasons with regards to the earning of future taxable income and payment of tax under normal tax within the specified period. Hence MAT credit entitlement of Rs.736.34 Lacs pertaining upto F.Y. 2014-15 (Previous year Rs.696.34 Lacs) has been recognized for the year ended 31st March 2015.

**4) Current Liabilities and Provisions**

In the opinion of the Board, the current liabilities are approximately at the fair value in the Balance Sheet. Balances of sundry creditors are subject to confirmation and reconciliation.

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

The company has received Notices from the MVAT Department for the disallowance of Input Credit on purchases made from certain registered dealers in Maharashtra. The company has contested the said claim of the MVAT Department but the quantum of the proposed disallowance of Input Credit has not been worked out by the company and hence cannot be quantified for provision.

The company has not deposited Rs.264.68 Lacs towards Service Tax Liability and has not filed their return of Service Tax for the year under consideration till the date of signing of this Audit Report.

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

(Rs. In Lacs)

	<b>Particular</b>	<b>Year ended 31.03.15</b>	<b>Year ended 31.03.14</b>
i	<b>Income in Foreign Currency (Exports)</b>		
	Sales of Services and products	1,343.17	2748.95
ii	<b>Expenditure in Foreign Currency</b> (subject to deduction of tax where applicable)		
a	Professional & Consultation Fees	46.68	25.42
b	Travelling	1.14	2.82
c	Other Expenses	19.94	9.04
iii	<b>Value of Imports calculated on C.I.F. basis</b>		
a	Traded Goods	670.38	114.24

**6) Quantitative Information**

Considering the nature of business of the company, it is not practically possible to give quantitative information in the absence of common expressible unit. Hence the value of the Inventory for the Balance Sheet purpose has been take as certified by the Management.

**7) Dues to Micro, Small and Medium Enterprises**

No response was received by the Company from its creditors to enable them to identify the same and hence the above information has been determined on the basis of the explanation provided by the Company to the auditors. However as per the information provided by the Company, there are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at the balance Sheet date. This has been relied upon by the auditors.

**8) Earning Per Share**

		2014-2015	2013-2014
<b>A</b>	Weighted average number of equity shares of Rs. 5/- each		
I	Number of shares at the beginning of the year (Nos.) of Rs.5/- each (Previous Year of Rs. 5/- each)	4,61,86,727	4,61,86,727
II	Number of Shares at the end of the year (Nos.) of Rs.5/- each	4,61,86,727	4,61,86,727
III	ESOP outstanding to employees NIL ( previous year 44,050 Eq. Shares) of Rs. 5/- each @ Rs.47.50 per share	Nil	Nil
IV	Weighted average number of Equity Shares of Rs.5/- each (Previous Year Rs.5/- each) outstanding during the year (Nos) for Basic EPS	502,05,528	4,61,86,727
V	Weighted average number of Equity Shares of Rs.5/- each (Previous Year Rs. 5/- each) outstanding during the year (Nos) for Dilutive EPS	502,05,528	4,61,86,727
<b>B</b>	Net Profit after tax available for equity shareholders (In Rs. Lacs)	0.38	925.07
<b>C</b>	Basic income per share (in rupees) [B/A (v)]	(0.00)	2.00
<b>D</b>	Diluted income per share (in rupees) [B/A (vi)]	(0.00)	2.00

**9) Taxes on Income**

(i) Provision for taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961.

(iii) In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the Company has recognised Deferred Tax Liability amounting to Rs. 175.32 Lacs (Previous Year Rs. -542.28 Lacs) for the period ended 31st March, 2015 in the Statement of Profit and Loss. An amount of Rs. 433.50 Lacs was adjusted on account of reversal of deferred tax liability on carrying value of fixed assets whose remaining useful life is NIL.

**10) Related Party Disclosures****A) Related Parties and their Relationship****(i) Subsidiaries**

1. Allied Digital Services LLC (formerly known as En Pointe Global Services LLC)
2. Allied Digital INC

3. Allied Digital Singapore Pte Ltd
4. Allied Digital Asia Pacific Pty Ltd
5. En Pointe Technologies India Private Limited
6. Allied-eCop Surveillance Private Limited
7. Allied Digital Services (UK) Limited

**(ii) Associates**

1. Assetlite Equipment India Private Limited
2. Abhirati Properties Private Limited
3. The Gateways

**(iii) Key Management Personnel & their relatives (KMP)**

Mr. Nitin Shah	Chairman & Managing Director
Mr. Prakash Shah	Executive Director - Commercial
Mr. Paresh Shah	Executive Director & CEO
Mrs. Tejal P. Shah	Wife of Mr. Prakash Shah
Mr. Nehal N. Shah	Son of Mr. Nitin Shah
Miss. Dhara N. Shah	Daughter of Mr. Nitin Shah

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

(Rs. in Lacs)

Year ended March 31, 2015	Subsidiary	Associates	Key Management Personnel
Revenue		1109.11 3337.76	- -
Purchase of goods, services and facilities		21.70 3115.24	- -
Loans and advances		- 6.66	- -
Investment		-	-
Reimbursement of Expenses		-	-

**C) Balance with Related Parties**

(Rs. in Lacs)

As at March 31, 2015	Subsidiary	Associates	Key Management Personnel
Sundry Debtors		1450.15 3281.22	0.45 0.45
Sundry Creditors		55.53 2995.43	- -
Loans and advances		347.27 810.84	2.86 70.28
Short term borrowings		53.85 55.42	198.74 129.62



**D) Disclosure required by Clause 32 of the listing agreement regarding the related parties:**

Amount of Loans/Advances in the nature of loans outstanding from Subsidiaries and Associates:

(Rs. in Lacs)

Particular	Outstanding as at the end of the year	Maximum amount Outstanding during the year	Investments in shares of the Company
<b>Subsidiaries</b>			
Digicomp Complete Solutions Ltd.			
2014-15	0.00	0.00	3.25
2013-14	0.00	0.00	3.25
Allied Digital Services LLC			
2014-15	644.58	674.37	7530.79
2013-14	367.40	530.20	7530.79
Allied Digital INC			
2014-15	0.00	0.00	7074.83
2013-14	0.00	0.00	7074.83
En Pointe Technologies India Private Ltd.			
2014-15	0.00	0.00	0.00
2013-14	0.00	0.00	0.00
Allied Digital Singapore Pte Ltd.			
2014-15	0	0	6.47
2013-14	6.52	6.52	6.47
Allied Digital Asia Pacific Pty Ltd.			
2014-15	0.00	0.00	127.84
2013-14	0.00	0.00	127.84
<i>Allied-eCop Surveillance India Pvt. Ltd</i>			
2014-15	0.00	0.00	1.01
2013-14	0.00	0.00	1.01
Allied Digital Services (UK) Ltd.			
2014-15	0.00	0.00	1.01
2013-14	0.00	0.00	1.01
<b>Associates</b>			
Assetlite Equipment India Private Ltd.			
2014-15	0.00	0.00	0.00
2013-14	0.00	0.00	0.00
Abhirati Properties Private Limited			
2014-15	347.27	349.02	0.00
2013-14	347.55	347.55	0.00
<i>The Gateways</i>			
2014-15	0.00	0.00	0.00
2013-14	0.00	0.00	0.00

**11) Auditors' Remuneration**

(Rs. In Lacs)

	Year Ended March 31, 2015	Year Ended March 31, 2014
For Services as Auditors, including quarterly audits	5.00*	5.00*
For Tax Audit	1.00*	1.00*
<b>Total Remuneration</b>	<b>6.00</b>	<b>6.00</b>

\* excluding service tax

**12) Remuneration to Key Management Personnel**

(Rs. In Lacs)

Managing Director and other Whole-time Directors	Year Ended March 31, 2015	Year Ended March 31, 2014
Mr. Nitin Shah	50.00	50.00
Mr. Prakash Shah	72.69	30.00
Mr. Paresh Shah	13.29	36.50
<b>Total Remuneration</b>	<b>135.97</b>	<b>116.50</b>

**13) Leases****Obligations on long-term, non-cancellation obligation leases**

The leases rentals charged during the period and the obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(Rs.InLacs)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
1	Lease rental recognize during the period	142.83	130.35

(Rs.InLacs)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
	<b>Lease obligations payable</b>		
1	Within one year of the Balance Sheet date	142.83	130.35
2	Due in period between one year and five years	-	-
3	Due after five years	-	-

The operating lease arrangements are renewable on a periodic basis and for most of the leases agreements are made for a period not exceeding 12 month

**14) Segment Reporting**

During the year under review, the Company's business consisted of two reportable business segments i.e. Enterprise Computing based Solutions and Infrastructure Management based Solutions. The details pertaining to attributable Revenues, Profits and Capital employed are given hereunder.

