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BUSINESSES



ANNUAL REPORT 2019 - 2020

ALLIED DIGITAL SERVICES LIMITED

CORPORATE INFORMATION:

Board of Directors:

Mr. Nitin D. Shah	Chairman & Managing Director
Mr. Prakash D. Shah	Whole-time Director
Mr. Nehal N. Shah	Executive Director
Late Prof. Venugopal Iyengar	Independent Director
Dr. Shrikant N. Parikh	Independent Director
Ms. Shubhada K. Jahagirdar	Independent Director – CSR

Key Managerial Personnel:

Mr. Paresh Shah	Chief Executive Officer
Mr. Gopal Tiwari	Chief Financial Officer
Ms. Neha Sunil Bagla	Company Secretary & Compliance Officer

Statutory Auditors:

M/s. Shah & Taparia

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

Internal Auditors:

M/s. S.P. Natani

505, Goyal Trade Center Sona Cinema,
Borivali East,
Mumbai - 400066.

Secretarial Auditors:

M/s. Rathi & Associates

A/303 3rd Floor Prathamesh,
11/12 Senapati Bapat Marg,
Raghuvanshi Mill Compound,
Lower Parel, Mumbai – 400013.

Registrar & Share Transfer Agent:

M/s Link Intime India Private Limited

C 101, 247 Park, LBS Marg,
Vikhroli West,
Mumbai – 400083.

Registered office:

Premises No 13A, 13th Floor,
Earnest House, Backbay Reclamation,
NCPA Road, Block No III,
Nariman Point, Mumbai – 400 021
CIN: L72200MH1995PLC085488
Tel : 022 – 6681 6400 Fax: 022 – 2282 2030
Email: investors@allieddigital.net
Website: www.allieddigital.net

Key Bankers:

Barclays Bank
Kotak Mahindra Bank Limited

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It gives me great pleasure to welcome you to the 26th Annual General Meeting of your Company.

Industry outlook

The IT sector in India stood at US\$177 billion in 2019 witnessing a growth of 6.1 per cent year-on-year and is estimated that the size of the industry will grow to US\$ 350 billion by 2025. This is indicative of the fact that IT is continuously growing.

Road Ahead

The global sourcing market in India continues to grow at a higher pace compared to the IT industry. India is the leading sourcing destination across the world, accounting for approximately 55 per cent market share of the US\$ 200-250 billion global services sourcing business in 2019-20. Indian IT companies have set up over 1,000 global delivery centers in about 80 countries across the world.

India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

Key Emerging Technologies

Nearly 46% of new revenue growth in technology sector is attributed to emerging technologies.

- | | |
|-----------------------------|------------------------------|
| • IoT hardware and software | • AI Platforms/Applications |
| • SaaS + PaaS | • Big Data/Analytics |
| • IoT connectivity | • Enterprise Social Software |
| • Robotics/Drones | • Next Gen Security |
| • AR/VR | |

Smart Cities: The Future of Urban Development

The challenge of building a smart city far surpasses the “simple” engineering obstacles to creating a fully connected urban environment. To employ a biological analogy, it’s more like genetic engineering than mechanical engineering, and part of the solution will require rewriting a city’s DNA — that is, its people.

The engineering obstacles certainly are formidable. Any smart city worth its salt will possess a fully integrated infrastructure, with smart transportation services (including autonomous vehicles), internet and communication systems, water services, and electrical and power grids all connected and unified. Such a massive, city-wide system will undoubtedly require significant upgrades in infrastructural computing power just to process the massive amounts of raw data. New algorithms and AI programs will each have their roles to play, and the largest cities will have an Intelligent Command & Control Center (iCCC) to monitor and manage centrally.

The future smart city will employ a number of purpose-built AI programs and machine-learning algorithms to process the vast amounts of incoming “sensory” data. These programs will leverage rapid improvements in computing and neural networks in the coming decades. In fact, smart cities may witness the birth of the first truly “human-scale” AIs capable of reactive and independent cognition.

Your Company

Having bagged 4 prestigious Smart city projects, we are poised to remain a leading player in the Master System Integrator (MSI) space.

Industry 4.0 or the Fourth Industrial Revolution is the ongoing automation of traditional manufacturing and industrial practices, using modern smart technology. Much before it became the buzzword your company with its Disruption driven strategy was at the forefront adopting smart technology and offering digital solutions across the spectrum of various industries. This was a result of the thought leadership existing in the management team.

Allied Digital clientele include Fortune1000, large, mid-size companies and Government bodies across the globe in multiple industry domains. As an MSI it provides IP based solutions and implements various SLA driven fixed priced ICT projects. These are multi-year IT Infrastructure Management services (IMS) and Managed Security services (MSS) contracts which results into healthy annuity revenue.

Your company with an eye for the future generations has setup a 1200+ seater co-incubation and co-workspace center in Navi Mumbai. The center will support selected incubatees in their business models and mentor them from Idea stage to IPO. It has a Center of Excellence (COE) for emerging technologies like AI/ML, Deep Learning, IoT, Blockchain, AR/VR, Cyber security etc. The facility will offer High Performance Computing (HPC) learning in multiple technologies and international standard classrooms for conducting training.

We have streamlined our internal processes with a new COE for Service delivery to scale new bars and our HR function remains strong as ever with excellent leader at the helm and are ready to fly higher.

We have also expanded our direct global presence with offices in Europe too and as such cover nearly all the continents.

Our focus has always been on the bottom-line rather than topline to ensure our shareholders reap benefits from their reposed faith in the company. We are looking out for projects with better margins.

We thank our investors for their patience during our transformation journey since we believed in the dictum of “Small pain and long gain” and are pleased to say that we are entering the high growth phase version 6.0(disruption driven).

We are also very pleased to declare 10% dividend this year.

We are proud to announce that we are virtually debt free in Rupee terms and that too without selling any assets or diluting our stake, in fact the promoters have increased their shareholdings using preferential route.

Today, in tough Covid-19 times, the company is managing full operations seamlessly under “Work from Home” strictly adhering to high level security standards(Zero trust strategy) based Business Continuity plan, with the company’s “Always-On” 24x7x365 infrastructure in the cloud, with secure access for the employees working from home.

The company firmly believes in its Corporate Social Responsibility and is helping the community with suitable donations and assistance towards needy causes like food, education, healthcare and religious nature etc.

Our progress has been appreciated and has resulted in several awards and accolades being given to your company. (see details on page 7)

Outlook

Digital Disruption is the future. We plan to train personnel on newer technologies to result into disruption in business models by leveraging IoT, Big data, Analytics, AI and ML.

We will Support Business Transformation using above skillsets by enabling cost-effective, efficient solutions leveraging new technologies.

Allied Digital is positioning itself to be a major player as Global Digital Transformation Architect focusing on B2B/B2G, Smart Cities and other IP based solutions.

Our vision for the future includes remaining a front-runner in the digital economy space and enabling the on-going lifestyle changes onto a unified digital platform

With warm regards,

Nitin Shah

Chairman and Managing Director.



Whole-time Director

Mr. Prakash Shah

Your company is on an upwards growth trajectory. Government's Digital Initiatives in the space of smart city, safe city, e-governance and ICT driven infrastructure projects will boost India's IT sector. We are very strongly positioned in this vertical. Enterprise space is also seeing a disruption in more unique service delivery model's like remote infrastructure management services with increasing focus on automation and support through network and security operations center.

Your company has adapted a unique partner driven business model leveraging upon large IT and EPC companies increasing our market reach globally. Success of the partner model is credited to the strong focus on improved service delivery capabilities.

Financial Year 2019-2020 has seen lots of major account wins in India and the US with an increasing presence in the European Markets. We have added two more smart city wins taking up our total tally to five cities, four of which are currently under execution. These wins will allow sustained revenue growth for multiple forthcoming years.

Pleased to inform that your Company has achieved an encouraging total consolidated income of INR 335.72 Crs. as against INR 243.84 Crs. in the previous financial year with a robust growth of 38% y-o-y basis, whereas the total standalone income stands at INR 99.78 Crs. as against INR 79.35 Crs. in the previous year with a growth of 26% on y-o-y basis. Company has substantially improved its profitability during the year and reported consolidated PAT of INR 19.22 Crs as against INR 12.37 Crs in the previous financial year with a staggering growth of 55% on y-o-y basis. Whereas standalone PAT stood at INR 7.88 Crs as against INR 9.63 Crs of previous year, in spite of not having exceptional income unlike previous financial year.

In continuation to on-going focus towards debt reduction, it gives me great pleasure to inform that we have substantially reduced our debt which has also resulted in an increase in our profitability.

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In the current COVID scenario our ability to provide scalable remote support along with end user computing services across a vast geography will led to a strong growth in the pipeline and further increase in profitability of the company. Our constant effort to upgradation of our facilities and skill set is allowing us to be the partner of choice for IT support and services.

With warm regards,

Prakash Shah
Whole-time Director



Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 26th Annual General Meeting of your Company.

Expansion

I am pleased to inform you that your company has extended its Global footprint in Europe with our new office in Dublin, Ireland which we see as an important market for us. We are already well established across the Americas, Asia, Middle East and Australia.

Financials

The revenue growth of the company has been stellar during the year in question and our revenue has grown from Rs.244 crores in 18-19 to Rs.336 crores in 19-20.(38% growth). Our NPAT has grown by 55% in the same period. We have won large multi-year deals with annual price escalation across the globe to ensure healthy sales growth for the coming years. This stupendous performance has been also a result of keeping our operational expenses under strict control in these testing times and reducing our finance

costs. We hope to achieve better results in the coming years and continue on the growth path.

Future Outlook

Your company is a well-established player in the IT Managed Services space and is a leading Master System Integrator in the country and globally. Digital Disruption is the way forward and your company is at the forefront with market leading offerings in EMTECH (emerging technologies) like IoT, AI, ML, Deep Learning, Robotics etc.

This ensures our service offerings are future-proof.

COVID-19

As you are all aware the world is grappling with the Global Pandemic and the race is on to find a cure and preventive vaccine for the Corona Virus.

In this scenario where travel is restricted we are keeping the lights on with “Work from Home” solutions and ensuring seamless operations for our customers with innovative and secure technology to ensure there is no disruption either at our employee end or for our customers.

Technology is at the forefront with virtual office and other solutions and we believe your company is in the right domain to reap the benefits with our unique IT offerings.

In fact it is safe to say that we are now an essential industry to ensure work happens.

We believe that your company is well poised to successfully tide over the challenges and emerge as a leading player in the IT Industry.

With warm regards,

Nehal Shah

Executive Director



Chief Executive Officer
Mr. Paresh Shah

Management Bytes

Hello Investors,

What a solid year it has been for all of us. The year 2019-20 has seen huge growth in sales and is depicting in our revenue increase. The numbers clearly predict the growth picture. We have continued to add new, and also large customers in the US as well as in India. The sales and deliver teams have been on their toes, executing on smart cities and doing transition of newly acquired global enterprise service customers.

More importantly, it has been a perfect blend of business strategy, flawless execution and committed customer relationship management. We continued to apply breaks on our finance costs, and have further improved our operational strengths in Europe. We bagged another smart city project in the early quarters and have witnessed consistent upsurge in sales every quarter. This speaks about growth consistency and good management governance. The year further ended on a brighter side of releasing our new software platform ADiTaaS 5.0 and creating a new global “center of excellence” in service delivery. Besides, we have created a huge capacity of office space at our Mahape premises in anticipation of growing opportunities for the company.

The current year has started with a big challenge of the Covid-19 pandemic. Globally, it has triggered a huge economic pressure. Along with several industries, IT industry too is impacted. But fortunately, I would like to say that we see ourselves as ‘mildly impacted’. The savior has been our annuity contracts, which are keeping the “lights on” of so many customers. The other factor is our ability to stretch and go the extra mile during the crisis. Further, we have been absolutely on the dot in our service delivery, due to our “Always-On” infrastructure and business continuity planning. Our resources are able to work remotely, and as well, we are able to take some strategic decisions to provide services as “Essential” to critical customers such as healthcare and government. This meticulous business continuity planning has given us some great customer appreciation. During this tough time, the management team has huddled to invest time in sharpening our technology skills, initiating new business lines like IoT and AI and propelling new marketing plans to bounce higher when macro-economic factors improve.

As the year further unfolds, global business growth would start their upward journey by the end of third quarter. Our strengthened business development engines will generate new wins. Our sharpened resource skills and continued customer satisfaction and value offerings should help farm more revenues from existing customers. The new partnerships will open new sales pipelines and our next generation technology adoptions in AI and IoT will scale our long-term growth. For us, the drivers will continue to be in large enterprise contracts and smart city related opportunities. We see acceleration on cloud and managed security business, and our readiness in AI (Artificial Intelligence) Robotic Process Automation, and IoT is soon going to take a growth path in the last quarter. We see the current situation as an opportunity for introspection and preparation for next big growth, thus our outlook remains positive.

Thanks to the management vision and continued support from you all, I strongly believe that our motto of “Passion, Teamwork and Innovation” will withstand the challenging economic weather and we will remain tall, backed by robust company growth and your trust in us.

With warm regards,

Paresh Shah
Chief Executive Officer



Integrated Solutions Group

It is my pleasure to inform you that your company was successful in winning three more Smart City Projects during the year: Aurangabad Smart City, Bidkin (Maharashtra) and Kalyan Dombivli Smart City Projects in Consortium Biddings. The contract period for these projects are for five years with assured revenue and growth potential due to possible expansions and scaling up of the scope during this period.

Presently, these projects are under execution in addition to Rajkot Smart City that is nearing completion. Each of these projects addresses issues related to their specific location with solution portfolio that deals with these challenges to provide better quality of life for its citizens leveraging on emerging technology for efficient Governance. Delivering such projects enhances your company's established core competency as a leading Master Systems Integrator (MSI) in the country.

Furthermore, your company has taken measures to create inhouse development capability for some solution component that integrates several autonomous systems and their technologies. One such result of this initiative is the in house developed IP based Public Address System (PAS) and its Software that unlike competitive proprietary Public Address System, runs on the existing IT infrastructure such as Server and the digital backbone network. The in house developed IP PAS

integrates with the Video Surveillance System with analytics software to detect violation of social distancing norms and on detection automatically make public announcement by playing pre-recorded messages at those sites. Similarly, it can be programmed to integrate with other systems such as CCTV or Access Control to detect any defined event and make appropriate announcement automatically. Of course, manual announcement can also be made if required.

Through In-house development such as mentioned above your company is able to achieve significant reduction in total cost of ownership of the entire solution giving it competitive advantage in bidding and post winning in Operation and Maintenance for the solution life cycle. Your company strives to reduce dependencies on certain costly third-party proprietary systems through in-house innovative development and solutions.

Many Enterprise class Physical Security Projects such as Critical Infrastructure protection, Smart Campus, Smart City, Retail and Malls are now adopting emerging technology that uses Artificial Intelligence (AI) that enhances the capability of systems such as Video Surveillance with Video Analytics for detecting presence and movement of people, Crowd gathering and direction of movement, Face Recognition, Access Control System and Perimeter protection system. Your company has aligned with leading international organizations that offers such solution and also scaling up its own capability in creating AI and Machine Learning (ML) based solution.

Some states, especially those in the coastal regions, as part of National Cyclone Risk Mitigation Project (NCRMP) have floated RFPs for Early Warning Dissemination System (EWDS) to Alert people in the area of impending cyclone or event that could cause disaster on a large scale. Most of these systems are deployed on the ICT infrastructure requiring Integration of multiple systems and your company is participating in these opportunities as an MSI. More states will opt for EWDS systems and these projects are generally funded by the World Bank.

The Covid 19 Pandemic and the Lock down has impacted the industry with some delay in execution of the projects and finalization of many contracts. The industry has made effort to overcome these challenges by adopting practises such as Work from Home. As these measures have been implemented globally by almost all organization there has been a change in the work culture. With the availability of various platforms and their increased usage there has also been an improvement in efficiency in remote working conditions. Your company has successfully adapted its operations to align with the demands of remote working.

In addition to the existing Pune Safe City project, the acquisition of five smart city projects with their contract period spanning over five years and with its participation in opportunities in EWDS, Critical infrastructure protection, Banks, Retail Space and other Smart City projects your company is positioned to increase its market share in the Integrated solutions business.

With warm regards

Jawahar Ali
CEO-ISG

ALLIED DIGITAL Achievements



Allied Digital gets Commendatory Certificate from Pune Traffic Police

Allied Digital successfully delivered the **Pune Safe City Surveillance project** in 2015. In the ongoing enhancements towards a Safer city we developed the "Satark Punekar" Android and IOS app which allows citizens to capture and report traffic violations and send the report to Traffic Control Room of Pune Traffic Police for further action. This has been commended by the Pune City traffic Police as very useful for traffic monitoring and e-challans.