(Rs.InLacs)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
1	<b>Segment Revenue</b>		
	Enterprise Computing based Solutions	8,785	10,420
	Infrastructure Management based Solutions	14,591	16,087
	Unallocated	1,125	3,178
	<b>Net Segment Revenue</b>	<b>25,501</b>	<b>29,685</b>
2	<b>Profit before Interest, unallocable expenses &amp; Tax</b>		
	Enterprise Computing based Solutions	5,499	5,784
	Infrastructure Management based Solutions	3,123	8,503
		7,808	14,287
	Less : i) Interest	1,653	1,544
	ii) Un-allocable Expenses (net of un-allocable income)	6,022	12,155
	<b>Total Profit Before Tax</b>	<b>133</b>	<b>588</b>
3	<b>Capital Employed</b>		
	Un allocable	65,831	65,714
	<b>Total Capital Employed</b>	<b>65,831</b>	<b>65,714</b>

14) These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous year's figures have been regrouped recast / restated wherever necessary.

15) Previous year's figures have been recast / restated wherever necessary.

16) Previous year's figures are in italics.

**Signature to Notes & Schedules "Schedules 1 to 25"****For Allied Digital Services Limited**

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

sd/-  
**Nitin Shah**  
Chairman &  
Managing Director

sd/-  
**Prakash Shah**  
Executive Director  
Commercial

sd/-  
**Ramesh Pipalawa**  
M. No. 103840

sd/-  
**Ravindra Joshi**  
Company Secretary

Place : Mumbai

Date : 29<sup>th</sup> May, 2015

## Consolidated Balance Sheet as at March 31, 2015

(Rs. In Lacs)

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	2,309.34	2,309.34
Share Warrant Application Money		150.71	-
Reserves and Surplus	2	63,816.79	65,461.08
Minority Interest		546.82	552.51
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	2,550.15	-
Deferred tax liabilities (Net)	5	982.09	1,266.95
Long term provisions	6	1.02	153.98
<b>Current Liabilities</b>			
Short term borrowings	7	9,239.57	10,176.93
Trade Payables	8	823.20	1,152.59
Other Current Liabilities	9	2,421.69	793.93
Short term provisions	10	712.10	754.82
<b>Total</b>		<b>83,553.48</b>	<b>82,622.13</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11	16,199.18	20,183.68
Intangible assets	11	4,942.25	5,070.95
Capital work-in-progress		3,769.10	3,769.10
Goodwill		9,622.45	9,622.45
Non current investments	12	500.14	502.03
Long term loans and advances	13	5,522.70	5,419.10
<b>Current Assets</b>			
Inventories	15	3,818.59	3,892.59
Trade receivables	16	31,203.42	26,515.10
Cash and cash equivalents	17	2,320.98	2,121.92
Short-term loans and advances	18	4,528.28	4,394.35
Other current assets	19	1,126.39	1,130.86
<b>Total</b>		<b>83,553.48</b>	<b>82,622.13</b>
Contingent Liability	26		
Significant Accounting Policies	27		

For Allied Digital Services Limited

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

sd/-  
**Nitin Shah**  
Chairman &  
Managing Director

sd/-  
**Prakash Shah**  
Executive Director  
Commercial

sd/-  
**Ramesh Pipalawa**  
M. No. 103840

sd/-  
**Ravindra Joshi**  
Company Secretary

Place : Mumbai  
Date : 29<sup>th</sup> May, 2015

## Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(Rs. In Lacs)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations	20	23,375.54	26,559.40
Other Income	21	1,125.55	3,125.84
<b>Total Revenue</b>		<b>24,501.09</b>	<b>29,685.24</b>
<b>EXPENSES:</b>			
Purchases for Traded Goods & Service Spares	22.a	13,006.97	15,335.13
Changes in inventories of stock-in-trade	22.b	77.80	(41.61)
Employee benefits expense	23	3,936.21	4,721.10
Finance costs	24	1,652.56	1,544.07
Depreciation and amortisation expense	11	2,770.15	2,627.72
Other expenses	25	2,943.39	4,805.68
<b>Total Expenses</b>		<b>24,387.08</b>	<b>28,992.09</b>
<b>Profit before tax</b>		<b>114.01</b>	<b>693.15</b>
Exceptional Items		(19.21)	105.11
Profit before tax (VII - VIII)		133.22	588.04
<b>Tax expenses:</b>			
Tax expense for current year		28.93	203.88
MAT credit		(40.00)	
Net current tax expense		(11.07)	203.88
Deferred Tax		175.32	(542.28)
<b>Total Tax Expenses</b>		<b>164.25</b>	<b>(338.40)</b>
<b>Profit/(Loss) for the year</b>		<b>(31.03)</b>	<b>926.44</b>
Minority Interest		30.57	(1.37)
<b>Profit/(Loss) for the year</b>		<b>(0.38)</b>	<b>925.06</b>
Earning per equity share:			
Equity Shares of par value Rs. 5/- each			
Basic		(0.00)	2.00
Diluted		(0.00)	2.00
Significant Accounting Policies	27		

**For Allied Digital Services Limited**

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

sd/-  
**Ramesh Pipalawa**  
M. No. 103840

Place : Mumbai  
Date : 29<sup>th</sup> May, 2015

sd/-  
**Nitin Shah**  
Chairman &  
Managing Director

sd/-  
**Prakash Shah**  
Executive Director  
Commercial

sd/-  
**Ravindra Joshi**  
Company Secretary

  
**allied|digital**<sup>®</sup>  
*IT managed. Responsibly.*

## Cash Flow Statement for the year ended March 31, 2015

(Rs. In Lacs)

Particulars		For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2014
<b>A</b>	<b>Cash Flow from Operating Activities</b>				
	Net Profit before Tax	133.20		925	
	Adjustments for :	-			
	Depreciation	2,770.15		2,628	
	Interest Expenses	1,652.56		1,544	
	Deferred Tax	-		(650)	
	Profit on sale of Subsidiary shares to be consider separately	-		(1,891)	
	Interest Income	(75.29)			
	Dividend Income	(19.29)		(126)	
	Operating Profit before Working Capital Change	4,461		2,429	
	Decrease/(Increase) in Stock	74.01		136	
	Decrease/(Increase) in trade Receivables	(4,688.33)		(2,045)	
	Decrease/(Increase) in Loans & Advances	(141.89)		(405)	
	(Decrease)/ Increase in Trade & Other Payables	1,273.83		185	
	Cash generated from operations	979		300	
	Income Tax paid (Net of Refund)	(251.24)		-	
	<b>Net Cash Flow from Operating Activities (A)</b>		728		300
	Adjustment for the security premium		36		
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase of Fixed Assets	(630.82)		(961)	
	Purchase/sale of Investments	1.88		44	
	Proceed from sale of Subsidiary	-		2,366	
	Minority Interest	-		(820)	
	Increase in Goodwill	-		1,646	
	Interest Income	75.29		91	
	Dividend Income	19.29		36	
	FCTR	(141.47)		(356)	
	<b>Net Cash Flow from Investing Activities (B)</b>		(676)		2,046
<b>C</b>	<b>Cash Flow from Financing Activities</b>				
	Issue of Share Warrant	150.71			
	Long Term Borrowings / (Repayment)	2,550.15		(633)	
	Short Term Borrowings / (Repayment)	(937.37)		70	
	Interest Paid	(1,652.56)		(1,544)	
	<b>Net Cash Flow from Financing Activities (C)</b>		111		(2,108)
	Net Increase in cash and cash equivalents		199		239
	Cash and cash equivalents at beginning of the year		2,122		1,883
	<b>Cash and cash equivalents at end of the year (Note No 12)</b>		<b>2,321</b>		<b>2,122</b>

## Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

## For Allied Digital Services Limited

As per our report of even date

**For Shah & Taparia**  
Chartered Accountants

sd/-  
**Nitin Shah**  
Chairman &  
Managing Director

sd/-  
**Prakash Shah**  
Executive Director  
Commercial

sd/-  
**Ramesh Pipalawa**  
M. No. 103840

sd/-  
**Ravindra Joshi**  
Company Secretary



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Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2015

Note 1: Share Capital

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

(Rs. In Lacs)

Share Capital	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity shares of Rs. 5 each with voting rights	60,000,000	3,000.00	60,000,000	3,000.00
<b>Issued</b>				
Equity shares of Rs. 5 each with voting rights	46,186,727	2,309.34	46,186,727	2,309.34
<b>Subscribed &amp; Paid up</b>				
Equity shares of Rs. 5 each with voting rights	46,186,727	2,309.34	46,186,727	2,309.34

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

(Rs. In Lacs)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
<b>Equity shares with voting rights</b>					
<b>Year ended 31 March, 2014</b>					
- Number of shares	46,186,727	-	-	-	46,186,727
- Amount in Rs.	2,309.34	-	-	-	2,309.34
<b>Year ended 31 March, 2013</b>					
- Number of shares	46,186,727	-	-	-	46,186,727
- Amount in Rs.	2,309.34	-	-	-	2,309.34

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

The company has only one class of equity shares having par value of Rs 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(Rs. In Lacs)

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares with voting rights</b>				
Nitin Dhanji Shah	12,476,954.00	27.01	12,476,954.00	26.78
Prakash Dhanji Shah	6,346,214.00	13.74	6,346,214.00	13.62

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

The Company by a Special Resolution passed at Annual General Meeting held on 29th September 2010 approved the Employee Stock Option Scheme under section 79A of the companies act 1956 to be read along with SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 whereby 30,00,000 options convertible into Equity Shares of Rs. 5/- each to be granted to eligible employees of the Company. This stock option scheme is titled as "ESOP 2010". Out of the same 4,27,500 options have been granted during the year.

## Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2015

### Note 2: Reserves and Surplus

(Rs. In Lacs)

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
<b>(a)</b>	<b>Capital Redemption Reserve</b>		
	Opening Balance	29.85	29.85
	Closing Balance	<b>29.85</b>	<b>29.85</b>
<b>(b)</b>	<b>Securities Premium Account</b>		
	Opening Balance	36,653.71	36,617.46
	Closing Balance	<b>36,653.71</b>	<b>36,617.46</b>
<b>(c)</b>	<b>General Reserves</b>		
	Opening Balance	1,337.77	1,337.77
	Closing Balance	<b>1,337.77</b>	<b>1,337.77</b>
<b>(e)</b>	<b>Surplus</b>		
	Opening balance	27,565.99	27,734.93
(+)	Net Profit/(Net Loss) For the current year	(0.48)	925.08
(-)	Adjustment for Depreciation *	1,734.39	-
(-)	Disposal of subsidiary	-	1,094.01
	Closing Balance	<b>25,831.12</b>	<b>27,566.00</b>
	* Carrying amount of Fixed Assets whose remaining useful life as at 01st April 2014 was NIL , is adjusted net off tax Rs. 433.50 Lacs		
<b>(f)</b>	<b>Foreign Currency Translation Reserve</b>		
	Opening Balance	(35.66)	(90.00)
	Closing Balance	<b>(35.66)</b>	<b>(90.00)</b>
	<b>Total Reserves and Surplus</b>	<b>63,817</b>	<b>65,461</b>



(Rs. In Lacs)

Particular	2014-2015	2013-2014
Opening Outstanding option	2,512,500.00	2,512,500.00
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	2,512,500.00	2,512,500.00

**(E) Issue of Shares other than Cash****Details of Shares allotted as fully paid up by way of bonus shares before March 31, 2015**

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

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

**(F) Buy- Back of Equity Shares**

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

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

**(g) Share warrants application money**

The Company will allotte total 40,18,801 share at the price of Rs. 15 per warrant to the promoters of the company. This was approved in the board meeting held on August 14, 2014. Out of which subscription price is received @ 25% of the price per share which comes to Rs. 3.75 per share

## Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2015

### Note 3: Long Term Borrowings

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
		Amount in Rs.	Amount in Rs.
	<b>Secured</b>		
a	<b>Cosmos Bank</b> Escrow account for amount to be received from Govt. of Maharashtra & 1st Pari pasu charge on the amount to be received from Government of Maharashtra with SBI and Plot No's 13/5, 22/1 at Rajiv Gandhi Infotech Park, Hinjewadi, Pune and plot No. A-24 & A-25 at Talewade Software  Repayment will be 24 months in 8 equal quarterly instalments for principal amount and interest to be paid on monthly basis at actual.	690.20	-
b	<b>Bank of India</b> 1. Shared pari passu with Cosmos Bank 2. Equitable mortgage of the inmovable property situated at Office no. 405 & 406, 4th Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai-400096. 3. Pledge of 203.07.728 shares held by the promoter of the Company valuing minimum Rs. 4.54 crore Repayment of Rs.7.5 Cr. (Lump Sum) after completion of maratorium period,of Term loan of 6 months after disbursement and the balance Rs. 12.50 Crores shall be repaid through 16 Quarterly Instalments commencing from 12 months after 1st disbursement or Quarter end after commissioning whichever is earlier, interest to be serviced as and when	947.17	-
c	<b>Avid Bank</b> secured by all the assets of the company	912.78	-
		<b>2,550.15</b>	-
<b>Total</b>		<b>2,550.15</b>	-

The Repayment of these Borrowings has not yet commenced

### Note 4: Other Long Term Liabilities

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
a	Others		
	Security deposit for rented property	-	-
	Fixed Deposit	-	-
<b>Total Other Long Term Liabilities</b>		-	-

## Note 5: Deferred tax liabilities

The net deferred tax asset as at 31st March, 2015, comprises of the following components:

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
<b>Deffered Tax Asset</b>			
	On account of Deferred Revenue Expenses (IPO Exp)	-	-
	Provision for Duties and Taxes	128.22	17.16
	Provision for employee benefits - Gratuity	-	-
	Provision for doubtful debts	-	4.74
	<b>Total Deffered Tax Asset</b>	<b>128.22</b>	<b>21.90</b>
<b>Deffered Tax Liability</b>			
	On timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,110.31	1,288.85
	Provision for employee benefits	-	-
	Gratuity	-	-
	<b>Total Deffered Tax Liability</b>	<b>1,110.31</b>	<b>1,288.85</b>
	<b>Net Deffered Tax Asset / (Liability)</b>	<b>(982.09)</b>	<b>(1,266.95)</b>

## Note 6 : Other Long Term Provisions

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Provision for employee benefits: Provision for gratuity	1.02	153.98
	<b>Total Other Long Term Provisions</b>	<b>1.02</b>	<b>153.98</b>

## Note 7: Short Term Borrowings

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>			
a	Loans repayable on demand (Refer Note (a))	8,470.63	9,473.33
b	Inter Corporate Deposits	-	24.11
	Other	-	-
		<b>8,470.63</b>	<b>9,497.44</b>
<b>Unsecured</b>			
(a)	Loans repayable on demand	-	-
(b)	Loans and advances from related parties	251.42	147.59
(c)	Inter Corporate Deposits	40.00	-
(D)	Fixed Deposit	477.52	531.90
		<b>768.94</b>	<b>679.49</b>
	<b>Total Short Term Borrowings</b>	<b>9,239.57</b>	<b>10,176.93</b>