Allied Digital CMD - Mr. Nitin Shah was featured in the prestigious "The Economic Times - Promising Entrepreneurs of India" Coffee Table book.



Allied Digital CMD - Mr. Nitin Shah was featured in the prestigious "The Economic Times - Promising Entrepreneurs of India" Coffee Table book. His professional journey spanning more than 3 decades is covered and for the future he feels that Allied Digital is uniquely positioned to create exponential value for it's clients with new technologies.

ALLIED DIGITAL Achievements



Allied Digital (USA) CFO - Kapil Mehta is nominated for the Los Angeles Business Journal CFO Awards 2019

Allied Digital (USA) CFO – Kapil Mehta nominated amongst a large number of finance professionals for the Los Angeles Business Journal CFO Awards 2019 held at The Westin Bonaventure Hotel & Suites, Los Angeles on 26th September, 2019. Our CTO – Mr. Sunil Bhatt was with him sharing the proud moment. The 13th Annual CFO Awards recognize L.A. County Finance professionals for their ongoing efforts and contributions to their organizations.



Outstanding Global Leadership Award 2019

Nitin Shah-CMD- Kuala Lumpur.



Channel World Premier 100 Honoree 2019

Allied Digital-Pune.

FINANCIAL HIGHLIGHTS FOR THE FY 2019-20



- Board declared dividend @10% for FY 19-20
- Consolidated income of INR 33,572 Lakhs for the FY 19-20 Vs INR 24,384 Lakhs for FY 18-19.
- Consolidated EBIDTA of INR 5,234 Lakhs for FY 19-20 Vs INR 4,266 Lakhs for the FY 18-19.
- Consolidated PBT INR 2,404 Lakhs for FY 19-20 Vs INR 1,452 Lakhs for FY 18-19
- Consolidated PAT INR 1,922 Lakhs for FY 19-20 Vs INR 1,237 Lakhs for FY 18-19
- Considerable debt reduction resulting better profitability for FY 19-20
- EPS of INR 3.83 FY19-20 Vs INR 2.46 for FY 18-19
- Book Value of each equity share stands at INR 93 plus

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ALLIED DIGITAL SERVICES LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 03, 2020 AT 02:00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020 comprising of the Audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2019 to March 31, 2020 including its Schedules and the Notes attached thereto and forming part thereof along with the reports of the Board of Directors and the Statutory Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020, comprising of the Audited Consolidated Balance Sheet as at March 31, 2020, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2019 to March 31, 2020 including its Schedules and the Notes attached thereto and forming part thereof along with the report of the Statutory Auditors thereon.
2. To declare dividend on equity shares of the Company for the Financial Year 2019-20.
3. To appoint a Director in place of Mr. Nehal Nitin Shah (DIN: 02766841), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at the 22nd Annual General Meeting of the Company held on September 26, 2016 which resolution was subsequently modified by way of resolution passed at the 24th Annual General Meeting held on September 03, 2018 and pursuant to the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, as amended vide Notification dated September 12, 2016, applicable provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and applicable clauses of Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company at their respective meeting held on August 04, 2020, consent of the Members of the Company be and is hereby accorded to revise the remuneration of Mr. Nitin Dhanji Shah (DIN: 00189903), Chairman and Managing Director of the Company, to overall aggregate amount not exceeding ₹ 2,00,00,000 (Rupees Two Crores) per annum for the financial year 2020-21 i.e. from 1st April, 2020 to 31st March 2021.

RESOLVED FURTHER THAT all other existing terms and conditions of appointment of Mr. Nitin Dhanji Shah, Chairman and Managing Director of the Company shall remain unchanged unless otherwise modified by the Board of Directors of the Company.

RESOLVED FURTHER THAT in the event that during the financial year 2020-21, the Company has no profits or its profits are inadequate as computed under the applicable provisions of the Act, Mr. Nitin Dhanji Shah, Chairman and Managing Director shall be entitled to receive the aforementioned remuneration as the minimum remuneration subject to receipt of requisite approvals, if any.

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

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

“RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at the 22nd Annual General Meeting of the Company held on September 26, 2016 which resolution was subsequently modified by way of resolution

passed at the 24th Annual General Meeting held on September 03, 2018 and pursuant to the provisions of Sections 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013 as amended vide Notification dated September 12, 2016, applicable provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and applicable clauses of Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company at their respective meeting held on August 04, 2020, consent of the Members of the Company be and is hereby accorded to revise the remuneration of Mr. Prakash Shah (DIN: 00189842), Whole Time Director of the Company, to overall aggregate amount not exceeding ₹ 1,00,00,000 (Rupees One crore) per annum for the financial year 2020-21 i.e. from 1st April, 2020 to 31st March 2021.

RESOLVED FURTHER THAT all other existing terms and conditions of appointment of Mr. Prakash Dhanji Shah, Whole-time Director of the Company shall remain unchanged unless otherwise modified by the Board of Directors of the Company.

RESOLVED FURTHER THAT in the event that during the financial year 2020-21, the Company has no profits or its profits are inadequate as computed under the applicable provisions of the Act, Mr. Prakash Dhanji Shah, Whole-time Director shall be entitled to receive the aforementioned remuneration as the minimum remuneration subject to receipt of requisite approvals, if any.

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

6. To consider and, if thought fit, to pass the following resolution as a **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’), Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Milind Madhav Kamat (DIN: 01772084), who was appointed by the Board of Directors of the Company as an Additional Director designated as an Independent Director of the Company with effect from June 11, 2020 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years commencing from June 11, 2020 up to June 10, 2025.

RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, incidental and/ or ancillary thereto to give effect to the aforesaid resolution.”

7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (‘the Act’) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (‘the SEBI SBEB Regulations’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the SEBI LODR Regulations’), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the ‘ADSL - Employees Stock Option Plan 2020’ (‘ESOP - 2020’) the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the

Company, whether Whole-time Director or not, but excluding Promoter, Promoter Group and Independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as “Employees”) selected on the basis of criteria decided by the Board under the ESOP-2020, such number of stock options convertible into Equity Shares of the Company (“Options”), in one or more tranches, not exceeding 40,00,000 (Forty Lakhs) Equity Shares of face value of ₹ 5/- each (Rupees Five), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2020, and all provisions of applicable laws.

RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2020 and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP-2020 and the exercise price of Options granted under the ESOP-2020 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 5/- per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2020.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2020, determine the detailed terms and conditions of the aforementioned ESOP-2020 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the ESOP-2020 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI SBEB Regulations for the purposes of administration of ESOP-2020.

RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2020 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2020 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2020 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2020 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

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

“RESOLVED THAT pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the SEBI SBEB Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI LODR Regulations”), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of ‘ADSL - Employees Stock Option Plan 2020’ (“ESOP- 2020”) proposed in the resolution number 7 above to such persons who are in the permanent employment of the Holding Company and its subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India and to the directors of the Holding Company or its Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP- 2020.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP- 2020 from time to time or to suspend, withdraw, or revive ESOP- 2020 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and notwithstanding ceiling limit for Grant of Option during any one Financial Year to any employee or director of the Company and its Holding Company or its Subsidiary Company not exceeding one percent of the issued Capital of the Company, consent of the Shareholders be and is hereby accorded for Grant of options to identified employees under ‘ADSL - Employees Stock Option Plan 2020 (ESOP – 2020) during any one year, equal to or exceeding one percent but not exceeding two percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option in one or more tranches, on such terms and in such manner as stated in ‘ADSL - Employees Stock Option Plan 2020’.

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) as amended, approval of the Company be and is hereby accorded to the Board of Directors to enter into contracts/ arrangements with Allied Digital Services, LLC, a ‘Related Party’ as defined under Section 2 (76) of the Companies Act, 2013 and the SEBI LODR, for the financial year ended 31st March 2020, for:

1. Sale, purchase or supply of any goods or materials – up to maximum of ₹ 50 crores; and
2. Availing or rendering of any services – up to maximum of ₹ 150 crores

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

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

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

“**RESOLVED THAT** pursuant to the provisions of Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and such others rules and regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the “Act”), the provisions of the Memorandum and Articles of Association of the Company and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India (“SEBI”), including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“SEBI Listing Regulations”), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended or re-enacted from time to time (“SEBI (ICDR) Regulations, 2018”) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI Takeover Regulations”) and subject to necessary approvals, permissions, sanctions and consents, if any and as may be required from any relevant governmental authorities including from BSE Limited and National Stock Exchange of India Limited (collectively the “Stock Exchanges”) and subject to such other approvals, permissions, sanctions and consents as may be necessary under all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot at an appropriate time, in one or more tranches in aggregate and up to 40,00,000 (Forty Lakhs) Equity Warrants (“Equity Warrants”), each convertible into or exchangeable for One (1) equity share of face value of ₹ 5/- each (“the Equity Shares”), in such manner and at such price and on such terms and conditions as may be determined by the Board in due compliance with the SEBI (ICDR) Regulations, 2018, provided that the minimum price at which the equity shares may be so issued shall not be less than the price arrived at in accordance with provisions of Chapter V of SEBI (ICDR) Regulations, 2018, aggregating to an amount not exceeding ₹ 10,00,00,000 (Rupees Ten Crores) to Mr. Nitin Dhanji Shah, Promoter of the Company (as defined in SEBI (ICDR) Regulations, 2018) (“Proposed Allottee”) under Promoter Category on a preferential basis, for cash and in such form and manner and in accordance with the provisions of SEBI (ICDR) Regulations, 2018 and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members.

RESOLVED FURTHER THAT the relevant date for determining the Floor Price for the purpose of the Preferential Allotment in accordance with the SEBI Regulations shall be the date that is 30 days prior to the date on which the resolution is deemed to be passed i.e. 04th August, 2020.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

- a) The proposed Equity Warrants shall be issued and allotted by the Company to Proposed Allottee within a period of fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the proposed Equity Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of fifteen (15) days from the date receipt of last of such approvals;

- b) Each Equity Warrant is convertible into One (1) Equity Share and the conversion can be exercised by warrant holder(s) at any time during the period of eighteen (18) months from the date of allotment of Equity Warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable;
- c) The Equity Warrants proposed to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of capitalisation of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under SEBI (ICDR) Regulations and all other applicable regulations from time to time;
- d) Equity Warrant subscription price equivalent to 25% of the issue price will be payable at the time of subscription of Equity Warrants, as prescribed by the SEBI (ICDR) Regulations, which would be adjusted by the Company and appropriated against the issue price of the Equity Shares. Equity Warrant exercise price equivalent to the 75% of the issue price of the equity shares shall be payable by the warrant holder(s) at the time of exercising conversion of Equity Warrants;
- e) The warrant holder(s) shall be entitled to exercise the option of exercising any or all of the Equity Warrants in one or more tranches by way of a written notice which shall be given to the Company, specifying the number of Equity Warrants proposed to exercise along with the aggregate amount payable thereon, prior to or at the time of conversion. The Company shall accordingly, without any further approval from the Members of the Company, issue and allot the corresponding number of Equity Shares and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottee in the records of the Company as the registered owner of such Equity Shares;
- f) The Equity Shares to be so allotted on exercise of Equity Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects including dividend, with the existing equity shares of the Company;
- g) In the event the warrant holder(s) does not exercise the Equity Warrants within Eighteen (18) months from the date of allotment of the Equity Warrants, then such Equity Warrants shall lapse and the amount paid shall stand forfeited by the Company;
- h) The Equity Warrants issued and allotted will be transferable within the Promoter Group subject to compliance of applicable provisions and subject to such other approvals as may be necessary from time to time;
- i) The Equity Shares arising from the exercise of the Equity Warrants will be listed on Stock Exchanges where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall inter alia be governed by the regulations and guidelines issued by SEBI or any other statutory authority;
- j) The Equity Warrants and the Equity Shares being allotted pursuant to exercise of such Equity Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations, 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option by the warrant holder(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue, the number of equity shares to be allotted, finalising the terms of agreement(s) and other related document(s), if any, to be executed including amendments thereto, provide any clarifications related to offer, issue and allotment of Equity Warrants and Equity Shares, listing of Equity Shares on Stock Exchanges and authorise to preparation, execution and entering into arrangement / agreements, offer letter, letter of allotment, all writings, instruments and such other documents (including documents in connection with appointment of agencies, intermediaries and advisors), utilisation of proceeds of issue and further to authorise all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) or authorised signatory/ies of the Company and generally to do all such acts, deeds and things as may be required in connection with the aforesaid resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint/engage any registrar, depositories, professionals, advisors, bankers, consultants and advocates and to finalise their fees/charges and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and further authorised to make requisite filing with concerned regulatory/government authorities / depository(ies), Stock Exchanges and/or any other regulatory authorities to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this connection.

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

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

Place: Mumbai

Date: August 04, 2020

Registered Office:

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

CIN: L72200MH1995PLC085488

Website: www.allieddigital.net

Email: investor@allieddigital.net

Tel: +91 22 6681 6400

Fax: +91 22 2282 2030

NOTES:

1. General instructions for accessing and participating in the 26th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19' (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic' ('SEBI Circular') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/OAVM, without the physical presence of the members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the 26th AGM of the Company is being held through VC/OAVM on Thursday, September 03, 2020 at 2.00 p.m. (IST).

2. As per the provisions of clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at item nos. 4 to 11 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. A Statement pursuant to Section 102(1) of the Act relating to the Special Business to be transacted at the AGM is annexed hereto.

4. The aforesaid MCA General Circular dated May 5, 2020 read with MCA General Circular dated April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 have granted relaxations to the companies, with respect to printing and dispatching physical copies of the Annual Reports and Notices to members. Accordingly, the Company will only be sending soft copy of the Annual Report 2019-20 and Notice convening 26th AGM via e-mail, to the members whose e-mail ids are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/Depository on or before 21 days of the scheduled Annual General Meeting of the Company.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.allieddigital.net. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.
6. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Accordingly, Proxy Form, Attendance Slip and Route of Map of AGM is not annexed to the Notice/Annual Report of the Company.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
11. In terms of Section 152 of the Companies Act, 2013, Mr. Nehal Nitin Shah (DIN: 02766841), Executive Director of the Company, retires by rotation at the AGM and being eligible offers himself for re-appointment. Also, in terms of Section 149 of the Companies Act, 2013, it is proposed to appoint Mr. Milind Madhav Kamat (DIN: 01772084) as Independent Director of the Company for a period of 5 years commencing from June 11, 2020 up to June 10, 2025. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards on General Meetings (SS-2) in respect of the Directors seeking appointment/ re-appointment at the AGM, forms integral part of the notice.
12. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 29, 2020 to Thursday, September 03, 2020 (both days inclusive) for Annual General Meeting and determining the names of members eligible for dividend on equity shares for the Financial Year 2019-20.
13. Dividend, if approved by the Members at the ensuing AGM, will be paid on or after September 09, 2020, to those:
 - a) Members whose name appears in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company or its Registrar and Share Transfer Agents (RTA) on or before August 27, 2020; and
14. Beneficial Owners whose name appears in the list of Beneficial Owners Position list as on the closing hours of August 27, 2020 furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose

15. In case of joint holders, 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 at the AGM.
16. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection.
17. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the Company's RTA.
18. As per Regulation 40 of the SEBI Listing Regulations, as amended, transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, members can continue to hold shares in physical form. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA for assistance in this regard.
19. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has placed on its website i.e. www.allieddigital.net. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.
20. Members holding shares in electronic (dematerialised) form are advised to send the request/(s) for change pertaining to their bank details, National Electronic Service (NECS), Electronic Clearing Service (ECS), Mandates, Nomination, Power of Attorney, Change of Address, Change of Name, E-mail Address, Contact Numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Transfer Agents to provide efficient and better services.
21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
22. To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held by them in physical form.
23. The Company has made special arrangement with the RTA for registration of e-mail addresses in terms of the MCA Circulars for members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically. Eligible members whose e-mail addresses are not registered with the Company/ DPs are required to provide the same to RTA on or before 5:00 p.m. IST on Monday, August 25, 2020 pursuant to which, any member may receive on the e-mail address provided by the member the Notice of this AGM along with the Annual Report 2019-20 and the procedure for remote e-voting along with the login ID and password for remote e-voting.

a) Procedure for registration of Email Address with RTA is as under:-

i. For Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt. Ltd. by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website i.e. www.linkintime.co.in at the Investor Services tab by choosing the e-mail registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA i.e. rnt.helpdesk@linkintime.co.in

ii. For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

iii. Registration of email id for shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt. Ltd., by clicking the link: https://linkintime.co.in/emailreg/email_register.html on their website i.e. www.linkintime.co.in at the Investor Services tab by choosing the E mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB) . In case of any query, a member may send an e-mail to RTA i.e. rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification

b) Procedure for registration of Bank Details with RTA is as under:-

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt. Ltd., by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website i.e. www.linkintime.co.in at the Investor Services tab by choosing the E mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number , PAN, e-mail ID id along with the he copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e-mail to RTA i.e. rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

c) Communication in respect of deduction of tax at source on Final Dividend payout

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The url for the same is <https://www.linkintime.co.in/client-downloads.html> - On this page select the General tab. All the forms are available in under the head: "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the url - <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

Thereafter, the user shall be prompted to select / share the following information to register their request.