**Note 8: Trade Payables**

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
<b>a</b>	<b>Trade payables</b>		
	Sundry Creditors		
	- Acceptances	161.01	116.51
	- Other than Acceptances	650.34	985.24
(b)	Other Liabilities	11.85	50.84
	<b>Total Trade Payables</b>	<b>823.20</b>	<b>1,152.59</b>

**Note 9: Other Current Liabilities**

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
(a)	Current Maturities of Long term Debts	1,812.95	-
(b)	Security deposit for rented property	137.10	188.50
(c)	Income received in Advance	209.14	282.03
(d)	Duties & Taxes	258.38	323.40
(e)	Unpaid Dividend	4.12	
	<b>Total Other Current Liabilities</b>	<b>2,421.69</b>	<b>793.93</b>

The Company has not received any instruction 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 10: Short Term Provisions**

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
<b>a</b>	<b>Provision for employee benefits</b>		
(i)	Provision for Salaries	241.21	299.96
(ii)	Contribution to PF	152.70	83.41
(iii)	Contribution to ESIC	7.58	5.40
(iv)	Professional Tax	9.84	8.56
(v)	LTA Payable	12.07	12.52
(vi)	Leave encashment	144.57	173.84
(vii)	Provision for gratuity	144.13	-
<b>b</b>	<b>Others</b>		
(i)	Provision for Tax (AY 14-15)	-	171.13
	<b>Total Short Term Provisions</b>	<b>712.10</b>	<b>754.82</b>

**Consolidated Notes forming part of the Balance Sheet as on March 31, 2015**

**Note : 11 : Fixed Assets**

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION / AMORTISATION						NET BLOCK	
	As at April 1, 2014	Additions	Deductions	Transaction Exchange Difference	Revaluations/ (Impairments)	As at March 31, 2015	As at April 1, 2014	For the year	Depreciation adjustments	Deductions	Adjustment due to revaluations	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>														
Leasehold Premises	8,587.84	24.62	-	(5.80)	-	8,618.26	590.73	97.37	-	-	6.12	694.22	7,924.04	7,997.11
Leasehold Land	2,640.87	-	-	-	-	2,640.87	116.80	26.08	-	-	-	142.88	2,497.99	2,524.07
Freehold Premises	1,135.63	-	-	-	-	1,135.63	63.97	18.73	-	-	-	82.70	1,052.93	1,071.66
Civil and Plumbing Work	1,818.10	-	-	-	-	1,818.10	77.35	18.10	-	-	-	95.45	1,722.65	1,740.75
Furniture and Fixtures	3,275.39	29.40	-	(2.96)	-	3,307.75	802.76	412.41	3.95	-	3.18	1,222.30	2,085.45	2,472.83
Office Equipments	894.04	17.18	-	(37.94)	-	949.06	189.62	296.85	153.32	-	2.08	641.87	307.19	704.42
Motor Vehicles	131.37	-	-	(0.01)	-	131.36	86.62	18.51	-	-	0.01	105.14	26.24	44.75
Computers and IT Equipments	10,300.85	69.97	-	54.08	-	10,376.74	6,732.55	1,105.80	2,003.56	-	(47.86)	9,794.05	582.69	3,629.30
Computers (Given on lease)	155.98	-	-	-	-	155.98	155.98	-	-	-	-	155.98	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Tangible Assets</b>	<b>29,000.07</b>	<b>141.17</b>	<b>-</b>	<b>7.47</b>	<b>-</b>	<b>29,133.77</b>	<b>8,816.38</b>	<b>1,993.85</b>	<b>2,160.83</b>	<b>-</b>	<b>(36.47)</b>	<b>12,934.59</b>	<b>16,193.18</b>	<b>20,183.69</b>
<b>Intangible Assets</b>														
Other Intangible Assets	994.10	-	-	(47.12)	-	1,041.22	220.91	113.02	-	-	13.14	347.07	694.15	773.19
Computer Software Licenses	76.46	-	-	-	-	76.46	61.35	1.41	7.06	-	-	69.82	6.64	15.11
Intellectual Property Rights	4,911.95	450.00	-	-	-	5,361.95	623.29	491.19	-	-	-	1,120.48	4,241.47	4,282.86
<b>Total Intangible Assets</b>	<b>5,982.51</b>	<b>450.00</b>	<b>-</b>	<b>(47.12)</b>	<b>-</b>	<b>6,479.63</b>	<b>911.55</b>	<b>605.62</b>	<b>7.06</b>	<b>-</b>	<b>13.14</b>	<b>1,537.37</b>	<b>4,942.26</b>	<b>5,070.96</b>
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Work In Progress	3,769.10	-	-	-	-	3,769.10	-	-	-	-	-	-	3,769.10	3,769.10
<b>Total CWIP</b>	<b>3,769.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,769.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,769.10</b>	<b>3,769.10</b>
<b>TOTAL</b>	<b>38,751.68</b>	<b>591.17</b>	<b>-</b>	<b>(38.65)</b>	<b>-</b>	<b>39,382.50</b>	<b>9,727.93</b>	<b>2,599.47</b>	<b>2,167.89</b>	<b>-</b>	<b>(23.33)</b>	<b>14,471.96</b>	<b>24,910.54</b>	<b>29,023.75</b>
<b>Previous year</b>	<b>39,472.45</b>	<b>1,893.65</b>	<b>2,814.68</b>	<b>(210.23)</b>	<b>-</b>	<b>38,751.65</b>	<b>7,879.00</b>	<b>2,627.72</b>	<b>-</b>	<b>893.27</b>	<b>104.48</b>	<b>9,727.93</b>	<b>29,023.72</b>	<b>31,593.45</b>

## Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2015

### Note 12: Non Current Investments

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
	Total Investment in Subsidiaries	-	1.01
	NIL (Previous year: 98,746.1420) units of Rs. NIL each		
(iii)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan		-
	0.181 (Previous year: 0.181) units of Rs. 1002.7641 each		
(iv)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend	0.01	-
	12.9610 (Previous year: NIL) units of Rs. 105.7358 each		
(vii)	ICICI Prudential Income Opportunities Fund Institutional Growth	0.03	-
	154.952 (Previous year: NIL) units of Rs. 17.0532 each		
	BSL Floating Rate Fund - Long Term - INSTL-Weekly Dividend	0.02	0.02
	23.0680 (Previous year: 20.1880) units of Rs. 100.2903 each		
(viii)	DSP Black Rock Income Opportunities Fund - Institutional Plan - Daily Dividend	0.04	0.04
	3.6440 (Previous year: 3.6440 ) units of Rs. 1012.266 each		
(ix)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend		-
	64.826 (Previous year: NIL ) units of Rs. 10.1227 each		
(x)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend		-
	0.118 (Previous year: NIL) units of Rs. 1240.71 each		
(xi)	Canara Robeco Income Growth Fund	-	0.93
	NIL (Previous year: 4,578.4592) units of Rs. NIL each		
(xii)	Canara Robeco Short Term Institutional Growth Fund	0.01	-
	124.2276 (Previous year: NIL) units of Rs. 16.1612 each		
(xv)	IL & FS Milestone Fund II B	500.00	500.00
	50,000 (Previous year: 50,000) units of Rs. 1,000 each		
(xvi)	SBI-SHF-Ultra Short Term Fund - Institutional Plan - Daily Dividend	0.03	0.03
	2.5020 (Previous year: 2.5020) units of Rs. 1000.2718 each		
(xvii)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend		-
	0.28 (Previous year: 0.28) units of Rs. 1004.393 each		
	<b>Total Non Current Investments</b>	<b>500.14</b>	<b>502.03</b>
	Aggregate amount of quoted investments	500.15	501.01
	Aggregate market value of quoted investments	500.15	518.17

Note 1 Amounts extended to wholly owned subsidiaries Company has been shown under the head investment as the same is long term in nature.