- Select the company (Dropdown)
- Folio / DP-Client ID
- PAN
- Financial year (Dropdown)
- Form selection
- Document attachment – 1 (PAN)
- Document attachment – 2 (Forms)
- Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Pvt. Ltd. should be done on or before Record date for the dividend in order to enable the Company to determine and deduct

appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after Record date for the dividend, 6:00 PM. The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

E-voting:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations (as amended), MCA Circulars and the SEBI Circular, the Company is providing its members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means (by using the electronic voting system provided by NSDL) either by remote e-voting prior to the AGM or by remote e-voting during the AGM. Instructions for members for attending the AGM through VC/OAVM are explained below.

The members can opt for only one mode of remote e-voting i.e. either prior to the AGM or during the AGM. The members present at the Meeting through VC/OAVM who have not already cast their vote by remote e-voting prior to the Meeting shall be able to exercise their right to cast their vote by remote e-voting during the Meeting. The members who have cast their vote by remote e-voting prior to the AGM are eligible to attend the Meeting but shall not be entitled to cast their vote again.

The remote e-voting period begins on **August 31, 2020 at 09:00 A.M.** and ends on **September 02, 2020 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

A person, whose name is recorded in Register of Members or in the Register of Beneficial Owners maintained by the depositories as on **Friday, August 28, 2020** ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting prior to the AGM or remote e-voting during the AGM.

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

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1 : Log-in to NSDL e-voting system

- i. Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log in to NSDL eservices after using your log in credentials, click on e-voting and you can proceed to step 2 i.e. Cast your vote electronically.

- iv. Your User ID details will be as per details given below:

- a) For members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
- b) For members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).

- c) For members holding shares in Physical Form:

EVEN Number followed by Folio Number registered with the Company (For example, for members holding Ordinary Shares, if folio number is 001*** and EVEN is 113072 then user ID is 113072001***).
- v. Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- vi. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on 'Forgot User Details/Password?' option available on www.evoting.nSDL.com (If you are holding shares in your demat account with NSDL or CDSL).
 - b) Click on 'Physical User Reset Password?' option available on www.evoting.nSDL.com (If you are holding shares in physical mode).
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nSDL.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes
- vii. After entering your password, tick on 'I hereby agree to all Terms and Conditions'.
- viii. Click on 'Login' button.
- ix. After the 'Login' button, Home page of e-voting will open

Step 2 : Cast your vote electronically on NSDL e-voting system

- i. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting.
- ii. Click on Active Voting Cycles. You will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- iii. Select 'EVEN' of the Company for casting your vote:
 - EVEN for Ordinary Shares is 113072.
 - EVEN for 'A' Ordinary Shares is 113073.
- iv. Now you are ready for e-voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

- vi. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to associates.rathi8@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mr. Amit Vishal, Senior Manager- NSDL or Ms. Pallavi Mhatre, Manager - NSDL at evoting@nsdl.co.in.

Instructions for E-Voting during AGM

- The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-voting system for all those members who will be present in the AGM through VC/OAVM facility but have not cast their vote on the resolutions by availing the remote e-voting facility and are otherwise not barred from doing so. The e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

Instructions for Members for attending the AGM through VC/OAVM

- Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address investors@allieddigital.net on or before 5.00 p.m. (IST) on Saturday, August 22, 2020. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

- Members who would like to express their views/ ask questions as a speaker at the Meeting may preregister themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investors@allieddigital.net between Tuesday, August 25, 2020 (9:00 a.m. IST) and Friday, August 28, 2020 (5:00 p.m. IST). Only those members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- Members who need assistance before or during the AGM may contact NSDL on evoting@nsdl.co.in or 1800-222-990 or contact Mr. Amit Vishal, Senior Manager- NSDL. at amitv@nsdl.co.in, Tel no: 022-2499 4360; or Ms. Pallavi Mhatre, Manager - NSDL. at pallavid@nsdl.co.in, Tel no: 022-2499 4545.

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

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

Place: Mumbai

Date: August 04, 2020

Registered Office:

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

CIN: L72200MH1995PLC085488

Website: www.allieddigital.net

Email: investor@allieddigital.net

Tel: +91 22 6681 6400

Fax: +91 22 2282 2030

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

ITEM NO. 4:

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on August 04, 2020 approved the revision in remuneration of Mr. Nitin Dhanji Shah as Chairman and Managing Director of the Company for the financial year 2020-21 i.e. from 1st April, 2020 to 31st March 2021, subject to the approval of the shareholders at this Annual General Meeting.

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

- a) Revision of Salary up to ₹ 2,00,00,000 as approved by the Board for the financial year 2020-21 i.e. from 1st April, 2020 to 31st March 2021.
- b) Other terms and conditions as approved between the Company and Mr. Nitin Dhanji Shah, Chairman and Managing Director would remain the same except revision in remuneration components linked with basic salary.

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

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

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

ITEM NO. 5

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on August 04, 2020 approved the revision in remuneration of Mr. Prakash Dhanji Shah as Whole-time Director of the Company for the financial year 2020-21 i.e. from 1st April, 2020 to 31st March 2021, subject to the approval of the shareholders at this Annual General Meeting.

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

- a) Revision of Salary up to ₹ 1,00,00,000 as approved by the Board for the financial year 2020-21 i.e. from 1st April, 2020 to 31st March 2021.
- b) Other terms and conditions as approved between the Company and Mr. Prakash Dhanji Shah, Whole-time Director would remain the same, except revision in remuneration components linked with basic salary.

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

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

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

ITEM NO. 6

The Board of Directors of the Company had appointed Mr. Milind Madhav Kamat (DIN: 01772084) as an Additional Director designated as an Independent Director of the Company with effect from June 11, 2020. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Milind Madhav Kamat shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years. The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Milind Madhav Kamat signifying his candidature as an Independent Director of the Company.

A brief profile of Mr. Milind Madhav Kamat, including nature of his expertise is provided in this Annual Report. The Company has received a declaration of independence from Mr. Milind Madhav Kamat. In the opinion of the Board, Mr. Milind Madhav Kamat, fulfils the conditions specified in the Companies Act, 2013 and the Listing Regulations, for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company: www.allieddigital.net.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Milind Madhav Kamat. are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no.6 for approval of the Members.

ITEM NO. 7 and 8

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Holding Company or its Subsidiary Company (ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Holding Company or its Subsidiary Company(ies) on the growth path.

Keeping in line with the above, “ADSL - Employees Stock Option Plan 2020” (‘the Scheme’) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in

accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on August 04, 2020, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company’s Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2020;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an 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 rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Major details of the Scheme are as given below:-

a) *Brief Description of the Scheme is given as under:*

“ADSL - Employees Stock Option Plan 2020” (‘the Scheme’) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on August 04, 2020, subject to the approval of the members of the Company.

b) *The total number of options to be granted:*

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 40,00,000 (Forty Lakhs) equity shares of ₹ 5/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her options shall communicate the same to the Board or Committee in writing.

Vested options lapsed due to non-exercise, surrender and/or unvested options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of ESOP-2020.

c) *Identification of classes of employees entitled to participate and be beneficiaries in the scheme:*

All permanent employees working in India or out of India and Directors (whether Managing/Whole-time Director or not) of Company and its Holding Company and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee

who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

d) *Terms of the scheme:*

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

e) *Transferability of Employee Stock Options:*

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to Holding Company and its subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

f) *Requirements of vesting and period of vesting:*

Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2020.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.

Sr. No.	Separations	Vested Options	Unvested Options
3	Termination (Without cause)	All Vested Options which were not allotted at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement.
5	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.
6	Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The NRC / Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

g) *Maximum period within which the options shall be vested:*

The maximum vesting period may extend up to 5 (Five) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

h) *Exercise price or pricing formula:*

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be as may be decided by the Committee as is allowed under the SBEB Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates.

i) *Exercise period and process of exercise:*

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

j) Appraisal Process for determining the eligibility of Employees to the scheme:

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

k) Maximum number of options to be issued per Employee and in the aggregate:

The number of Options that may be granted to any specific employee under ESOP-2020 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

l) Maximum quantum of benefits to be provided per employee under a scheme:

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

m) Certificate from Auditors:

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

n) Whether the scheme is to be implemented and administered directly by the Company or through a trust:

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

o) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust:

The Scheme will involve only new issue of shares by the Company.

p) Disclosure and accounting policies:

The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB) Regulations or any other Applicable Laws as in force. Further the Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI(SBEB) Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

q) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

Not Applicable

- r) *Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s):*

Not Applicable

- s) *Method of Valuation of options:*

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock options as are applicable to the Company for the same.

Since the company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the company opts for expensing of share based employee benefits using the intrinsic value intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

- t) *Rights of the option holder:*

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

- u) *Consequence of failure to exercise option:*

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- (b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

- v) *Other terms:*

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2020, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 7 and 8, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 7 and 8 of the Notice for adoption by the Shareholders as Special Resolution/s.

ITEM NO. 9:

The resolution set out at Item No. 7 and Item No. 8 provides that a Company may grant option to an employee and to a director of the Company and its Holding Company and its subsidiary company (ies) not exceeding one percent of the issued capital of the Company in one year. However, the Company may identify certain employee/s to whom it may be necessary to grant options exceeding one percent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. 9 provides that the Company may grant option equal to or exceeding One percent but not exceeding two percent in one year to identified employee/s or director/s of the Company and its Holding Company and its subsidiary.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 9, except to the extent of their entitlements, if any, under the ESOP Scheme.

The Directors recommend the Resolutions set out in Item No. 9 of the Notice for adoption by the Shareholders as Special Resolution.

ITEM NO. 10:

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

The Board of Directors of the Company on recommendation of the Audit Committee at its meeting held on July 30, 2020, approved availing of the services related to:

- 1) Sale, purchase or supply of any goods or materials – up to maximum of ₹ 50 crores; and
- 2) Availing or rendering of any services – up to maximum of ₹ 150 crores.

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

Particulars	Information
Name of the Related Party	Allied Digital Services, LLC, US
Name of Director(s) or Key Managerial Personnel who is related, if any	Nitin Dhanji Shah, Chairman and Managing Director; Prakash Dhanji Shah, Whole-time Director; and Nehal Nitin Shah, Director.
Nature of Relationship	Promoter – Director
Material terms of the transaction	Availing or rendering of any services and sale, purchase or supply of any goods or materials
Monetary Value	Sale, purchase and supply of goods ₹ 50 crores Availing or rendering of services ₹ 150 crores
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes

As the aggregate of the transactions to be entered into with the said Related Party may exceed 10% of the Company's turnover for the financial year ended March 31, 2020, the said transaction would be deemed to be a 'material' related party transaction. Under Regulation 23 (4) of the SEBI LODR, all material related party transactions are required to be approved by shareholders and all the related parties shall abstain from voting on such resolution whether the entity is a related party to the transaction or not.

The contracts and/or arrangements with related parties for availing or rendering of services that are repetitive in nature and in ordinary course of business and also at arms' length basis.

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

ITEM NO. 11:

In view of the future outlook of the Company, its growth targets and prospects, the Company requires additional funding to inter alia augment its long term resources including for servicing and/ or repayment of indebtedness, capital expenditure, investment in subsidiaries/ associates of the Company for various purposes, including but not limited to fund their business growth, capital adequacy, business purposes, projects, operations and for general corporate purposes as per Company's and its subsidiaries/ associates growth and business related plans from time to time.

The Board of Directors of the Company at their meeting held on July 30, 2020 had approved the issue of Equity Warrants and accordingly proposes to issue and allot in aggregate and up to 40,00,000 (Forty Lakhs) equity warrants ("Equity Warrants") each convertible into or exchangeable for One (1) equity share of face value of ₹ 5/- each ("the Equity Shares") Mr. Nitin Dhanji Shah, Promoter of the Company as defined in SEBI (ICDR) Regulations, 2018 ("Proposed Allottee") under Promoter Category on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations, 2013. Each Equity Warrant is convertible into One (1) Equity Share and the conversion can be exercised at any time during the period of eighteen (18) months from the date of allotment of Equity Warrants, as the case may be, on such other terms and conditions as applicable, entitling the Proposed Allottee to subscribe to and be allotted the Equity Warrants convertible into Equity Shares of the Company.

The details of the Preferential Allotment as required in terms of Regulation 163 of the SEBI Regulations and the applicable provisions of the Companies Act are as follows:

(a) The objects of the preferential issue:

The proceeds of the Preferential Allotment are proposed to be used by the Company for various purposes, to inter alia augment its long term resources including for servicing and/ or repayment of indebtedness, capital expenditure, investment in subsidiaries/ associates of the Company for various purposes, including but not limited to fund their business growth, capital adequacy, business purposes and for general corporate purposes as per Company's and its subsidiaries/ associates growth and business related plans from time to time.

(b) Total number of Equity Shares to be offered:

It is proposed to issue and allot in aggregate and up to 40,00,000 (Forty Lakhs) Equity Warrants, each convertible into or exchangeable for One (1) Equity Share of face value of ₹ 5 each, in such manner and on such price, terms and conditions as may be determined by the Board in due compliance with the provisions of Chapter VI of SEBI (ICDR) Regulations, 2018 and other provisions of applicable law provided that such price shall not be less than the minimum price calculated in accordance with the said Regulations.

(c) Intent of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer:

Except Mr. Nitin Dhanji Shah, Promoter of the Company and proposed allottee, no other member belonging from the promoter group, directors or key managerial personnel has given their intention to subscribe to the offer.

(d) Basis on which the price has been arrived at:

The Issue Price for issue of equity shares on exercise/conversion of the Warrants shall be decided by the Board of Directors but shall not be less than the minimum price calculated in accordance with the of the SEBI (ICDR) Regulations, 2018.

(e) Relevant Date:

The Relevant Date for the purpose of determining the pricing of shares arising out of Warrants in accordance with Chapter V of SEBI (ICDR) Regulations, 2018 is August 04, 2020 being the date that is 30 days prior to the date on which the resolution is deemed to be passed.

(f) The proposal of the promoter, directors or key management personnel to subscribe to the Preferential Allotment:

Mr. Nitin Dhanji Shah, Promoter of the Company is intending to participate / subscribe to the proposed issue and no other Director(s) or Key Managerial Personnel(s) are subscribing to this offer.

(g) The name of the Proposed Allottees and the percentage of shareholding post allotment:

Sr. No	Name of the Proposed Allottees	Shareholding post allotment (%)
1.	Mr. Nitin Dhanji Shah	34.65

(h) Shareholding pattern before the proposed issue and after the proposed conversion of Equity warrants as follows:

Sr. No.	Category and Name of the Members	Pre-issue Shareholding		Post issue Shareholding (Post conversion of Equity Warrants)	
		No. of shares held as on August 04, 2020	% of holding	No. of Shares	% of holding
1.	Nitin Dhanji Shah	14783031	29.45	18783031	34.65

(i) The proposed time within which the issue or allotment shall be completed:

As required under the SEBI (ICDR) Regulations, 2018, Equity Warrants shall be issued and allotted by the Company within a period of Fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the said Equity Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of Fifteen (15) days from the date receipt of last of such approvals.

(j) Change in control, if any, in the Company that would occur consequent to the preferential offer:

There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of Equity Warrants and including the conversion thereof into Equity Shares of the Company.

(k) The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and / or who ultimately control the proposed allottees, the percentage of pre and post-Preferential Allotment capital that may be held by them and change in control, if any, in the Company, consequent to the Preferential Allotment:

The identity of the natural person who is the ultimate beneficial owner of the shares proposed to be allotted and the percentage of the pre and post preferential issue capital that may be held by proposed Allottee is given below :

Name of the Proposed Allottee	Category	Ultimate Beneficial Owners	Percentage of post-Preferential Allotment capital to be held	Change in Control
Mr. Nitin Dhanji Shah	Promoter	Mr. Nitin Dhanji Shah	34.65	-

(l) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the period from April 01, 2019 till date of this notice, the Company has not made any allotment on preferential basis.

(m) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable

(n) Lock-in period:

The Equity Warrants and the Equity Shares being allotted pursuant to exercise of such Equity Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations, 2018.