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

### Note 13: Long Term Loans and Advances

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
(a)	<b>Security Deposits</b> Unsecured, considered good	410.58	410.52
(b)	<b>Loans and advances to related parties</b> Unsecured, considered good	347.27	347.56
(c)	<b>Advance given to a Suppliers</b> Unsecured, considered good	3,469.27	3,468.68
(d)	<b>Others</b> Advance income tax of prior years receivable Other Loans and Advances	1,295.58 -	1,192.34 -
	<b>Total Others</b>	<b>1,295.58</b>	<b>1,192.34</b>
	<b>Total Long Term Loans and Advances</b>	<b>5,522.70</b>	<b>5,419.10</b>

### Note 14: Current Investments

Sr. No.	Particulars	(Rs. In Lacs)	
		As at March 31, 2015	As at March 31, 2014
	<b>Non- Quoted, Short term, Non - Trade: (at cost)</b>		
	<b>Investment in Mutual Funds</b>		
(a)	ICICI Prudential Fixed Maturity Plan-Series 56-1 Year Plan F Growth NIL (Previous year: 25,00,000) units of Rs. NIL each	-	-
(b)	IDFC Fixed Maturity Plan - Eighteen Month Series 7 - Growth NIL (Previous year: 5,000,000.00) units of Rs. NIL each	-	-
	<b>Total - Current investments</b>	<b>-</b>	<b>-</b>
	Aggregate amount of quoted investments	-	-
	Aggregate market value of quoted investments	-	-

Investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.

**Note 15: Inventories**

(Rs. In Lacs)

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Stock in Trade (for Trading)	3,584.45	3,614.91
	Stock in Trade (for Service)	234.14	277.68
	<b>Total Inventories</b>	<b>3,818.59</b>	<b>3,892.59</b>

- (i) Inventories are valued at lower of cost and net realizable value  
(ii) The value of the Inventory as on 31st March 2015 includes certain slow and non moving items which has  
(iii) The valuation of the Inventory is as certified by the management.

**Note 16: Trade Receivables**

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	11,717.57	10,303.92
	Less: Provision for doubtful debts	<u>11,717.57</u>	<u>10,303.92</u>
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	20,260.50	17,015.10
	Unsecured, considered doubtful	3.42	30.76
	Less: Provision for doubtful debts	<u>(778.07)</u>	<u>(834.68)</u>
		<u>19,485.85</u>	<u>16,211.18</u>
	<b>Total Trade Receivable</b>	<b>31,203.42</b>	<b>26,515.10</b>

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

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Directors	0.18	0.45
	Private Company in which director is a member	<u>0.18</u>	<u>0.45</u>

In respect of confirmation for Sundry Debtors as at 31st March 2015, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the Management of the Company.



**Note 17: Cash and Cash Equivalents:**

(Rs. In Lacs)

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Balances with Banks		
(i)	In fixed deposit accounts (pledge with bank against LC margin/guarantees given by bank)	32.20	44.45
(ii)	In fixed deposit accounts (pledge with banks as security for borrowings)	666.15	1,346.14
(iii)	In Current Account	1,596.12	720.96
(b)	Cash on hand	26.51	10.37
<b>Total Cash and Cash Equivalents</b>		<b>2,320.98</b>	<b>2,121.92</b>

**Note 18: Short-term loans and advances:**

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
	Subsidiaries & Associates	644.58	315.50
(i)	Security Deposit	35.09	143.10
(ii)	Loans and advances to employees	368.92	355.50
(iii)	Inter Corporate Deposits	2,927.66	2,915.18
(viii)	Other Current Assets	27.98	9.32
(ix)	Prepaid Expenses	524.05	655.75
<b>Total Short-term loans and advances</b>		<b>4,528.28</b>	<b>4,394.35</b>

**Note 19: Other Current Assets**

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
(i)	Unbilled revenue	45.55	28.33
(v)	Interest Accrued	65.53	75.16
(vi)	MAT Credit Entitlement	736.34	696.34
(vii)	Income Taxes	278.97	331.03
<b>Total Other Current Assets</b>		<b>1,126.39</b>	<b>1,130.86</b>

In the opinion of the board, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

Consolidated Notes forming part of the Profit and loss account for the year ended March 31st, 2015

Note 20 : Operating Income

(Rs. In Lacs)

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Services, Solutions and Sales	23,339.81	26,430.69
	Lease Rent	35.73	76.99
	Other operating revenues	-	51.72
	<b>Total Operating Income</b>	<b>23,375.54</b>	<b>26,559.40</b>

Note 21 : Other Income

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Interest Income (Refer Note 21.a)	75.34	90.80
	Dividend Income	19.29	35.63
	Net gain on sale of Mutual Funds	-	-
	Net gain on foreign currency transactions	450.62	721.70
	Other non-operating income (Refer Note 21.b)	580.30	2,277.71
	<b>Total Other Income</b>	<b>1,125.55</b>	<b>3,125.84</b>

Note 21.a

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	<b><u>Interest Income comprises:</u></b>		
	Interest on deposits from banks	75.34	90.80
	<b>Total - Interest income</b>	<b>75.34</b>	<b>90.80</b>

Note 21.b

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	<b><u>Other non-operating income comprises:</u></b>		
	Income from Office Rent	526.84	511.36
	Miscellaneous income	53.46	1,766.35
	<b>Total - Other non-operating income</b>	<b>580.30</b>	<b>2,277.71</b>

**Note 22 a Purchase of Traded Goods**

		(Rs. In Lacs)	
Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Purchase of Traded Goods and Services	12,937.76	15,320.65
	Other Direct Cost	69.21	14.48
	<b>Total Purchase of Traded Goods</b>	<b>13,006.97</b>	<b>15,335.13</b>

**Note 22.b Changes in inventories of Stock-in-Trade**

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Closing Stock	3,789.78	4,471.36
	Less : Opening Stock	3,867.58	4,429.75
	<b>Net (increase) / decrease</b>	<b>77.80</b>	<b>(41.61)</b>

(i) Inventories are valued at lower of cost and net realizable value

(ii) The value of the Inventory as on 31st March 2012 includes certain slow and non 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 23 : Employee Benefits Expenses**

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
(a)	Salaries and wages (Including Directors' Remuneration) (Refer note (22a))	3,601.55	4,156.34
(b)	Contributions to Provident Fund	34.94	201.49
(c)	Contributions to ESIC	40.93	58.43
(d)	Contributions to Labour Welfare Fund	0.25	0.51
(e)	Staff welfare expenses	258.54	304.33
	<b>Total Employee Benefit Expenses</b>	<b>3,936.21</b>	<b>4,721.10</b>

**(23a) Details of Managerial Remuneration:**

Sr. No	Particulars	For the year ending March 31, 2015	For the year ending March 31, 2014
	Salaries	135.97	123.53
	<b>Total</b>	<b>135.97</b>	<b>123.53</b>

**Note 24 : Finance costs****(Rs. In Lacs)**

<b>Sr. No</b>	<b>Particulars</b>	<b>For the year ending March 31, 2015</b>	<b>For the year ending March 31, 2014</b>
(a)	Interest expense on:		
(i)	Borrowings	1,311.97	1,239.16
		-	
(b)	Other borrowing costs	299.28	64.94
(c)	Net (gain) / loss on foreign currency transactions and translation	41.31	239.97
	<b>Total Finance costs</b>	<b>1,652.56</b>	<b>1,544.07</b>

**Note 25 Other expenses****(Rs. In Lacs)**

<b>Sr. No</b>	<b>Particulars</b>	<b>For the year ending March 31, 2015</b>	<b>For the year ending March 31, 2014</b>
	Rent including lease rentals	202.31	204.12
	Repairs and maintenance	355.39	381.12
	Insurance	153.65	160.63
	Rates and taxes	16.39	30.46
	Communication	169.39	224.39
	Travelling and conveyance	151.60	168.50
	Electricity Expenses	106.00	86.54
	Commission & Brokerage	328.90	390.17
	Freight and forwarding	224.04	70.03
	Advertisement Expenses	131.61	104.44
	Legal and professional	496.83	658.78
	Payments to auditors (Refer Note (25a) below)	12.59	7.66
	Bad trade and other receivables, loans and advances written off	458.37	1,284.44
	Net loss on foreign currency transactions and translation (other than considered as finance cost)	-	0.72
	Provision for doubtful trade and other receivables, loans and advances	-	-
	Miscellaneous expenses	136.32	1,033.68
	<b>Total Other expenses</b>	<b>2,943.39</b>	<b>4,805.68</b>

**25a Details of Auditors' Remuneration:****(Rs. In Lacs)**

<b>Sr. No</b>	<b>Particulars</b>	<b>For the year ending March 31, 2015</b>	<b>For the year ending March 31, 2014</b>
	Payments to the auditors		
(a)	For statutory audit	5.00	5.00
(b)	For taxation matters	1.00	1.00
	<b>Total</b>	<b>6.00</b>	<b>6.00</b>

**Note 26 Contingent liabilities and commitments**

(in Lakhs)

Contingent liabilities and commitments (to the extent not provided for)	As at 31 March 2015	As at 31 March 2014
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	2,475.56	2,475.56
(b) Guarantees	2,791.75	3,056.70
(c) Letter of Credit	161.01	67.91
(d) Sales Tax	9,940.25	
(e) Income Taxes	591.25	
(f) Other money for which the company is contingently liable		
	<b>15,959.83</b>	<b>5,600.17</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature)	-	-
	<b>15,959.83</b>	<b>5,600.17</b>

- Note 1 As per the Certificate issued by the banks, value of bank guarantees outstanding as on 31<sup>st</sup> March, 2015 amounts to Rs. 2,791.75 Lakhs (Previous Year Rs.3,056.70 Lakhs) and the value of Letter of Credit Outstanding as on 31<sup>st</sup> March, 2015 amounts to Rs. 161.01 Lakhs (Previous Year Rs. 67.91 Lakhs).
- Note 2 Claim against the Company not acknowledged as debts Rs. 2475.56 Lakhs (Previous Year Rs. 2475.56 Lakhs)
- Note 3 During the year ended 31<sup>st</sup> March 2012 the Company was subject to Audit from the Service Tax Department. The said audit has been concluded and the intimation from the Service Tax Department is awaited as on the date signing of this Balance Sheet.
- Note 4 There is a delay in payment of statutory dues and filing of Return of Service Tax, Provident Fund, ESIC, Profession Tax, TDS and VAT due to which an additional liability of these taxes on account of Interest on delay in payment of these taxes as well as penalty on delay in filing the returns shall accrue for the year under consideration as well as the earlier years.
- Note 5 The Income tax Authorities carried out a search operation at certain locations of the Company on 4<sup>th</sup> February 2011. The Company extended its full cooperation to the tax authorities and various statements were recorded during the course of search. The search operation got concluded on the same business day. The Company was thereafter asked to file the Revised Return of Income from A.Y. 2005-06 to 2011-12 which was duly complied with. Thereafter the Income Tax Department completed the Assessments of the Company till 2011-12 and the details of the same are as under:

Asst. Year	Income Tax Demanded as per revised Order of the A.O. (incl Interest)	Payment made during the year	Actual Tax Payable as per the Company (incl. Interest upto 31/03/2014)
2005-06	3.94	-	3.94
2006-07	27.94	-	27.94
2007-08	37.47	-	37.47
2008-09	13.81	-	13.81
2009-10	211.97	-	211.97
2010-11	467.59	-	467.59
2011-12	252.55	75.00	177.55
2012-13	79.34		79.34
IT Refund Adjusted	-	428.35	(428.35)
<b>Total</b>	<b>1,094.60</b>	<b>503.35</b>	<b>591.25</b>

The additional Income Tax Liability of Rs 1,094.60 Lakhs is on account of some additions made by the Income Tax Department. Out of which company has paid Rs. 75.00 Lakhs and Income tax department adjusted Income tax refund for the A.Y. 12-13 of Rs. 125.47 Lakhs and for the A.Y. 13-14. of Rs. 302.88 Lakhs against the demand. Against the said order company has filed an appeal with Appellant authority with Income Tax department. The Company expects major reliefs from this demand once these appeals are decided.

- Note6 The company has received the Assessment Orders from Maharashtra Value Added Tax Department (MVAT), demand has been raised on the company. This demand is on account of total disallowance of Input Credit availed by the Company. As the said Order is bad in law and on facts the company is filed an appeal with the Dy. Comm of Sales Tax Appeal V. The Company expects major reliefs from this demand once these appeals are decided. This liability has not been recognized in the Books of Accounts of the Company.the details of the same are as under:

Financial Year	Sales tax demand
2005-06	541.04
2008-09	899.57
2006-07	1,257.07
2010-11	7,242.56
<b>Total</b>	<b>9,940.25</b>

## SCHEDULE '27' – 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 pan India, USA, Australia, Europe and Middle east Asia with an impeccable track record for designing, developing, deploying 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, Singapore and Australia.

### 2) Significant Accounting Policies

#### a) Basis of preparation

The financial statements have been prepared in accordance with the Generally Accounting Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply with the in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) Principles of Consolidation

The financial statements of the subsidiary companies used for the publishing of the consolidated results are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on the line by line basis by adding together like item of assets, liabilities, income and expenses. Inter-Company balances and transactions and unrealized profits or losses have been fully eliminated.
- ii. The excess of cost to the Parent Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investment in subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- iii. Minority interest in the net assets of the consolidated subsidiaries consists of the amount of the equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- iv. Interest in a jointly controlled entity is reported using proportionate consolidation.

#### c) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred to complete software development and the useful lives of depreciable fixed assets.

#### d) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Subsequent expenditure related to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

#### e) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its development cost/purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the

asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**f) Depreciation and amortization**

Depreciation has been provided based on estimated useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013:

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

Depreciation is charged only from the date the asset concerned is put to use by the Company.

Intangible assets are amortized over the estimate useful life.

The depreciation has been charged using straight line Method over the estimated life of assets of three to seven years in case of Allied Digital Services LLC.

**a) Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on pro-rata basis over the period of the lease.

**b) Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

**c) Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are tested at lower of cost and net realisable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

Profit or Loss on sale of Investments is determined on specific identification basis.

**d) Employee benefits**

**(i) Post-retirement benefit plans**

Payments to the defined retirement benefit schemes are recognized as expenses when employees have rendered services entitling them to contributions.

In accordance to the applicable Indian Laws and as per the Accounting Standard 15 (Revised) for "Accounting for Employees Benefit", the Company with effect from April 1, 2006 provides for gratuity for its eligible employees. The Actuarial Gains or Losses are charged to the Profit and Loss Account for the period in which they occur.

**(ii) Employees defined contribution plans**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. This contribution is made to the Government's Provident Fund.

**e) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Service revenue is considered on acceptance of the contract and is accrued over the period of the contract, net of all taxes, local levies and other discounts & rebates.

Sales in case of supply of goods are recognized when the goods are invoiced or dispatched to the customers and are recorded exclusive of VAT, CST, other local levies and other discounts and rebates.

Revenue from sale of software licenses are recognized upon delivery where there is no customization required. In case of sale of customized software the same is recognized on the basis of achieving the various milestones attached with the customization, net of all taxes, local levies and other discounts & rebates.

Interest income is accounted on time proportion basis taking into account the amount outstanding and the applicable interest rate. Dividends income is accounted when the right to receive it is established.

**f) Taxation**

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income of the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognised deferred tax assets.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**g) Foreign Currency Transactions**

The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transaction. The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is treated as revenue / expenditure.



Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year end are recognized in the Profit and Loss Account except those relating to acquisition of fixed assets which are adjusted in the cost of the assets.

#### h) Employee Stock Option Scheme

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the Company is following the Intrinsic Value Method of ESOP cost whereby the excess of Fair Market Value of the shares of the Company one day prior to the date of issue of the shares over the price at which they are issued is recognised as employee compensation cost. This cost is amortized on straight-line basis over the period of vesting of the Option.