(o) Auditors' Certificate:

A copy of the certificate from Rathi & Associates, Practicing Company Secretaries, certifying that the Preferential Allotment is being made in accordance with the requirements contained in Chapter VI of the SEBI Regulations shall be available for inspection at the registered office of the Company on any working day, except Saturday and holiday, between 11:00 a.m. (IST) to 1:00 p.m. (IST) from the date of dispatch of notice till September 03, 2020 and will also be available on the website of the Company i.e www.allieddigital.net

(p) Listing:

The Company will make an application to the Stock Exchanges at which the existing shares are already listed, for listing of the equity shares being issued on conversion of Equity Warrants. Such Equity Shares, once allotted, shall rank *pari passu* with the existing equity shares of the Company in all respects, including dividend.

(q) Other Disclosures/undertaking:

- (i) Neither the Company nor any of its Promoters or Directors have been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (ii) The Promoter and members of the Promoter Group have not sold Equity Shares of the Company in the 6 months preceding the Relevant Date.
- (iii) The Company is in compliance with the conditions of continuous listing of equity shares as specified in the listing agreement with the Stock Exchange(s) where the Equity Shares of the Company are listed.

The consent of the Members is being sought by a Special Resolution in accordance with the provisions of the Companies Act, 2013 and the rules made there under, SEBI ICDR Regulations, as amended, SEBI LODR Regulations and any other applicable laws. Except Mr. Nitin Dhanji Shah, Chairman and Managing Director, the proposed allottee none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this Resolution.

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

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

Place: Mumbai

Date: August 04, 2020

Registered Office:

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

CIN: L72200MH1995PLC085488.

Website: www.allieddigital.net

Email: investor@allieddigital.net

Tel: +91 22 6681 6400

Fax: +91 22 2282 2030

BRIEF PROFILE OF THE DIRECTOR PROPOSED TO BE APPOINTED AS THE INDEPENDENT DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ['SS - 2'] ARE AS UNDER:

Name	Mr. Milind Madhav Kamat
Date of Birth	05/07/1960
Nature of his expertise in specific functional areas	Information Technology
Qualifications	Bachelor's Degree in Engineering Post Graduate Degree in Financial Management
Experience	35+ years
Number of Shares held in the Company	Nil
Terms and Conditions of Appointment/re-appointment	<ul style="list-style-type: none"> - During his tenure with the company he shall not disclose directly or indirectly any information/document about the company - During his employment with the company he may come across of companies' plans, policies, undisclosed records design and/ or strategies which are confidential in nature and he requires to maintain its confidentiality.
Date of Appointment on the Board	June 11, 2020
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	None
Number of Meetings attended during the year	Nil
Name of the other Companies in which also holds Directorship	None

For Annexure A:

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

I GENERAL INFORMATION			
1.	Nature of Industry	Information Technology	
2.	Date or expected date of commencement of Commercial production	The Company has been engaged in the business of Information Technology for more than 2 decades.	
3.	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	Not Applicable	
4.	Financial performance based on the given indicators	Financial performance based on the Audited Accounts for the year ended March 31, 2020 is as under:	
		Sales	₹ 9978 Lakhs
		Profit after Tax	₹ 788 Lakhs
		Asset Turnover Ratio	0.17
		Current Ratio	2.67
		Profit to Net Sales	8 %
5.	Export performance and net foreign exchange collaborations	The total export sales realised during the year ended March 31, 2020 amounts to ₹ 3,595 Lakhs	
6.	Foreign investments or collaborations, if any	The Company' total investment as on March 31, 2020 in its Foreign Subsidiary Companies is ₹ 14,743 Lakhs.	
II INFORMATION ABOUT THE APPOINTEE			
		Mr. Nitin Dhanji Shah	Mr. Prakash Dhanji Shah
1.	Background details	Mr. Nitin Shah has expertise in the field of Information Technology and has experience of 35+ years.	Mr. Prakash Shah has expertise in the field of Finance, Taxation and Accounts and has experience of 30+ years.
2.	Recognition or awards	<ul style="list-style-type: none"> - Promising Entrepreneur of India awarded by Economic Times - Outstanding Global Leadership Award awarded by Economic Studies 	-
3.	Job profile and his suitability	Overall Management	Overall Management
4.	Comparative remuneration profile with respect of industry, size of the company, profile with the position and person.	The proposed remuneration is in line with the other companies in the IT Industries	
5.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Brother of Mr. Prakash Shah, Whole-time Director and Father of Mr. Nehal Shah, Executive Director	Brother of Mr. Nitin Shah, Chairman and Managing Director and relative of Mr. Nehal Shah, Executive Director
III OTHER INFORMATION			
1.	Reasons of loss of inadequacy of profits	Though the Company has made profit during the year, Company is expected to perform better in coming years and the productivity and profits are expected to be improved.	
2.	Steps taken or proposed to be taken for improvement		
3.	Expected increase in productivity and profits in measurable items		
IV Other Disclosure		The other disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Boards' Report under the heading "Corporate Governance Report" forming part of the Annual Report for 2019-20	

BOARDS' REPORT

Dear Members,

The Directors are pleased to present the Twenty Sixth Annual Report on the business and operations along with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2020.

1. FINANCIAL PERFORMANCE:

The Standalone and Consolidated financial statements for the financial year ended March 31, 2020, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Key highlights of financial performance of your Company for the financial year 2019-20:

(₹ In Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Total Operating Income	9,419	7,523	33,014	23,973
Other Income	558	412	558	412
Total Income	9,978	7,935	33,572	24,384
Less: Operating Expenditure	7,159	4,866	28,248	20,118
Profit before Interest, Depreciation, Amortization, Tax & Exceptional Item	2,819	3,069	5,324	4,266
Less: Depreciation	1,370	1,385	2,221	2,162
Less: Finance cost	619	921	699	1,003
Profit before Tax and Exceptional Item	830	762	2,404	1,102
Exceptional Item	-	351	-	351
Profit before Tax	830	1,113	2,404	1,453
Less: Provision for Taxation	-	-	441	65
Less: Deferred Tax Liability	41	150	41	150
Net Profit after tax	788	963	1,922	1,238
Other Comprehensive Income	(25)	(35)	50	(35)
Shares of Profit/(Loss) of Associates & Joint Ventures	-	-	2	-
Total Comprehensive Income (after tax)	764	928	1,975	1,203
Attributable to Owners of the Company			2,281	1,196
Attributable to Non-Controlling Interest			306	(7)
Paid-up equity share capital (Face Value of ₹ 5/-)	2,510	2,510	2,510	2,510
Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year	44,618	43,797	43,128	41,171
Earning per Share				
Basic	1.57	1.92	3.83	2.46
Diluted	1.57	1.92	3.83	2.46

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

Your Company is focusing on growth and achieving profitability along with a renewed commitment to customer services. Positive modifications are expected in the near future boosting company's revenue. Your Company is also focusing extensively on expanding the business and improvements in operations through various strategic projects for operational excellence.

There was no change in the nature of business of the Company, during the year under review.

a) Standalone Financial Statements:

During the year under review, there was 26% increase in the total income of the company, and there was actual increase of 9% in the Profit before exceptional items and taxes for the year.

b) Consolidated Financial Statements:

During the year under review, the overall consolidated income grew by 38% and the profit after tax level of ₹ 19.22 Crs. was higher by almost 55% as against the previous year amount of ₹ 12.37 Crs. mainly due to increased sales volume and considerable reduction in the finance costs.

c) Ongoing Projects & State of Affairs:

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

Further information regarding the potential impact of COVID-19 and various steps taken by your Company are provided as part of the Management Discussion and Analysis Report (MDAR).

d) Revision of Financial Statement:

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

e) Disclosure of Internal Financial Controls:

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

f) Investor Education and Protection Fund:

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 81,481.75 of unpaid/unclaimed dividends was unpaid/unclaimed is yet to be transferred to the Investor Education and Protection Fund. The Company is in the process of doing the needful.

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

- a. The Company has Seven (7) Foreign Subsidiaries, two (2) Indian Subsidiaries and three (3) Associate Companies. The Company did not have any joint venture company.

Following are the details of Subsidiary and Associate Companies:

Sr. No.	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of becoming of Subsidiary/Joint Ventures/ Associate Company.
1.	Allied Digital Services, LLC (USA)	Subsidiary	July 02, 2008
2.	Allied Digital INC (USA)	Subsidiary	October 31, 2007
3.	Allied Digital Singapore Pte Limited	Subsidiary	October 12, 2010

Sr. No.	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of becoming of Subsidiary/Joint Ventures/ Associate Company.
4.	Allied Digital Asia Pacific Pty Limited (Australia)	Subsidiary	September 16, 2010
5.	Allied Digital Services (UK) Ltd.	Subsidiary	December 04, 2013
6.	Allied Digital Services Oy.	Subsidiary	June 08, 2018
7.	Allied Digital Services (Ireland) Limited	Subsidiary	November 04, 2019
8.	En Pointe Technologies India Private Limited	Subsidiary	December 29, 2006
9.	Allied-eCop Surveillance Private Limited	Subsidiary	August 06, 2007
10.	Assetlite Equipment India Private Limited	Associate	September 26, 2009
11.	Soft Shell System (I) Private Limited	Associate	August 07, 2015
12.	Allied CNT Solutions Private Limited	Associate	July 06, 2004

There is no material change in the nature of the business of Subsidiaries or Associate Companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), the statement containing the salient features of the financial statement of Subsidiaries and Associates Companies in the prescribed Form AOC-1 is appended as "Annexure I" to the Board's Report.

b. Material Subsidiaries:

Allied Digital Services LLC, USA is a Material Subsidiary whose income in the immediately preceding accounting year exceeds twenty percent of the consolidated income of the Company and its Subsidiaries.

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

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

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

4. RECENT DEVELOPMENTS:

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

The Company has developed advanced solutions for Covid-19 pandemic, such as bringing intelligent alerts of crowd gathering during the pandemic, automated centralized public announcements in streets, Drone based surveillance. During the year, your company has continued to sharpen IoT and computer vision-based technology skillsets, to enhance smart city solutions and innovative thermal scanning solutions.

5. DIVIDEND:

Your Board is pleased to recommend for your consideration, a dividend of ₹ 0.50 (Fifty Paise only) per Equity Shares of ₹ 5/- for the financial year 2019-20. The aforesaid dividend will involve a total payout of ₹ 251.03 Lakhs and is subject to the approval of Members at the ensuing General Meeting of your Company. The proposed dividend payout is in accordance with the Company's Dividend Policy.

6. TRANSFER TO RESERVES:

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

7. DEPOSITS:

Your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposits) Rules, 2014 from public during the year under review. However, as on the Balance Sheet date i.e. March 31, 2020, there were unclaimed fixed deposits amounting to ₹ 5.91 lakhs lying with the Company.

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

Particulars	(₹ in Lakhs)	
	March 31,2020	March 31,2019
Deposits accepted during the year	---	---
Deposits unclaimed at the end of the year	5.91	15.57
Default in repayment of deposits or payment of interest thereon	---	---

Your Company has not defaulted in repayment of deposits or payment of interest.

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

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

9. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

In line with the requirements of the Companies Act, 2013 and amendment to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), your Company has formulated a Policy on Related Party Transactions which is also available on the Company’s website at:

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

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

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

All Related Party Transactions entered during the financial year under review were in Ordinary Course of the Business and at Arm’s Length basis. None of the transactions entered into with the related parties, whether singly or taken together with the transaction entered into with the related party during the year, was materially significant related party transaction except those disclosed in the financial statements.

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

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges.

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

Pursuant to the provisions of Section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, the disclosure on particulars of Loans, Advances, and Guarantees given and investments made are provided as part of the Financial Statements.

11. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

Dr. Shrikant Parikh, Ms. Shubhada Jahagirdar, Prof. Venugopal Iyengar, Independent Directors of the Company were re-appointed on April 01, 2020 as Independent Directors of the Company for second term for continuous period of five years to hold office up to March 31, 2024.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Nehal Nitin Shah, (DIN: 02766841) Director, being longest in the office, shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Prof. Venugopal Iyengar (DIN: 02591297), Independent Director of the Company ceased to be Director of the Company due to his sudden demise on April 29, 2020. The Board appreciate his valuable contribution to the Company during his tenure and express deep sympathy, sorrow and condolence to his family.

Mr. Milind Madhav Kamat (DIN: 01772084) was appointed as an Additional Director (Independent Director) with effect from June 11, 2020 for a period of five years subject to the approval of shareholders in the ensuing Annual General Meeting on the terms and conditions as recommended by the Nomination & Remuneration Committee and approved by the Board of the Company in their meeting held on June 11, 2020.

In accordance with the provisions of the Companies Act, 2013 none of the Independent Directors are liable to retire by rotation.

b) **DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS:**

Definition of 'Independence' of Directors is derived from Regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013. The Company has received necessary declarations under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations, from the Independent Directors stating that they meet the prescribed criteria for Independence. All Independent Directors have affirmed compliance to the code of conduct for independent directors as prescribed in Schedule IV to the Companies Act, 2013.

12. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

a. **BOARD MEETINGS:**

Five meetings of the Board were held during the year under review. The Meetings were held on May 29, 2019, August 13, 2019, October 31, 2019, November 13, 2019 and February 4, 2020. Brief details of the said Meetings are provided in the Corporate Governance Report, which is a part of this Annual Report.

b. **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had 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 at the end of the financial year as at March 31, 2020 and of the profit of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

c. COMMITTEES OF BOARD:

The Board has constituted the following Committee(s) as mandated under the provisions of the Companies Act, 2013 and Listing Regulations. There are currently five (5) Committees of the Board namely:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee;
- Corporate Social Responsibility Committee; and
- Management Committee.

Details of Committees along with their charter, composition and attendance of Directors at Meetings of the Committees are provided in the Corporate Governance report.

I. AUDIT COMMITTEE:

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

The composition and other details of the Audit Committee is presented in the Corporate Governance Report.

II. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of Listing Regulations, the Board has constituted the Nomination and Remuneration Committee, which inter-alia recommends to the Board the criteria for appointment of Director(s) along with the compensation, terms of Executive Directors and senior managerial personnel's.

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

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

The composition and other details of the Nomination and Remuneration Committee is presented as part of Corporate Governance Report which forms part of the Annual Report.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

The composition and other details of the Stakeholders Relationship Committee is presented as part of Corporate Governance Report which forms part of the Annual Report.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR COMMITTEE”):

The CSR Committee is duly constituted as per provisions of Section 135 of the Companies Act, 2013, consisting of three (3) Directors of which two (2) Directors are Non – Executive Independent Directors and one (1) Executive Director and the Chairperson is an Independent Director. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by your Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The detailed report on CSR activities is attached as “Annexure II” to this report.

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

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

V. MANAGEMENT COMMITTEE:

The Management Committee was constituted by the Board on April 28, 2009. The Committee is entrusted with the operational and administrative power. The Committee comprises of three (3) members i.e. Mr. Nitin Shah, Chairman and Managing Director, Mr. Prakash Shah, Whole-time Director and Mr. Paresh Shah, Chief Executive Officer of the Company.

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

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

A. CONSERVATION OF ENERGY

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

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

Your Company continues to take sustainable steps voluntarily to contribute towards better environment.

Selected few steps/impact are listed below:

- Use of natural Lightning and natural ventilation;
- Use of energy efficient electric equipment such as use of LED bulbs;
- Conservation of water, ensuring no leakages in taps;
- Encourage use of environment-friendly reusable water bottles;
- Car-pooling during meetings and encourage use of public transport;
- Discouraging use of non-disposable plastic bags, plates etc.;
- Switching off work stations and laptops;
- Controlling the air-conditioning equipment optimally in the premises;
- Educating employees and workers for energy conservation.

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

Your Company is using electricity as main source of its energy requirement and does not have any alternate source of energy.

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

During the year under review, there was no such investment in energy saving equipment apart from promoting replacement of CFL to LED bulbs where applicable.

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption:

Your Company has innovation as part of its motto. It is always thrive to be a pioneer for adoption new technologies, which either be useful for generating new business for its customers or for its self-use. It evaluates the best available technology for improving its performance and quality of its service operations.

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

Your Company has adopted new technology to strengthen its infrastructure in the US, which is leveraged by many customers that has helped giving top quality uninterrupted services. It has adopted new technologies to apply to solve challenges faced by customers.

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

Your Company has not imported technology during the three preceding years under review.

iv. Expenditure incurred on Research and Development:

Your Company has been continuously working on innovative projects, which are either part of-

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

14. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ In Lakhs)		
Particulars	2019-20	2018-19
Earnings	3,595	4,342
Outflow (including Capital imports)	229	114
Net Foreign Exchange Earnings (NFE)	3,366	4,228
NFE/ Earnings (%)	94	97

15. MANAGEMENT DISCUSSION AND ANALYSIS:

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

16. CORPORATE GOVERNANCE:

Your Company believes in adopting best practices of Corporate Governance. Corporate Governance principles, which form the core values of the Company. These guiding principles are also articulated through the Company's code of business conduct, Corporate Governance Guidelines, as per Schedule V of Listing Regulations, the Auditors' certificate on Corporate Governance is

annexed to the Boards' Report. The requisite certificate from the Practicing Company Secretary, confirming compliance of the conditions of Corporate Governance is attached to the Report on Corporate Governance.

17. EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) and section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2020 is in Form MGT-9 which is annexed as "*Annexure III*" to this report.

Further, the Company has also placed a copy of the Annual Return of the Financial Year 2018-2019, filed with the Ministry of Corporate Affairs on the website i.e. www.allieddigital.net

18. ANNUAL EVALUATION:

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

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

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

Further, the Independent Directors at their meeting held on February 04, 2020, reviewed the performance of the Board, Chairman of the Board, Executive and Non- Executive Directors.

19. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In compliance with the requirements of Listing Regulations, your Company has placed a Familiarization Programme for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model etc. on the website of the Company. The link for accessing the said program is:

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

20. THE VIGIL MECHANISM:

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

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

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

21. AUDITORS AND REPORTS:

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

a. Statutory Auditors

At the Twenty Fifth Annual General Meeting held on September 10, 2019, M/s. Shah & Taparia, Chartered Accountant, Mumbai (Firm Registration No. 109463W) was appointed as Statutory Auditors of the Company for second term of five years i.e. conclusion of Twenty Fifth Annual General Meeting until conclusion of Thirtieth Annual General Meeting of the Company.

The Auditor's Report to the Shareholders for the Financial Year ended on March 31, 2020 does not contain any qualification or observation. The notes to accounts referred to in Auditors' Report are self-explanatory, and therefore, do not call for any further explanation or comments from the Board.

b. Secretarial Auditors

The Board had appointed M/s. Rathi & Associates, Company Secretaries as Secretarial Auditors for the financial year 2019-20. Secretarial Audit Report issued by them in Form MR-3 for the financial year 2019-20 forms part of this report and marked as "*Annexure IV*".

The comments on the specific observations made in the above Secretarial Audit Report (which is subject to verification of financial statements for the year ended March 31, 2020 and documents filed under the provisions of FEMA in respect of the Overseas Direct Investment) are as under: -

- The Company had allotted 2186667 Equity Shares to Mr. Nitin Dhanji Shah and 1832134 Equity Shares to Mr. Prakash Dhanji Shah, Promoters of the Company in Dematerialized Form. Hence, the said shares are shown in the DEMAT form in the shareholding pattern of the Company. Further, the corporate action procedure for credit of the said shares was completed during Financial Year 2019-20 and trading approvals were received in February 2020.
- The Company will ensure timely payment of the Annual Listing Fees to Stock Exchanges.
- The entire pre-preferential shareholding of Mr. Nitin Dhanji Shah and Mr. Prakash Dhanji Shah are presently locked-in as required under the law.

c. Internal Auditor

Pursuant to the provisions of Section 138 and Section 179 (3) of the Companies Act, 2013, M/s. Satya Prakash Natani & Co. (Firm Registration No. 115438W), Mumbai is appointed as the Internal Auditors of the Company for the Financial Year 2020-21.

The Audit Committee has accepted all the recommendation of the Internal Auditors.

d. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

22. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has laid down Internal Financial Controls to be followed by the Company. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and error, reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

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

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

Further details with regards to payment of remuneration to Directors and Key Managerial Personnel are provided in Form No. MGT - 9, Extract of Annual Return appended as “*Annexure III*”.

24. PARTICIPATION IN THE GREEN INITIATIVE:

In commitment to keep in line with the Green Initiative undertaken by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), electronic copies of the Annual Report 2019-20 along with the Notice of Annual General Meeting were sent to all the members whose email addresses are registered with the Company / Depository Participant(s)/Registrar and Share Transfer Agent.

Also, all the Members are requested to join the said program by sending their preferred e-mail addresses to the Registrar and Share Transfer Agent.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. Your Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. Accordingly, your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year ended March 31, 2020, no complaints have been received pertaining to sexual harassment of women at workplace.

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

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

27. RISK MANAGEMENT:

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

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

28. FRAUD REPORTING:

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

29. GENERAL:

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

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

30. ACKNOWLEDGEMENT:

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

The Directors also express their deep sense of gratitude to the Government Authorities, Banks, Financial Institutions and other Stakeholders for their support and look forward to their continued assistance in future.

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

**Place: Mumbai
Date: July 30, 2020**

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

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

ANNEXURE I

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

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

1	Name of the subsidiary	Allied Digital Services, LLC (USA);	Allied Digital INC (USA)	Allied Digital Singapore Pte Ltd	Allied Digital Asia Pacific PTY LTD (Australia)	Allied Digital Services (UK) Ltd.	Allied-eCop Surveillance Pvt. Ltd.	Allied Digital Services (Ireland) Limited	En Poite Technologies India Pvt. Ltd.	Allied Digital Services Oy.
2	Nature of the Company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
3	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries	USD @ 75.45	USD @75.45	SGD @ 52.95	AUD @ 46.04	GBP @ 90.15	INR	-	INR	Euro £ 82.79
5	Share capital	4526.70	0.00	0.05	0.05	0.90	10.75	-	1.00	2.07
6	Reserves & surplus	1576.49	(1085.19)	(12.16)	(342.83)	89.04	(4.11)	-	67.26	(1.60)
7	Total Assets	16769.52	9811.23	8.63	18.75	107.26	9.87	-	68.92	1.71
8	Total Liabilities	16769.52	9811.23	8.63	18.75	107.26	9.87	-	68.92	1.71
9	Investments	-	-	-	-	-	-	-	-	-
10	Turnover	27107.31	-	-	-	82.05	-	-	-	-
11	Profit before taxation	1598.71	-	(3.87)	-	20.83	-	-	-	-
12	Provision for taxation	441.14	-	-	-	-	-	-	-	-
13	Profit after taxation	1157.58	-	(3.87)	-	20.83	-	-	-	-
14	Proposed Dividend	-	-	-	-	-	-	-	-	-
15	% of shareholding	51	100	100	100	95	80	-	100	100

Notes:

- Names of subsidiaries which are yet to commence operations: Allied Digital Services Oy.
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part “B”: Associates and Joint Ventures

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

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

Sr. No.	Name of the Associates / Joint Ventures	Assetlite Equipment India Private Limited	Softshell Systems India Private Limited	Allied CNT Solutions Private Limited
1	Latest audited Balance Sheet date	March 31, 2020	March 31, 2020	March 31, 2020
2	Shares of Associates / Joint Ventures held by the company on the year end			
	No of shares	-	117924	142,000
	Amount of Investment in of Associates / Joint Ventures	-	600.00	14.00
	Extent of Holding	-	20.34	47.33
3	Description of how there is significant influence	Common Directorship in the Company	Equity shareholding of more than 20 %of the total capital	Equity shareholding of more than 20% of the total capital
4	Reasons why the Associate / Joint Venture is not consolidated	Financial Statements of aforesaid associate Company is consolidated	Financial Statements of aforesaid associate Company is consolidated	Financial Statements of aforesaid associate Company is consolidated
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	43.00	654.17	(3.11)
6	Profit / Loss for the year			
	i. Considered in Consolidation	-	2.46	-
	ii. Not Considered in Consolidation	-	-	-

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

Place: Mumbai
Date: July 30, 2020

Nitin Shah
Chairman & Managing Director
DIN: 00189903

Prakash Shah
Whole-time Director
DIN: 00189842

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and as per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

The Company has framed the Corporate Social Responsibility ('CSR') Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the website of the Company

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

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

2. The composition of the CSR Committee:

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

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

3. Average Net Profit of the Company for last three financial years: ₹ 1482.33 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above): ₹ 29.65 Lakhs

5. Details of CSR spent during the financial year:

- Total amount spent for the financial year : ₹ 0.50 Lakhs
- Amount unspent, if any : ₹ 29.15 Lakhs
- Manner in which the amount spent during F.Y. 20 is detailed below :

(1) Sr. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent/ allocated on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period	(8) Amount spent Direct or through implementing agency*
1.	Donation for Children Education	Promoting Educations among Children	Mumbai Maharashtra	₹ 0.50 Lakhs	₹ 0.50 Lakhs	₹ 0.50 Lakhs	Direct

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

The Company is in the process of identifying the activities to spend its CSR Expenditures wisely.

7. **Responsibility Statement:**

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, it is confirmed that the CSR Committee has implemented and monitored the CSR initiatives in line with CSR objective and Policy of the Company.

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

**Place: Mumbai
Date: July 30, 2020**

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

**Shubhada Jahagirdar
Chairperson of CSR Committee
DIN: 00895950**

ANNEXURE III

FORM MGT-9 EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L72200MH1995PLC085488
Registration Date	February 10, 1995
Name of the Company	Allied Digital Services Limited
Category/Sub-category of the Company	Company Limited by shares Public Non-Government Company
Address of the Registered office and contact details	Premises No. 13A, 13 th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai – 400 021. Tel: +91 22 6681 6400 Fax : +91 22 2282 2030 Email: cs@allieddigital.net ; Website: www.allieddigital.net
Whether listed company	Yes
Name, Address & Contact details of the Registrar & Transfer Agent	Link Intime India Private Limited CIN: U67190H1999PTC118368 C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083. Tel. No.: +91 22 4918 6270 Fax No.:+91-22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in; Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Information Technology Infrastructure and Network Management Services	998316	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN/LLPIN	Holding / subsidiary / associate	% of shares held	Applicable section
1	ALLIED DIGITAL SERVICES, LLC (USA) Address: 680 Knox St Ste 200 Torrance, CA, 90502 United States	26-2912587	Subsidiary	51	2(87)
2	ALLIED DIGITAL INC (USA) Address: 3411, Silverside Road, Rodney Building, Suite 104, Wilmington DE 19801	26-1391965	Wholly-owned Subsidiary	100	2(87)
3	ALLIED DIGITAL SINGAPORE PTE LTD Address: 28 Bukit Pasoh Road Yee Lan Court Singapore 089842	201021848K	Wholly-owned Subsidiary	100	2(87)
4	ALLIED DIGITAL ASIA PACIFIC PTY LTD (AUSTRALIA) Address: New South Wales NSW 2000, Sydney, Australia	146376918	Wholly-owned Subsidiary	100	2(87)
5	ALLIED DIGITAL SERVICES (UK) LTD. Address: Sinckot House, 211 Station Road, Harrow, England, HA1 2TP	07806050	Subsidiary	95	2(87)
6	ALLIED-ECOP SURVEILLANCE PVT. LTD. Address: Premises No. 13A, 13 th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai – 400021, India	U74999MH2007PTC172890	Subsidiary	80.01	2(87)
7	EN POINTE TECHNOLOGIES INDIA PVT. LTD. Address: Prestige Meridian II, 801 & 802, 8 th Floor, M.G. Road, Bangalore Karnataka –560001	U72200KA2006FTC041333	Wholly-owned Subsidiary	100	2(87)
8	ALLIED DIGITAL SERVICES OY. Address: Kalliolaw Asianajotoimisto Etelaranta 12 00130 Helsinki, Finland	2917877-7	Wholly-owned Subsidiary	100	2(87)
9	ASSETLITE EQUIPMENT INDIA PRIVATE LIMITED* Address: Premises No. 13A, 13 th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai– 400021, India	U52392MH2007PTC174580	Associate Company	NIL	2(6)
10	SOFTSHELL SYSTEMS INDIA PRIVATE LIMITED Address: 50, Ravindra Nagar Near Telecom Nagar Nagpur-440022	U72100MH1998PTC117273	Associate Company	20.34	2(6)
11	ALLIED CNT SOLUTIONS PRIVATE LIMITED Address: 3 rd Floor, Kimatrai Building, 77/79, Maharashtra Karve Marg, Marine Lines, Mumbai – 400 002	U29000MH2004PTC147337	Associate Company	47.33	2(6)
12	ALLIED DIGITAL SERVICES (IRELAND) LIMITED Address: Coliemore House, Coliemore Road, Dalkey, Co. Dublin	660087	Wholly Owned Subsidiary	100	2(87)

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

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

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	24216368	-	24216368	48.23	24295019	-	24295019	48.39	0.15
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Person Acting in Concert)	408212	-	408212	0.81	408212	-	408212	0.81	-
Sub-total(A)(1):	24624580	-	24624580	49.04	24703231	-	24703231	49.20	0.15
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	24624580	-	24624580	49.04	24703231	-	24703231	49.20	0.15
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	-	-	-	-	1441	-	1441	0.00	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	20000	-	20000	0.04	20000	-	20000	0.04	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	20000	-	20000	0.04	21441	-	21441	0.04	0.00
(2) Non-Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	1413952	-	1413952	2.81	1353923	-	1353923	2.70	(0.11)
ii) Overseas	-	1490000	1490000	2.97	-	1490000	1490000	2.97	-
b) NBFC registered with RBI	-	-	-	-	169000	-	169000	0.34	0.34
c) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	11108208	20106	11128314	22.17	10752734	20106	10772840	21.46	(0.71)

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7661663	30000	7691663	15.32	8354124	30000	8384124	16.70	1.38
d) Others									
d-i) Clearing Member	205720	-	205720	0.41	36407	-	36407	0.07	(0.34)
d-ii) Foreign Nationals	-	-	-	-	-	-	-	-	-
d-iii) NRI (Repat)	623767	-	623767	1.24	485550	-	485550	0.97	(0.27)
d-iv) NRI (Non-Repat)	1884402	-	1884402	3.75	1883049	-	1883049	3.75	-
d-v) Foreign Companies	-	-	-	-	-	-	-	-	-
d-vi) Hindu Undivided Family	1123130	-	1123130	2.24	905963	-	905963	1.80	(0.44)
Sub-total(B)(2):	24020842	1540106	25560948	50.91	23940750	1540106	25480856	50.76	(0.15)
Total Public Shareholding (B)=(B)(1)+(B)(2)	24040842	1540106	25580948	50.95	23962191	1540106	25502297	50.80	(0.15)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	48665422	1540106	50205528	100	48665422	1540106	50205528	100	-

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Nitin Dhanji Shah	14783031	29.45	-	14783031	29.45	-	-
2.	Prakash Dhanji Shah	8178348	16.29	3.03	8178348	16.29	-	-
3.	Tejal Prakash Shah	1198000	2.34	1.99	1198000	2.39	-	-
4.	Rohan Shah	35500	0.07	-	86095	0.17	-	0.10
5.	Nehal Shah	20489	0.04	-	48545	0.09	-	0.05
6.	Dhara Shah	500	0.00	-	500	0.00	-	-
7.	Ramesh Manilal Shah	500	0.00	-	500	0.00	-	-
8.	Vivil Investments Pvt. Ltd.	187150	0.37	-	187150	0.37	-	-
9.	Kotak Mahindra Trusteeship Services Limited	127440	0.25	-	127440	0.25	-	-
10.	Prakash Shah acting as Beneficiary & family trustee of Padma Pragna Private Trust	93622	0.19	-	93622	0.19	-	-
	Total	24624580	49.05	5.02	24703231	49.20	-	0.15

iii. Change in Promoters' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		Name of the Promoters	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Nitin Dhanji Shah		14783031	29.45	14783031	29.45
		There is no change in the absolute shareholding during the year.			-	-
	At the end of the year		N.A.	N.A.	14783031	29.45
2.	Prakash Dhanji Shah		8178348	16.29	8178348	16.29
		There is no change in the absolute shareholding during the year.			-	-
	At the end of the year		N.A.	N.A.	8178348	16.29
3.	Tejal Prakash Shah		1198000	2.39	1198000	2.39
		There is no change in the absolute shareholding during the year.			-	-
	At the end of the year		N.A.	N.A.	1198000	2.39
4.	Rohan Shah		35500	0.07	35500	0.07
	Add: 27.03.2020		31635	0.06	67135	1.33
	Add: 31.03.2020		18960	0.04	86095	0.17
	At the end of the year		N.A.	N.A.	86095	0.17
5.	Nehal Shah		20489	0.04	20489	0.04
	Add: 04.10.2019		10000	0.02	30489	0.06
	Add: 11.10.2019		10011	0.02	40500	0.08
	Add: 31.03.2020		8045	0.02	48545	0.10
	At the end of the year		N.A.	N.A.	48545	0.10
6.	Dhara Shah		500	0.00	500	0.00
		There is no change in the absolute shareholding during the year			-	-
	At the end of the year		N.A.	N.A.	500	0.00
7.	Ramesh Manilal Shah		500	0.00	500	0.00
		There is no change in the absolute shareholding during the year			-	-
	At the end of the year		N.A.	N.A.	500	0.00
8.	Vivil Investments Pvt. Ltd.		187150	0.37	187150	0.37
		There is no change in the absolute shareholding during the year			-	-
	At the end of the year		N.A.	N.A.	187150	0.37
9.	Kotak Mahindra Trusteeship Services Limited		127440	0.25	127440	0.25
		There is no change in the absolute shareholding during the year			-	-
	At the end of the year		N.A.	N.A.	127440	0.25
10.	Prakash Shah acting as Beneficiary and family trustee of Padma Pragna Private Trust		93622	0.19	93622	0.19
		There is no change in the absolute shareholding during the year			-	-
	At the end of the year		N.A.	N.A.	93622	0.19