However, during the year there were no Options exercised and vested hence no expenses have been provided on account of Employee Stock Options Cost (Previous Year: Nil).

#### i) Inventories

Inventories are carried at lower of cost and net realizable value. Cost is determined on a first in first out basis. Purchased goods in transit are carried at cost. Stores and spare parts are carried at cost less provision for obsolescence.

### B) Notes on Accounts

#### 1) Employee Benefits

##### Gratuity Plan

(i) An amount of Rs.145.15 Lacs has been recognized towards the Employees Gratuity Fund against the liability of Rs. 145.15 Lacs as per the Actuarial Valuation for Gratuity as on 31<sup>st</sup> March 2015. 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:-

I	Assumptions as at	Valuation Date 31st March, 2015	Valuation Date 31st March, 2014
	Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
	Discount Rate	7.90%	9.10%
	Rate of increase in compensation	5%	5%
	Rate of return (expected) on plan assets	9%	9%
	Withdrawal rates	1 to 6 %	1 to 6 %
II	<b>Changes in present value of obligations</b>		
	PVO at beginning of period	15,397,787	N.A.
	Interest cost	1,361,,943	N.A.
	Current Service Cost	3,215,789	N.A.
	Benefits Paid	(862,760)	N.A.
	Actuarial (gain)/loss on obligation	(4,598,027)	N.A.
	PVO at end of period	14,514,732	N.A.
III	<b>Changes in fair value of plan assets</b>		
	Fair Value of Plan Assets at beginning of period	916,784	N.A.
	Adjustment to Opening Fair Value of Plan Assets	-	N.A.
	Expected Return on Plan Assets	43,700	N.A.
	Contributions	-	N.A.
	Benefit Paid	(862,760)	N.A.
	Actuarial gain/(loss) on plan assets	4,267	N.A.
	Fair Value of Plan Assets at end of period	101,991	N.A.

<b>IV</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of period	916,784	N.A.
	Adjustment to Opening Fair Value of Plan Assets	-	N.A.
	Actual Return on Plan Assets	47,967	N.A.
	Contributions	-	N.A.
	Benefit Paid	(862,760)	N.A.
	Fair Value of Plan Assets at end of period	101,991	N.A.
	Funded Status	(14,412,741)	N.A.
	Excess of actual over estimated return on Plan Assets	4,267	N.A.
<b>V</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the period (Obligation)	4,598,027	N.A.
	Actuarial Gain/(Loss) for the period (Plan Assets)	4,267	N.A.
	Total Gain/(Loss) for the period	4,602,294	N.A.
	Actuarial Gain/(Loss) recognized for the period	4,602,294	N.A.
	Unrecognized Actuarial Gain/(Loss) at end of period	-	N.A.
<b>VI</b>	<b>Amounts to be recognized in the Balance Sheet and statement of Profit &amp; Loss Account</b>		
	PVO at end of period	15,514,732	N.A.
	Fair Value of Plan Assets at end of period	101,991	N.A.
	Funded Status	(14,412,741)	N.A.
	Unrecognized Actuarial Gain/(Loss)	-	N.A.
	Net Asset/(Liability) recognized in the balance sheet	(14,412,741)	N.A.
<b>VII</b>	<b>Expense recognized in the statement of P &amp; L A/C</b>		
	Current Service Cost	3,215,789	N.A.
	Interest cost	1,361,943	N.A.
	Expected Return on Plan Assets	(43,700)	N.A.
	Net Actuarial (Gain)/Loss recognized for the period	(4,602,294)	N.A.
	Expense recognized in the statement of P & L A/C	(68,262)	N.A.
<b>VIII</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	14,481,003	N.A.
	Adjustment to Opening Fair Value of Plan Assets	-	N.A.
	Expenses as above	(68,262)	N.A.
	Contribution paid	-	N.A.
	Closing Net Liability	14,412,741	N.A.
<b>IX</b>	<b>Experience Analysis - Liabilities</b>		
	Actuarial (Gain)/Loss due to change in basis	1,859,470	N.A.
	Experience (Gain) / Loss due to change in Experience	(6,457,497)	N.A.
	Total	(4,598,027)	N.A.
	<b>Experience Analysis – Plan Assets</b>		
	Experience (Gain) / Loss due to change in Plan Assets	(4,267)	N.A.
<b>X</b>	<b>Schedule VI Details</b>		
	Current Liability	14,412,741	N.A.
	Non-current Liability	101,991	N.A.

\*N.A.= Not Available

**1) Current Assets, Loans and Advances**

(i) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated and are realisable in the ordinary course of business.

(ii) Amounts extended to wholly or partially owned subsidiaries Company has been shown under the head of investment as the same is long term in nature.

**2) MAT Credit Entitlement**

Considering the consistent profit over the years and also considering the future profit projections, the management believes that there are adequate and satisfying reasons with regards to the earning of future taxable income and payment of tax under normal tax within the specified period. Hence MAT credit entitlement of Rs.736.34 Lacs pertaining upto F.Y. 2014-15 (Previous year Rs.696.34 Lacs) has been recognized for the year ended 31st March 2015.

**3) Current Liabilities and Provisions**

In the opinion of the Board, the current liabilities are approximately at the fair value in the Balance Sheet. Balances of sundry creditors are subject to confirmation and reconciliation.

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

The company has received Notices from the MVAT Department for the disallowance of Input Credit on purchases made from certain registered dealers in Maharashtra. The company has contested the said claim of the MVAT Department but the quantum of the proposed disallowance of Input Credit has not been worked out by the company and hence cannot be quantified for provision.

The company has not deposited Rs.264.68 Lacs towards Service Tax Liability and has not filed their return of Service Tax for the year under consideration till the date of signing of this Audit Report.

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

(Rs. In Lacs)

	Particular	Year ended 31.03.15	Year ended 31.03.14
i	<b>Income in Foreign Currency (Exports)</b>		
	Sales of Services and products	1,343.17	2748.95
ii	<b>Expenditure in Foreign Currency</b> (subject to deduction of tax where applicable)		
a	Professional & Consultation Fees	46.68	25.42
b	Travelling	1.14	2.82
c	Other Expenses	19.94	9.04
iii	<b>Value of Imports calculated on C.I.F. basis</b>		
a	Traded Goods	670.38	114.24

**5) Quantitative Information**

Considering the nature of business of the company, it is not practically possible to give quantitative information in the absence of common expressible unit. Hence the value of the Inventory for the Balance Sheet purpose has been take as certified by the Management.

**6) Dues to Micro, Small and Medium Enterprises**

No response was received by the Company from its creditors to enable them to identify the same and hence the above information has been determined on the basis of the explanation provided by the Company to the auditors. However as per the information provided by the Company, there are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at the balance Sheet date. This has been relied upon by the auditors.

## 7) Earning Per Share

		2014-2015	2013-2014
<b>A</b>	Weighted average number of equity shares of Rs. 5/- each		
I	Number of shares at the beginning of the year (Nos.) of Rs.5/- each (Previous Year of Rs. 5/- each)	4,61,86,727	4,61,86,727
II	Number of Shares at the end of the year (Nos.) of Rs.5/- each	4,61,86,727	4,61,86,727
III	ESOP outstanding to employees NIL ( previous year 44,050 Eq. Shares) of Rs. 5/- each @ Rs.47.50 per share	Nil	Nil
IV	Weighted average number of Equity Shares of Rs.5/- each (Previous Year Rs.5/- each) outstanding during the year (Nos) for Basic EPS	502,05,528	4,61,86,727
V	Weighted average number of Equity Shares of Rs.5/- each (Previous Year Rs. 5/- each) outstanding during the year (Nos) for Dilutive EPS	502,05,528	4,61,86,727
<b>B</b>	Net Profit after tax available for equity shareholders (In Rs. Lacs)	- 0.38	925.07
<b>C</b>	Basic income per share (in rupees) [B/A (v)]	(0.00)	2.00
<b>D</b>	Diluted income per share (in rupees) [B/A (vi)]	(0.00)	2.00

## 8) Taxes on Income

(i) Provision for taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961.

(iii) In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the Company has recognised Deferred Tax Liability amounting to Rs. 175.32 Lacs (Previous Year Rs. -542.28 Lacs) for the period ended 31st March, 2015 in the Statement of Profit and Loss. An amount of Rs. 433.50 Lacs was adjusted on account of reversal of deferred tax liability on carrying value of fixed assets whose remaining useful life is NIL.

## 9) Related Party Disclosures

### A) Related Parties and their Relationship

#### (i) Subsidiaries

- Allied Digital Services LLC (formerly known as En Pointe Global Services LLC)
- Allied Digital INC
- Allied Digital Singapore Pte Ltd
- Allied Digital Asia Pacific Pty Ltd
- En Pointe Technologies India Private Limited
- Allied-eCop Surveillance Private Limited
- Allied Digital Services (UK) Limited

#### (ii) Associates

- Assetlite Equipment India Private Limited
- Abhirati Properties Private Limited
- The Gateways

#### (i) Key Management Personnel & their relatives (KMP)

Mr. Nitin Shah	Chairman & Managing Director
Mr. Prakash Shah	Executive Director - Commercial
Mr. Paresh Shah	Executive Director & CEO
Mrs. Tejal P. Shah	Wife of Mr. Prakash Shah
Mr. Nehal N. Shah	Son of Mr. Nitin Shah
Miss. Dhara N. Shah	Daughter of Mr. Nitin Shah

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

(Rs. in Lacs)

Year ended March 31, 2015	Associates	Key Management Personnel
Revenue	1109.11 3337.76	- -
Purchase of goods, services and facilities	21.70 3115.24	- -
Loans and advances	- 6.66	- -
Investment	-	-
Reimbursement of Expenses	-	-

**C) Balance with Related Parties**

(Rs. in Lacs)

As at March 31, 2015	Associates	Key Management Personnel
Sundry Debtors	1450.15 3281.22	0.45 0.45
Sundry Creditors	55.53 2995.43	- -
Loans and advances	347.27 810.84	2.86 70.28
Short term borrowings	53.85 55.42	198.74 129.62

**Disclosure required by Clause 32 of the listing agreement regarding the related parties:**

Amount of Loans/Advances in the nature of loans outstanding from Subsidiaries and Associates:

(Rs. in Lacs)

Particular	Outstanding as at the end of the year	Maximum amount Outstanding during the year	Investments in shares of the Company
<b>Subsidiaries</b>			
Digicomp Complete Solutions Ltd.			
2014-15	0.00	0.00	3.25
2013-14	0.00	0.00	3.25
Allied Digital Services LLC			
2014-15	644.58	674.37	7530.79
2013-14	367.40	530.20	7530.79
Allied Digital INC			
2014-15	0.00	0.00	7074.83
2013-14	0.00	0.00	7074.83

En Pointe Technologies India Private Ltd.			
2014-15	0.00	0.00	0.00
2013-14	0.00	0.00	0.00
Allied Digital Singapore Pte Ltd.			
2014-15	0	0	6.47
2013-14	6.52	6.52	6.47
Allied Digital Asia Pacific Pty Ltd.			
2014-15	0.00	0.00	127.84
2013-14	0.00	0.00	127.84
Allied-eCop Surveillance India Pvt. Ltd			
2014-15	0.00	0.00	1.01
2013-14	0.00	0.00	1.01
Allied Digital Services (UK) Ltd.			
2014-15	0.00	0.00	1.01
2013-14	0.00	0.00	1.01
Associates			
Assetlite Equipment India Private Ltd.			
2014-15	0.00	0.00	0.00
2013-14	0.00	0.00	0.00
Abhirati Properties Private Limited			
2014-15	347.27	349.02	0.00
2013-14	347.55	347.55	0.00
The Gateways			
2014-15	0.00	0.00	0.00
2013-14	0.00	0.00	0.00

(iv) Remuneration to Key Management Personnel

(Rs. In Lacs)

Managing Director and other Whole-time Directors	Year Ended March 31, 2015	Year Ended March 31, 2014
Mr. Nitin Shah	50.00	50.00
Mr. Prakash Shah	72.69	30.00
Mr. Paresh Shah	13.29	36.50
<b>Total Remuneration</b>	<b>135.97</b>	<b>116.50</b>

11) Auditors' Remuneration

(Rs. In Lacs)

	Year Ended March 31, 2015	Year Ended March 31, 2014
For Services as Auditors, including quarterly audits	5.00*	5.00*
For Tax Audit	1.00*	1.00*
<b>Total Remuneration</b>	<b>6.00</b>	<b>6.00</b>

\* excluding service tax

12) Leases

**Obligations on long-term, non-cancellation obligation leases**

The leases rentals charged during the period and the obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(Rs.InLacs)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
1	Lease rental recognize during the period	142.83	130.35

Rs. in Lacs

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
	<b>Lease obligations payable</b>		
1	Within one year of the Balance Sheet date	142.83	130.35
2	Due in period between one year and five years	-	-
3	Due after five years	-	-

The operating lease arrangements are renewable on a periodic basis and for most of the leases agreements are made for a period not exceeding 12 month

### 13) Segment Reporting

During the year under review, the Company's business consisted of two reportable business segments i.e. Enterprise Computing based Solutions and Infrastructure Management based Solutions. The details pertaining to attributable Revenues, Profits and Capital employed are given hereunder.

(Rs.InLacs)

Sr. No.	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
1	<b>Segment Revenue</b>		
	Enterprise Computing based Solutions	8,785	10,420
	Infrastructure Management based Solutions	14,591	16,087
	Unallocated	1,125	3,178
	<b>Net Segment Revenue</b>	<b>25,501</b>	<b>29,685</b>
2	<b>Profit before Interest, unallocable expenses &amp; Tax</b>		
	Enterprise Computing based Solutions	5,499	5,784
	Infrastructure Management based Solutions	3,123	8,503
		7,808	14,287
	Less : i) Interest	1,653	1,544
	ii) Un-allocable Expenses (net of un-allocable income)	6,022	12,155
	<b>Total Profit Before Tax</b>	<b>133</b>	<b>588</b>
3	<b>Capital Employed</b>		
	Un allocable	65,831	65,714
	<b>Total Capital Employed</b>	<b>65,831</b>	<b>65,714</b>

- 14) These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous year's figures have been regrouped recast / restated wherever necessary.
- 15) Previous year's figures have been recast / restated wherever necessary.
- 16) Previous year's figures are in italics.

**Signature to Notes & Schedules “Schedules 1 to 27”**

**For Shah & Taparia**  
Chartered Accountants

**For Allied Digital Services Ltd.**

**Sd/-**  
**Ramesh Pipalawa**  
**M. No: 103840**

**sd/-**  
**Nitin Shah**  
Chairman and  
Managing Director

**sd/-**  
**Prakash Shah**  
Executive Director  
Commercial

Place : Mumbai  
Date : 29<sup>th</sup> May, 2015

**sd/-**  
**Ravindra Joshi**  
Company Secretary





**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]

CIN: L72200MH1995PLC085488

Name of the Company: Allied Digital Services Limited

Registered Office:

Premises No. 13A, 13th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai- 400021

Name of the Member (s) :

Registered address:

E-mail Id :

Folio No/Client ID:

DP ID:

I/We being the member (s) of ..... shares of the above named Company, hereby appoint

Sr. no	Name	Address	E-mail Id	Signature
1				
2				
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-First Annual general meeting of the company, to be held on the Thursday, September 24, 2015 at 03:00 P.M at IMC Building, IMC Marg, Churchgate, Mumbai – 400020 and at any adjournment thereof in respect of such resolutions as are indicated below

**Resolution No.**

1.....

2.....

3.....

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited

at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

Affix  
Revenue  
Stamp

## ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company at its Registered Office at IMC Building, IMC Marg, Churchgate, Mumbai – 400020, on Thursday 24<sup>th</sup> September, 2015 at 3.00P.M.

Signature of Shareholder / Proxy Present.....

**Note: 1.**

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting