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

Sr. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the Year (April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	COLLAB9 INC (FORMLY KNOWN AS “EN POINTE TECHNOLOGICS SALES INC”)					
	At the beginning of the year - 01.04.2019		1490000	2.97	1490000	2.97
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	1490000	2.97
2	K S GOPALASWAMY					
	At the beginning of the year - 01.04.2019		1212528	2.42	1212528	2.42
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	1212528	2.42
3	SURESH AYODYA MAHADEVAN					
	At the beginning of the year - 01.04.2019		520000	1.04	520000	1.04
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	520000	1.04
4	JIMMY JEHANGIR PAKKH					
	At the beginning of the year - 01.04.2019		1.13	567635	1.13	
	Less:	09.08.2019 Market Sale	(4995)	0.01	562640	1.12
	Less:	16.08.2019 Market Sale	(12000)	0.02	550640	1.10
	Less:	23.08.2019 Market Sale	(5029)	0.01	545611	1.09
	Less:	30.08.2019 Market Sale	(16514)	0.03	529097	1.05
	Less:	06.09.2019 Market Sale	(4004)	0.01	525093	1.05
	Less:	13.09.2019 Market Sale	(8481)	0.02	516612	1.03
	Less:	20.09.2019 Market Sale	(26977)	0.05	489635	0.98
	Less:	15.11.2019 Market Sale	(19137)	0.04	470498	0.94
	Less:	29.11.2019 Market Sale	(37000)	0.07	433498	0.86
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	433498	0.86
5	NITIN GORDHANBHAI THAKKER					
	At the beginning of the year - 01.04.2019		342377	0.68	342377	0.68
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	342377	0.68
6.	ROHINI KUMAR GUPTA					
	At the beginning of the year - 01.04.2019		302418	0.60	302418	0.60
	Less:	26.04.2019 Market Sale	(29999)	(0.06)	272419	0.54
	Add:	03.05.2019 Market Purchase	10000	0.02	282419	0.56
	Add:	10.05.2019 Market Purchase	9777	0.02	292196	0.58
	Add:	17.05.2019 Market Purchase	2500	0.00	294696	0.59
	Add:	24.05.2019 Market Purchase	6680	0.01	301376	0.60

Sr. No	For Each of the Top 10 Shareholders			Shareholding at the beginning of the Year (April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
				No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	Add:	31.05.2019	Market Purchase	26313	0.05	327689	0.65
	Add:	07.06.2019	Market Purchase	32648	0.07	360337	0.72
	Add:	14.06.2019	Market Purchase	29751	0.06	390088	0.78
	Add:	05.07.2019	Market Purchase	21000	0.04	411088	0.82
	Add:	09.08.2019	Market Purchase	12660	0.03	423748	0.84
	Add:	16.08.2019	Market Purchase	4000	0.01	427748	0.85
	Add:	30.08.2019	Market Purchase	13000	0.03	440748	0.88
	Less:	13.09.2019	Market Sale	(8300)	(0.02)	432448	0.86
	Less:	20.09.2019	Market Sale	(74583)	(0.15)	357865	0.71
	Less:	27.09.2019	Market Sale	(5000)	(0.01)	352865	0.70
	Add:	30.09.2019	Market Purchase	10000	0.02	362865	0.72
	Less:	18.10.2019	Market Sale	(3514)	(0.01)	359351	0.72
	Add:	25.10.2019	Market Purchase	150	0.00	359501	0.72
	Add:	08.11.2019	Market Purchase	4000	0.01	363501	0.72
	Add:	15.11.2019	Market Purchase	58913	0.12	422414	0.84
	Less:	22.11.2019	Market Sale	(122852)	(0.24)	299562	0.60
	Less:	29.11.2019	Market Sale	(96062)	(0.19)	203500	0.41
	Less:	06.12.2019	Market Sale	(32000)	(0.06)	171500	0.34
	Less:	17.01.2020	Market Sale	(11002)	(0.02)	160498	0.32
	Less:	31.01.2020	Market Sale	(33431)	(0.07)	127067	0.25
	Add:	07.02.2020	Market Purchase	66913	0.13	193980	0.39
	Less:	14.02.2020	Market Sale	(16977)	(0.03)	177003	0.35
	Add:	13.03.2020	Market Purchase	51607	0.10	228610	0.46
	Add:	20.03.2020	Market Purchase	54200	0.11	282810	0.56
	Add:	27.03.2020	Market Purchase	963	0.00	283773	0.57
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020			N.A.	N.A.	283773	0.57
7	JHAVERI SATISHKUMAR UMEDLAL						
	At the beginning of the year - 01.04.2019			250940	0.50	250940	0.50
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020			N.A.	N.A.	250940	0.50
8	PREETI TUSHAR PAREKH						
	At the beginning of the year - 01.04.2019			208500	0.42	208500	0.42
	Add:	26.04.2019	Market Purchase	20000	0.04	228500	0.46
	Add:	09.08.2019	Market Purchase	6500	0.01	235000	0.47
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020			N.A.	N.A.	235000	0.47

Sr. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the Year (April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
9	SHARAD RAMANLAL DESAI					
	At the beginning of the year - 01.04.2019		250000	0.50	250000	0.50
	Add:	10.05.2019 Market Purchase	5000	0.01	255000	0.51
	Add:	21.06.2019 Market Purchase	10000	0.02	265000	0.53
	Add:	16.08.2019 Market Purchase	3000	0.01	268000	0.53
	Add:	23.08.2019 Market Purchase	7000	0.01	275000	0.55
	Less:	30.08.2019 Market Sale	(250)	0.00	274750	0.55
	Less:	20.09.2019 Market Sale	(6500)	(0.01)	268250	0.53
	Less:	27.09.2019 Market Sale	(1000)	0.00	267250	0.53
	Add:	08.11.2019 Market Purchase	2100	0.00	269350	0.54
	Less:	29.11.2019 Market Sale	(10501)	(0.02)	258849	0.52
	Add:	06.12.2019 Market Purchase	4347	0.01	263196	0.52
	Add:	13.12.2019 Market Purchase	583	0.00	263779	0.53
	Less:	17.01.2020 Market Sale	(1592)	0.00	262187	0.52
	Less:	31.01.2020 Market Sale	(13187)	(0.03)	249000	0.50
	Less:	07.02.2020 Market Sale	(9428)	(0.02)	239572	0.48
	Less:	14.02.2020 Market Sale	(14000)	(0.03)	225572	0.45
	Less:	06.03.2020 Market Sale	(2500)	0.00	223072	0.44
	Less:	20.03.2020 Market Sale	(3000)	(0.01)	220072	0.44
	Less:	27.03.2020 Market Sale	(2000)	0.00	218072	0.43
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	218072	0.43
10	RAJENDRA RAJARAM DHOLE					
	At the beginning of the year - 01.04.2019		205000	0.41	205000	0.41
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	205000	0.41
11.	ARCO ELECTRO TECHNOLOGIES PRIVATE LIMITED*					
	At the beginning of the year - 01.04.2019		177000	0.35	177000	0.35
	At the End of the year (or on the date of separation, if separated during the year) 31.03.2020		N.A.	N.A.	177000	0.35

* Not in the list of Top 10 shareholders as on 31-03-2020. The same has been reflected above since the shareholder were Top 10 shareholders during 01-04-2019.

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Nitin Dhanji Shah	14783031	29.45	14783031	29.45
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	14783031	29.45
2.	Prakash Dhanji Shah	8178348	16.29	8178348	16.29
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	8178348	16.29
3.	Nehal Nitin Shah	20489	0.04	20489	0.04
	Add: 13.04.2018	10000	0.02	30489	0.06
	Add: 20.07.2018	10011	0.02	40500	0.08
	Add: 31.03.2020	8045	0.02	48545	0.10
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	48545	0.10
4.	Venugopal Ramaswami Iyengar	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	NIL	0
5.	Shrikant Navnitlal Parikh	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	NIL	0
6.	Shubhada Keshav Jahagirdar	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	NIL	0
7.	Paresh Bipinchandra Shah	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	NIL	0
8.	Gopal Tiwari	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2020)	N.A.	N.A.	NIL	0
9.	Neha Sunil Bagla	NIL	0	NIL	0
	At the End of the year (or on the date of separation, if separated during the year) (31.08.2020)	N.A.	N.A.	NIL	0

V. INDEBTEDNESS:

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtedness at the beginning of the financial year (01.04.2019)	3203	3246	16
Change in Indebtedness during the financial year	(765)	(515)	(10)
Indebtedness at the end of the financial year (31.03.2020)	2438	2731	6

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (in Lakhs)
		Nitin Shah Chairman & Managing Director	Prakash Shah Whole-time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	99.30	49.65	148.95
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	99.30	49.65	148.95

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
	(a) Fee for attending board/committee meetings*	Mr. Shrikant Navnitlal Parikh	1.55
		Mr. Venugopal Ramaswami Iyengar	1.44
		Ms. Shubhada Keshav Jahagirdar	1.05
	(b) Commission		-
	(c) Others, please specify		-
	Total (1)		4.04
2	Other Executive Directors:		-
	(a) Fee for attending board/committee meetings		-
	(b) Commission		-
	(c) Others please specify	Mr. Nehal Shah	7.20
	Total (2)		7.20
3	Other Non-Executive Directors		
	(a) Fee for attending board/committee meetings		-
	(b) Commission		-
	(c) Others, please specify		-
	Total (3)		-
	Total (1+2+3)		11.24
	Total Managerial Remuneration		11.24
	Overall Ceiling as per the Companies Act, 2013		N.A.

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

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Gopal Tiwari (CFO)	Neha Bagla (CS)	Paresh Shah (CEO)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35.63	7.92	11.57	55.12
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others	-	-	-	-
	Total	35.63	7.92	11.57	55.12

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Place : Mumbai
Date : July 30, 2020

Nitin Shah
Chairman and Managing Director
DIN: 00189903

Prakash Shah
Whole-time Director
DIN: 00189842

ANNEXURE IV

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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
Mumbai

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Allied Digital Services Limited (herein after 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 the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2020 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, however subject to verification of:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by **Allied Digital Services Limited** (“the Company”) for the Financial Year ended on March 31, 2020, 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 (as amended from time to time) and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”); and
 - iv. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which was effective till November 9, 2018 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 with effect from November 10, 2018;

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company during the financial year under report:-

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company i.e. Information Technology Act, 2000 as amended from time to time;

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Observations/ Remarks
1.	Regulation 31(2) of Listing Regulations, 2015 states that, <i>“The listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board.”</i>	As regards a total of 4018801 equity shares allotted to the two promoters of the company towards conversion of warrants on 14 August 2014, the Company has stated that the said shares were allotted in demat form and accordingly shown the said shares as demat shares in its quarterly shareholding pattern filed for June 2019, September 2019 and December 2019. However as per the RTA’s records , the said shares are mentioned as physical shares due to the fact that corporate action procedure for credit of said shares in the respective demat accounts of the two promoters was completed during FY 2019-20 and trading approvals were received in February 2020.
2.	Regulation 14 of Listing Regulations, 2015 states that, <i>“The listed entity shall pay all such fees or charges, as applicable, to the recognised stock exchange(s), in the manner specified by the Board or the recognised stock exchange(s).”</i>	-
3.	Regulation 167 (6) [Regulation 78 (6) of SEBI (ICDR) Regulations, 2009] of SEBI (ICDR) Regulations, 2018 states that, <i>“the entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of preferential allotment.”</i>	The Trading approval is received by Mr. Nitin Shah and Mr. Prakash Shah from stock exchanges(s) [Bombay Stock Exchange and National Stock Exchange] on February 04, 2020 and February 17, 2020 respectively.

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 composition of the Board of Directors during the financial year under report was 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.

None of the directors have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence dissenting views were not required to be captured and recorded as part of the minutes.

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

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

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR
PARTNER
FCS No. 5171
C.P. No. 3030
UDIN: F005171B000452420**

**Date : July 14, 2020
Place : Mumbai**

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

ANNEXURE - I

To
The Members
Allied Digital Services Limited
Mumbai

Dear Sirs,

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR
PARTNER
FCS No. 5171
C.P. No. 3030
UDIN: F005171B000452420**

**Date : July 14, 2020
Place : Mumbai**

ANNEXURE V

DETAILS OF REMUNERATION

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

- i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director during the Financial Year 2019-20 are as under:**

Sr. No.	Name and Designation of Director	Remuneration (₹ In Lakhs)	% Increase in Remuneration in the Financial Year 2019-20	Ratio
1.	Mr. Nitin Shah, Chairman & Managing Director	99.30	32.21	32.10
2.	Mr. Prakash Shah, Whole-time Director	49.65	28.89	16.05
3.	Mr. Nehal Shah, Director	7.20	-	2.27
4.	Dr. Shrikant Parikh, Independent Director [#]	N.A.	-	-
5.	Mr. Venugopal Iyengar, Independent Director [#]	N.A.	-	-
6.	Ms. Shubhada Jahagirdar, Independent Director [#]	N.A.	-	-
7.	Mr. Paresh Shah, Chief Executive Officer	11.57	-	-
8.	Mr. Gopal Tiwari, Chief Financial Officer	35.63	-	-
9.	Ms. Neha Bagla, Company Secretary	7.92	-	-

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

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

The Median remuneration of the employees is ₹ 3,09,324 in the financial year 2019-20 as compared to ₹ 2,69,293 in the financial year 2018-19. Hence there is an increase of 14.87% in median remuneration in the financial year 2019-20.

- iii. **There were 680 permanent employees on the rolls of Company as on 31st March, 2020.**

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

The said increase in the salaries of employees was in line with the individual performance of the employees, project requirements, market projection in the financial year 2019-20. The increase in total managerial remuneration was linked with the improvement in the overall performance of the Company.

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

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

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

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

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

**Place: Mumbai
Date: July 30, 2020**

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

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

Sr. No.	1	2	3	4	5	6	7	8	9	10
Name	Jawahar Ali	Sunil Nair	Mohinder Chandna	Adil Wadia	Sahoo Srinibash	Adriel Robert Dsouza	Raghuvir Suryakant Kamat	Amit Vora	Pratik Parikh	Neville Clubwalla
Designation	CEO-ISG	Business Head - RMS	VP - Operations	Country Manager - Technology Support	Chief Transformation Officer	RMS Head	GM - Projects	GM - SCM	Assistant VP-Project	Sr. Manager - Technical IBMS & Control Solutions
Remuneration paid (₹)	₹ 3000000	₹ 2708362	₹ 2691005	₹ 2632727	₹ 2500000	₹ 2300000	₹ 2200000	₹ 2000000	₹ 1937439	₹ 1900692
Qualifications	Bachelor of Science	Bachelor of Science	ME in Comp Science and Diploma in Business Management	B.E in Electronics	BE Electronics and Electricals	MBA	B.Com	B.Com	BE Electronics	BE Electronics
Experience (years)	27+	19+	26+	33+	26	16	25	24	30	29
Date of commencement of employment	June 13, 2005	August 03, 2009	August 20, 2012	January 11, 2010	April 20, 2018	May 06, 2019	January 01, 2019	February 01, 2017	May 27, 2008	July 18, 2011
Age (years)	67	45	58	56	53	37	57	50	53	56
Previous Employment	CMS Computers Ltd.	Zenith InfoTech	Reliance Communications	CMS Computers Ltd	TIAA Global Business Services	Tele performance Global Services Ltd	Volkara Technosolutions Pvt. Ltd.	-	Out-of-home media(India) Pvt ltd	CMS COMPUTERS LTD
Percentage of equity shares held in the Company along with his spouse and dependent children	0.03	Nil	Nil	Nil	Nil	Nil	Nil	0.00*	Nil	Nil
Whether relative of Director or Manager	No	No	No	No	No	No	No	No	No	No

* Amit Vora holds 271 Equity Shares of the Company

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

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

Nitin Shah
Chairman & Managing Director
DIN: 00189903

Prakash Shah
Whole-time Director
DIN: 00189842

Place: Mumbai
Date: July 30, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Global Overview

The uncertainty and unpredictability brought in by the pandemic Covid-19, has impacted a large number of industries across the world. Developed and developing countries alike, have been impacted, and the global economic growth is stalled. According to survey of CFOs by BCG, 'COVID-19 CFO Pulse Survey', 78% of the CFOs predict that sales will decline.

With no signs of definitive recovery path, the intelligentsia are struggling to predict the future socio-economic scenarios. The commutative macro-economic impact and its implications on IT industry is still being studied. It is thus hard to predict the outlook for the year 2020-21. As we write this, US and India face a growing crisis, even as Europe is showing signs of recovery.

Amidst the slowdown, a few industries have been called to the front and healthcare is one of them. The undisputable role of a preventive vaccine for corona virus, seems to be the magic bullet each country is hoping for. The investments are thus flowing into drug discovery, as well as in expansion of healthcare infrastructure to handle the exponential increase of patients.

The role of IT as the business enabler, has come to the forefront. Within IT industry, the impact has been varied. While the companies like ours, which provide IT operations services as well as transformative projects, are facing milder impact, the headwinds are fierce for those companies which depend solely on software development projects and products.

There is a simultaneous dual ask on enterprises today. There is an acute need to keep the lights on, as well as change the business models, for reducing operational costs and introduction of newer service lines. The IT investments are accordingly emerging into two major streams; one for business resilience like cloud migration, work from home solutions and cybersecurity and the other to identify new business lines, Robotic Process Automation, Advanced Analytics and AI, and IoT.

Globally, the cloud business continues to grow, including in India. With 'Working from Home' being the major enabler, there is an increased demand for collaborative solutions and cybersecurity. Machine learning, AI and Data science continue to dominate the trainings space, at least for this year. Due to economic constraints on new project budgets, we are seeing small dampening of AI and IoT related business. Smart city solutions have slowed down, as the governments are busy handling the pandemic.

Remote Services, online media, healthcare, FMCG, and to some extent logistics companies are expected to experience growth. IT industry will see a large part of demand coming in from these industries. The businesses which utilize this time, to revisit the business model canvass, train their resources and ideate on new value creation, will bounce back higher and faster, once the times improve.

India Overview

As we write this report, India has just come among the top five countries in terms of number of Covid-19 cases. The numbers are on a rapid upward trajectory, with no signs of slowing down in the immediate vicinity. In addition, the brewing political challenges in the region, are putting Indian economy in one of its toughest times.

The focus for Indian companies is survival through business sustainability. A large number of companies faced a sudden need for business continuity planning, leading to the demand for IT lead BCP, cloud-based solutions, work from home and cyber security. While IT operations remain unaffected, the demand for transformative solutions should pick up from the third quarter.

Our Business

ADSL is also impacted by the unprecedented business environment. The impact, however, is not as severe, since your company has a holistic portfolio, spanning both IT modes, "run" and "build". We have continued strong demand from IT operations business ("run"), even as we witness some slowness in transformative "build" business. New technology adoption and large transformational projects has always been a strength at Allied Digital.

We have had a wonderful year of growth and exhibited mature leadership in financial planning, business continuity planning, new technology adoption and customer focus. The leadership team has continued to spend time in introspection, training and upgrading the company on new technologies and re-polishing its offerings. ADSL has increased its expertise in AI, Cyber Security, Cloud DevOps,

IoT and RPA. This made our business model much more resilient, relevant on the dimensions of customer intimacy and value offerings. We are at the pole position and ready for the future growth cycles.

During lockdown times, your company has shown exemplary success in managing operations and customers support seamlessly. Taking advantage of fully redundant, highly available IT infrastructure and processes, our global workforce was able to seamlessly work remotely. Those engaged in essential, government or health services on the field continue to work relentlessly on customer premises. The company educated all its employees and continues to take adequate precautions for their personal health and safety.

Core Offering: Infrastructure Management Services

In India, just like previous years, we added large and medium deals in our core services area, which includes Facility management, NOC and SOC services. Our constant endeavor to bring global best practices to the India customers and 'Partner led Sales' model brought positive outcomes.

US operations continued to grow in revenues. Our meticulous account management for global delivery in Service Desks, Field Services, AI based SOC and NOC, enabled penetrating existing accounts. Our delivery excellence continues to earn recognition amongst our partner base, and propelled new customer wins in multiple industry verticals. We excelled in bringing valuable customer insights leveraging, powerful analytics. Europe operations continued to run and win confidence of the market. Unfortunately, due to the covid-19 scenario, the desired growth rate in Europe has been slightly deferred.

The ADiTaaS version 5.0 is upgraded with technology refresh. It is now cloud friendly and the upgradations offer a major boost for automation and chatbots. We won appreciations on our cloud services, for increasing our DevOps skillsets, and exemplary work on several cloud migration and support initiatives. We set-up a global "Center of Excellence" for service delivery initiating the plan of becoming market leader in IT services. The four areas of focus on are Smart Governance, "Automation and AI, "Industry benchmarked Standardization" and "Advanced Training" in new technologies. We added cognitive technologies such as AI, AR/VR, RPA to our portfolio, to activate new revenue streams in coming years.

Smart Cities Solutions

Pune City project, our first, completed 18 quarters and has two more quarters remaining. We continue to bring value to the police and the Government of Maharashtra even in these tough times. Our efforts have been applauded by various departments, citizens and media. There is a high probability that there would be a contract extension for at least a year, if not five more years. We have been actively completing projects in other cities, namely Rajkot, Aurangabad, Bidkin and Kalyan-Dombivli.

We developed advanced solutions for Covid-19 pandemic, such as bringing intelligent alerts of crowd gathering during the pandemic, automated centralized public announcements in streets, Drone based surveillance, to name a few. During the year, we continued to sharpen IoT and computer vision-based technology skillsets, to enhance smart city solutions and innovative thermal scanning solutions.

We re-skilled our engineering services division to address Global IT solution needs, in areas of IoT and camera sensor-based technologies. We developed new service revenue from global markets, by leveraging our "Master System Integration" expertise in India.

Trending Technologies - Artificial Intelligence

Artificial intelligence is gaining an important position in all transformative projects. Several large companies like Google, Microsoft and Amazon have released AI frameworks and Machine Learning tools and libraries, which will further bring strong impetus to the industry for AI adoption.

Allied Digital stands highly invested in growth, by adding AI capabilities to all its current services (Global service Desk, Field Services, NOC and SOC) . ADiTaaS platform 5.0, has built-in Natural Language Processing and intelligent Chatbot features. We have formed various industry and education institute partnerships to promote AI initiatives, deliver enterprise projects and impart training in AI and Design thinking. With the beginning of post-covid era, we foresee a huge demand for AI skill sets globally, and Allied Digital is all set, to pick up such opportunities.

Financial Highlights:

The key financial highlights of the Company on a consolidated basis for the financial year ended March 31, 2020 are given below:
(₹ in lakhs)

Particulars	Consolidated		
	FY 2020	FY 2019	Y-o-Y Change
Revenue	33,572	24,384	38%
EBITDA	5,324	4,266	25%
EBITDA Margin	16%	17%	-
PBT	2,404	1,452	66%
PAT	1,922	1,237	55%
PAT Margin	6%	5%	-

Key Financial Ratios:

Particulars	Standalone		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Debtors Turnover	0.60	0.56	1.66	1.24
Inventory Turnover	1.54	1.21	6.85	5.09
Interest Coverage Ratio	2.34	1.83	4.44	2.45
Current Ratio	2.67	2.52	2.66	2.17
Debt Equity Ratio	0.10	0.14	0.11	0.14
Operating Profit Margin (%)	32%	31%	22%	20%
Net Profit Margin (%)	8%	12%	6%	5%

- Debtors turnover ratio and Inventory turnover ratio has improved mainly due to higher turnover achieved during the year.
- Interest Coverage Ratio has improved due to considerable reduction in debt and reduced finance costs during the year.
- The Company reported Net Profit Margin of 8% for the FY 2019-20 as compared to 12% for previous year which was higher mainly due to exceptional income during the previous financial year.

Details of any change in Return on Net worth as compared to the immediately previous financial year:

Return on Net Worth stands at 1.67 % for FY 2019-20 as against 2.08% in the FY 2018-19.

Key Drivers of Growth

Innovation and Adaptability

Allied Digital has the clear perspective of the utilizing such testing times, to introspect, research the industry offerings and map customer trends. Your company is geared to adapt to the “new normal”, be it early adoption of new technologies, scaling new bars in services through innovation or developing innovative solutions such as “Work from Home”, IoT solutions, Drone based surveillance, Social distancing solutions or augmenting new cognitive features in ADiTaaS. We are steadfast on the Innovation journey. Having adopted Design Thinking methodologies in the company, the leadership continues to ideate and build new customer solutions for newly defined problems. We continue on our motto of “Passion, Innovation and Teamwork”.

New markets

In these tough times, technology is going to be the key enabler for bringing business resilience. As constant innovators with high degree of client intimacy, we understand that it’s time to sharpen our pencil. We see ourselves at a threshold for massive growth in the coming years.

Allied Digital continued to sustain existing “run” business by delivering excellent operational services to its clients and scaling new benchmarks. Our “build” mode is well geared to deliver services and solutions in new technologies, and undertake transformative projects, as industry’s leading Systems Integrator and Global Transformation Architect.

Human Resources

Human Resources practices have been hugely instrumental in the company’s growth. On all counts, be it handling resources efficiently, hiring new resources for rapidly scaling existing or new projects, the human resource division has been a pillar of strength. The start of this year has been extremely challenging for our HR. During the growing Covid-19 pandemic, the team has played a leadership role in ensuring smooth service delivery by driving “Work from home” policies. The department has been driving continuous communication and providing extra care to support and field staff across the globe. The team received tool kits for employee protection and has actively reached out to all customers for mutual co-operation. In addition to this exemplary work, it has been engaging management, as well as top skilled resources, into new technology trainings and ideation workshops. The total permanent employee strength as March 31, 2020 is 680.

Government Initiatives

AI continues to be the key enabler for national growth. Allied Digital is actively involved in promoting startups for incubation and “Make in India” initiatives. In the financial year gone by, Allied Digital created extra capacity to fuel technology and business mentorship to startups as well as to impart training and awareness programs in the area of AI, cybersecurity. New support initiative to drive student innovation projects is planned with various well-known engineering institutes. India will re-start on its growth path in coming quarters, and of course technology will play a significant role in implementing the transformation.

Risks and Concerns

Volatile Global Outlook

Like any other corporate with global presence, the Company is exposed to interest rate risk, currency fluctuations, credit risk and regulatory risks. Company’s internal audits ensures a robust risk management readiness. Risks are reviewed on the quarterly basis by the management. This year the added risk of global slowdown during the pandemic, is being actively studied and early indicators are being examined for mitigation.

Technology

Technology is directly related to innovation and change is eminent. The Company has been constantly pursuing change management and innovation, thus enhancing the potential to tap new business opportunities. The Company continuously engages in training and skill development programs to update the knowledge base. Allied Digital now has a clear roadmap for next three years of its operation and will focus on new opportunities. It will continue to invest into R&D to develop new offerings across the geographies.

Compliance Risk

Company’s operations are spread across the globe and hence it becomes imperative for the organization to comply with legal and regulatory laws of various countries. Failing to comply with the specific country’s laws and regulation may expose the company to legal and financial penalties and also dilute the brand image. Identified key stakeholders across sales and business units and corporate functions ensure compliance of all applicable laws on a continuous basis. Any changes in the applicable regulations are updated and monitored by respective departments. The company has also appointed third-party agencies, to support standard compliance in certain countries, for reducing local statutory risks.

Delivery Risk

As there is immense competition in standard core services, there is a constant risk of losing the customer or incurring penalties when not delivered to topmost standards. For instance, the Pune project is run on highest availability standards, by ADSL and so are many such global operations. Ensuring high quality service by delivering top SLAs is challenging, but the company has been performing consistently well. It has been able to get timely payments from government and corporates, thus controlling the receivables risk. Global delivery poses multiple challenges, but current success stories build confidence in delivering complex large-scale projects. This year, the start of “Center of Excellence” in service delivery is one big step towards risk reduction and promoting indirect business growth.

Contract Management

Sometimes ambiguities are created in the scope of work which lead to unaligned expectations from the parties involved in the project. We have standardized certain contracts and are constantly putting efforts on stronger contract management and building deeper insights into customer's environment to avoid risks of service failure at desired levels.

Employee Related Risk

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

Our attrition rate has reduced over the last year in India, though some challenges have emerged in the US, as the local inflation is higher than past few years. Allied Digital is mitigating risks by cross-training and working diligently with in-house as well as third party recruiters. In Europe, due to immigration law changes, there are attrition issues, but Allied has developed a constant vigilance in its delivery operations so that the customer deliverables are never affected. This year, due to the pandemic, employee health has been an important factor and HR has been playing active role. Adequate business insurance policies are also in place on errors, omissions and general liability.

Internal Control systems

Adequate internal controls ensure that transactions are authorized, recorded, reported correctly and assets are safeguarded against loss from unauthorized use or disposition. In addition, operational controls and fraud risk controls, cover the entire spectrum of internal financial controls. Your company has put a lot of emphasis on improving the internal control systems in multiple areas such as Finance, Sales, Legal and HR.

- In finance, the internal checks and balances are managed by a formal system of internal audit. Alert mechanism is in place for regulatory changes. Transition to GST compliant processes was smooth. The Company has appointed, M/s S. P. Natani, Chartered Accountants, Mumbai as Internal Auditors of the Company to carry out the Internal Audit.
- On the sales front, more emphasis is given to customer credit checks, profitability and sales closures.
- On the delivery and operations end, we improved on alerts communication, automation and customer systems health checks. This has vastly improved the overall quality of delivery, reducing customer concerns.
- In the US, new software has been implemented for managing contracts. We plan to implement the same in India.
- We have embarked on a major initiative of CMMI Level 3 compliance this year. The work is on the last stage for achieving the certification before this year end.

Other initiatives such as management performance audit were also successfully implemented last year. The quality management system of the company is ISO certified each year.

Way Forward

- Last year, the company has been on a good growth path, with many new customers added globally. New smart city projects have been added. This year though globally challenging, we hope to weather this storm quite well.
- This year our revenues will continue from our existing contracts, and also from new business from a reasonably strong current sales pipeline.
- The Pune City project is continuing in full swing. We are quite positive of getting extension due to our continuing good performance.
- The company has entered into new partnerships across the globe, which will further enhance sales in US, Europe and India.
- Management plans to continue with cost control measure that it has put in place over the last few years.
- The management is currently looking at various alternatives to monetize the Hard Assets (Real Estate) of the company. This includes creating a value-added shared offices infrastructure management. AI based incubation center development.

In this roller-coaster global economy, the company stands tall on a strong foothold of expertise in new technologies and proven track record of operational excellence. The company continues to live its motto "Passion, Teamwork and Innovation". and honor its promise of "IT Managed, Responsibly".

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

- **PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy on Corporate Governance is embedded in its rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. The Company believes that Corporate Governance is a set of guidelines to help fulfil its responsibilities to all its stakeholders. It is a reflection of the Company's culture, policies, relationship with stakeholders, commitment to values and ethical business conduct.

- **GOVERNANCE STRUCTURE:**

➤ **BOARD OF DIRECTORS**

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

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

a) **Board of Directors:**

The Board of Directors ("Board") is at the core of our Corporate Governance practices and oversees how the management serves and protects the long-term interests of all our stakeholders. The Company believes that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance.

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

As on March 31, 2020, the Board comprises of six (6) Directors, three (3) Directors are Independent Directors including a Woman Director and three (3) Executive Directors. The Chairman of the Company is an Executive Director. The Board periodically evaluates the need for change in its composition and size. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations. None of the Independent Directors have attained the age of 75 years.

A certificate has been received from M/s. Rathi & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is marked as "*Annexure I*".

Skills/Expertise/Competence

The Board of the Company comprises of highly qualified members and leaders in their respective fields who possess required skills, expertise and competence that allow them to make effective contribution to the Board and its committees.

The Board has identified the following skills set with reference to its Business and Industry which are available with the Board:

Global Business	Understanding of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions, Knowledge of Foreign exchange markets trends.
Strategy and Planning	Corporate Planning and Strategy, driving changes and long-term growth, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments, Risk Management.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Technology	Understanding of Technology, Ability to create innovation and design solution or create new business models using the technology.
Financial	Proper allocation of financial assets, management and monitoring, supervision of financial reporting and accounting, taxation and other Compliances related thereto.
Leadership	Extended leadership experience with practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent along with driving change and long-term growth
Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture brought to the Board by individual members. Varied mix of strategic perspectives, geographical focus with knowledge and understanding of key geographies.
Values	Personal characteristics are in line with the Company's values, such as integrity, accountability, and high performance high-performance standards.

Below is a list of core skills, expertise and competencies of the individual Directors:

Name of Directors	Global Business	Strategy and Planning	Governance	Technology	Financial	Leadership	Diversity	Values
Mr. Nitin Shah	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Prakash Shah	✓	✓	✓	-	✓	✓	✓	✓
Mr. Nehal Shah	✓	✓	✓	-	-	✓	✓	✓
Dr. Shrikant Parikh	✓	✓	✓	✓	-	✓	✓	✓
Ms. Shubhada Jahagirdar	-	✓	✓	-	-	✓	✓	✓
Prof. Venugopal Iyenger	✓	✓	✓	✓	-	✓	✓	✓

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

Composition of the Board and the Directorship(s)/ Committee Membership(s)/ Chairmanship(s) held as on March 31, 2020 is as follows:

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

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

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

Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions specified in terms of the above-mentioned provisions and are independent of the management.

Independent Director Databank Registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

Number of Independent Directorships

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director and Whole-time Director of the Company does not serve as an Independent Director in any listed entity.

Independent Directors' Meeting

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, the Independent Directors of the Company shall meet at least once in a year, without the presence of Executive Directors and members of Management. The Independent Directors met on November 13, 2019 and reviewed the below:

- the performance of the Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Board, taking into account the views of the Executive and Non- Executive Directors;
- the quality, quantity and timelines of flow of information between the companies' management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent Directors of the Company attended the said Independent Directors Meeting. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

b) Board Procedure and Meetings:

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries.

The agenda for the Board Meetings broadly covers the information required as enumerated in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations. The Company Secretary under the direction of the Chairman and in consultation with the Whole-time Director and the Chief Financial Officer prepares the detailed agenda for the meetings. The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the Meeting for the approval of the Board. This ensures timely and informed decisions by the Board. Minimum four pre-scheduled Board Meetings are held every year (one meeting in every calendar quarter). However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting.

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance. Further the important decisions taken at the Board/Committee Meetings are communicated to the concerned departments.

The Board of Directors have been entrusted with the duties as enumerated in Listing Regulations, Section 166 of the Act and Schedule IV of the said Act There is a clear demarcation of responsibility and authority amongst the Board of Directors.

During the financial year ended March 31, 2020, Five (5) Board Meetings were held on May 29, 2019, August 13, 2019, November 13, 2019, October 31, 2019 and February 04, 2020. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India. The Previous Annual General meeting of the Company was held on September 10, 2019.

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

Name of Directors	No. of Board Meetings attended	Attended Previous Annual General Meeting
Mr. Nitin Shah	05	Yes
Mr. Prakash Shah	05	Yes
Mr. Nehal Shah	05	Yes
Ms. Shubhada Jahagirdar	05	Yes
Dr. Shrikant Parikh	05	Yes
Prof. Venugopal Iyengar	05	No

c) Relationship between the Directors inter-se:

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

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

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

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

e) Familiarisation programme imparted to Independent Directors:

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

All Independent Directors are made aware about the new projects to be undertaken by the Company and about various departments of the Company and their functioning. Further Independent Directors are briefed regarding the operations of various departments under respective functional heads. In addition, the Chairman and Managing Director, regularly has one to one discussion with the Independent Directors to familiarize them with the business operations and on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries.

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

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

f) Risk Management:

The Company has in place mechanisms to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework. The risks are reviewed periodically for the change in nature and extent of the major risks identified since the last assessment. Systematic and proactive identification of risks and mitigation thereof enables effective or quick decision making and boosts the performance of the organisation.

➤ **Committees of the Board:**

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good corporate governance.

The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

These Committees are entrusted with such powers and functions as detailed in its respective terms of reference. Besides, the Committees help focus attention on specific matters of the Company.

Each Committee except Management Committee is guided by the provisions of the Companies Act, 2013 and Listing Regulations, which defines the scope, powers and composition of the Committee.

All decisions and recommendations of the Committees are placed before the Board for information and approval. The Board has constituted the following Committees viz.,

- Audit Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility (CSR) Committee;
- Stakeholders Relationship Committee and
- Management Committee.

▪ **AUDIT COMMITTEE:**

a) Brief Description:

The Audit Committee of the Company is duly constituted as per Regulation 18 of the Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

The Chief Financial Officer is the permanent invitee to the Audit Committee. The Committee members may invite the Internal Auditor/Statutory Auditor any other concerned Officer of the Company in the meetings, whenever required on case to case.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process. The Company Secretary acts as the Secretary of the Audit Committee.

b) Terms of reference:

The terms of reference of the Audit Committee, inter-alia, are as follows:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending to the Board, the appointment, re-appointment, terms of appointment and if required, the replacement or removal of the auditors and fixation of audit fees;
- iii. Approval of payment to statutory auditors for any other non-audit services rendered by the statutory auditors;
- iv. Reviewing with the management, the quarterly/annual Standalone and Consolidated financial result/statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters to be specified in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;

- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee
- xxi. Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Audit Committee shall mandatorily review the following information:

- i. Management Discussion and Analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- vi. Statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

c) Composition of the Committee:

The composition of the Audit Committee of the Company is in accordance with the provisions of Section 177 of the Companies Act, 2013 and in terms with Regulation 18 of Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Risk and International Finance. The Audit Committee comprises of three (3) Members out of which two (2) are Independent Director and one (1) Executive Director of the Company.

Four (4) meetings of the Audit Committee were held during the financial year. These were held on May 29, 2019, August 13, 2019, November 13, 2019 and February 04, 2020. The attendance at each committee member was under:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Dr. Shrikant Parikh	Chairman	Non-Executive, Independent Director	04	04
2.	Prof. Venugopal Iyengar	Member	Non-Executive Independent Director	04	04
3.	Mr. Prakash Shah	Member	Whole-time Director	04	04

All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 10, 2019.

▪ **NOMINATION & REMUNERATION COMMITTEE ('NR COMMITTEE'):**

a) Brief Description:

The primary role of the NR Committee is to assist the Board by identifying prospective directors/key managerial personnel and make recommendations on appointments to the Board and the senior most level of Executive Management below the Board along with devising a policy for remuneration payable to them. The NR Committee is responsible for making recommendations on Board appointments and on maintaining a balance of skills and experience on the Board and its Committees.

b) Terms of reference:

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

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

c) Composition of the Committee:

The composition of the NR Committee of the Company is in accordance with the provisions of Section 178 of the Companies Act, 2013, and in terms with Regulation 19 of Listing Regulations. The NR Committee comprises of three (3) Independent Directors of the Company.

Two(2) meeting of the NR Committee were held during the financial year 2019-2020. It was held on August 13, 2019 and February 04, 2020. The Company Secretary acts as the Secretary to the Committee. The Chairman of the NR Committee was

present at the Annual General Meeting of the Company. The attendance of each committee member at the meetings was under:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Dr. Shrikant Parikh	Chairman	Non-Executive Independent Director	02	02
2.	Prof. Venugopal Iyengar	Member	Non-Executive Independent Director	02	02
3.	Ms. Shubhada Jahagirdar	Member	Non-Executive Independent Director	02	02

d) Performance Evaluation Criteria for Independent Directors:

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

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

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

To improve the effectiveness of the Board and its Committees as well as individual Directors, a formal and rigorous Board review/ evaluation is internally undertaken on an annual basis. For the financial year 2019-20, the process took the form of questionnaires followed by structured review with Independent and Executive Directors, Board of the Company and Committees of the Board. Further all the Directors expressed their satisfaction with the evaluation process.

e) Disclosure of Remuneration paid to Director:

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

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

Mr. Nitin Shah, Chairman and Managing Director and Mr. Prakash Shah, Whole-time Director, were appointed w.e.f. April 01, 2016 and Mr. Nehal Shah, Executive Director was appointed w.e.f. July 30, 2018

- **Details of remuneration paid to Executive Directors for the year ended March 31, 2020 are as under:**

Name of Executive Directors	Designation	Remuneration during 2019-20			
		All Elements of remuneration package i.e. salary, allowances and other benefits, etc.	Fixed Component and performance linked incentives along with the performance criteria	Service Contract, Notice Period, severance fees	Stock Options details, if any
Mr. Nitin Shah	Chairman & Managing Director	₹ 99.30 lakhs Refer Note a)	Nil	Refer Note b)	Nil
Mr. Prakash Shah	Whole-time Director	₹ 49.65 lakhs Refer Note a)	Nil	Refer Note b)	Nil
Mr. Nehal Shah	Director	₹ 7.20 lakhs Refer Note a)	Nil	Refer Note b) and c)	Nil

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

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

Non-Executive Directors are paid remuneration by way of sitting fees for attending the Board and Committee meetings. The details of the sitting fees paid to the Non-Executive Directors for the financial year ended March 31, 2020 are as under:

Name of the Non-Executive Director	Sitting Fees paid for the F.Y. 2019-20
Prof. Venugopal Iyengar	₹ 145,000
Dr. Shrikant Parikh	₹ 155,000
Ms. Shubhada Jahagirdar	₹ 105,000

▪ **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

a) **Brief Description:**

The primary objective Stakeholders Relationship Committee of the Company is review and redress stakeholder's grievance like transfer of shares, non-receipt of Annual report, non-receipt of declared dividends etc. and to oversee the various aspects of the interest of the stakeholders.

b) **Terms of reference:**

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

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

c) Composition of the Committee:

As on March 31, 2020, the Stakeholders' Relationship Committee comprises of two (2) Independent Directors and one (1) Executive Director.

One (1) meeting of the Stakeholders' Relationship Committee was held during the financial year 2019-2020 i.e. February 04, 2020. Prof. Venugopal Iyengar, Non-Executive Independent Director is heading the Committee and Ms. Neha Sunil Bagla, Company Secretary acts as the Secretary to the Committee. The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting of the Company. The attendance of each committee member was under:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Prof. Venugopal Iyengar	Chairman	Non-Executive Independent Director	01	01
2.	Dr. Shrikant Parikh	Member	Non-Executive Independent Director	01	01
3.	Mr. Prakash Shah	Member	Whole - time Director	01	01

d) Compliance Officer:

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

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

Ms. Neha Sunil Bagla
Company Secretary & Compliance Officer
 Premises No.13A,13th Floor, Earnest House,
 NCPA Road, Block III, Nariman Point
 Mumbai - 400021
 Tel : +91 22 66816400
 Fax : +91 2222822030
 Email :investors@allieddigital.net

e) Investor's/ Shareholders' Grievance Redressal:

The Company has always valued its Stakeholders relationships. Accordingly, continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. During the financial year under review, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to the non-receipt of annual report. All the complaints were resolved to the satisfaction of the investors.

The Status of the Investors Complaints as on March 31, 2020 is as follows:

Source of Complaint	No. of Complaints received	No. of Complaints resolved	Not resolved to the satisfaction of shareholders	No. of Complaints Pending
Directly from Investors	22	22	0	0
Through SEBI, Stock Exchanges.	0	0	0	0
Total	22	22	0	0

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

• **MANAGEMENT COMMITTEE:**

a) Brief Description:

The Management Committee was constituted by the Board on April 28, 2009. The Committee is entrusted with the operational and administrative power. The Committee comprises of three (3) Members i.e. Mr. Nitin Shah, Chairman and Managing Director, Mr. Prakash Shah, Whole-time Director and Mr. Paresh Shah, Chief Executive Officer of the Company.

b) Meeting of the Management Committee:

During the Financial Year 2019-20, three (3) Management Committee Meeting was held on October 04, 2019, October 14, 2019 and October 22, 2019.

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

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

- xi. To file criminal proceedings against those misusing the company's rights under the Design, Patents, Trademarks and Copyright Laws, if any;
- xii. To authorize company's executives to defend civil suits filed by third parties against the company;
- xiii. Other general day-to-day affairs of the Company.

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

a) Brief Description:

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

b) Terms of reference:

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

- i. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;
- ii. Recommend the amount of expenditure to be incurred on activities referred under the CSR Policy;
- iii. Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company;
- iv. Monitor the CSR policy from time to time.
- xiv. Such other activities as the Board of Directors determine as they may deem fit in line with the CSR Policy.

c) Composition of the Committee:

In compliance with the requirement of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee consisting of three (3) Directors out of which two (2) Directors are Independent Directors and one (1) Executive Director. The Company Secretary acts as the Secretary to the said Committee.

During the year under review, One (1) meeting of CSR Committee was held on February 04, 2020. The detailed composition and attendance of the CSR Committee is given below:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Ms. Shubhada Jahagirdar	Chairperson	Non-Executive & Independent Director	01	01
2.	Dr. Shrikant Parikh	Member	Non-Executive & Independent Director	01	01
3.	Mr. Prakash Shah	Member	Whole-time Director	01	01

1. GENERAL BODY MEETINGS:

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

Financial Year	Day, Date, Time and Venue of AGM	Particulars of Special Resolution(s)
2018-19	<p>Day and Date Tuesday, September 10, 2019</p> <p>Time 04:00 P.M.</p> <p>Venue: Walchand Hirachand Hall, 4th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai - 400020.</p>	Nil
2017-18	<p>Day and Date Monday, September 03, 2018</p> <p>Time 04:00 P.M.</p> <p>Venue: Walchand Hirachand Hall, 4th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai - 400020.</p>	<ol style="list-style-type: none"> 1. Approval for revision in Remuneration of Mr. Nitin Shah, Chairman and Managing Director of the Company. 2. Approval for revision in Remuneration of Mr. Prakash Shah, Whole-time Director of the Company. 3. To appoint Mr. Nehal Shah (DIN: 02766841) as the Director of the Company. 4. To mortgage, pledge, hypothecate or charge, in addition to the existing mortgages, hypothecations and charges created / to be created by the Company pursuant to Section 180(1)(a) of the Companies Act, 2013. 5. To borrow money together with the money already borrowed up to ₹ 10,000,000,000 pursuant to Section 180(1)(c) of the Companies Act, 2013. 6. To make investments pursuant to Section 186 of the Companies Act, 2013.
2016-17	<p>Day and Date Wednesday, September 20, 2017</p> <p>Time 04:00 P.M.</p> <p>Venue: Walchand Hirachand Hall, 4th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai - 400020.</p>	To appoint Mr. Paresh Shah (DIN: 05117129) as Executive Director and Chief Executive Officer of the Company for a period of three years.

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

Postal Ballot:

During the year under review, the Company commenced process of seeking approval of shareholders through Postal Ballot as per provisions of Section 110 of the Companies Act, 2013 and the said process was completed on May 02, 2020. Mr. Himanshu S. Kamdar, Partner of M/s. Rathi & Associates, Practicing Company Secretary was appointed as the Scrutinizer for conducting Postal Ballot in a fair and transparent manner. The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of CDSL to provide e-Voting facility to its Members. The notice of Postal Ballot was accompanied with detailed instructions to enable the members to understand the procedure and manner in which Postal Ballot voting (including remote e-voting) to be carried out. The voting result, along with the Scrutinizers Report, was displayed on the website of the Company i.e. www.allieddigital.net. The said Resolutions were approved with requisite majority. The details of results of the Postal Ballot are:

Date of Postal Ballot Notice: March 22, 2019;

Voting Period: April 01, 2019 to April 30, 2019;

Date of Declaration of Results: May 02, 2019.

Particulars	No. of Votes Casted	No. of Votes Invalid	Votes in favour		No. of Votes against	
			No. of Votes	Percentage (%)	No. of Votes	Percentage (%)
Special Resolution: Re-appointment of Dr. Shrikant Parikh (DIN: 01735830) as an Independent Director of the Company, for continuous period of five years to hold office up to March 31, 2024.	20,428,725	1,006	20,426,294	99.99	1,425	0.01
Special Resolution: Re-appointment of Prof. Venugopal Iyengar (DIN: 02591297) as an Independent Director of the Company, for continuous period of five years to hold office up to March 31, 2024.	20,428,725	1,006	20,426,224	99.99	1,495	0.01
Special Resolution: Re-appointment of Ms. Shubhada Jahagirdar (DIN: 00895950) as an Independent Director of the Company, for continuous period of five years to hold office up to March 31, 2024.	20,428,725	1,006	20,425,787	99.99	1,932	0.01

2. DISCLOSURES:

i. Related Party Transactions:

Details of related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the key managerial personnel, their subsidiaries or relatives, etc. are presented in the Note no. 30 forming part of financial statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the year under review, the Company has not entered into any transaction of a material nature with its subsidiaries, promoters, Directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the Company.

All Related Party Transactions that were entered into during the financial year under review were on arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Companies Act and the Listing Regulations. None of the transactions entered into with related parties falls under the scope of Section 188(1) of the Act.

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

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

ii. Compliances by the Company:

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

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

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

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

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

iv. Mandatory & Non-mandatory requirement:

The Company has complied with all the mandatory Corporate Governance requirements under the Listing Regulations. With regard to Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub Regulation (2) of Regulation 46 of Listing Regulations.

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

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

The Company has formulated and adopted a Policy for determining Material Subsidiary in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy aims to set out the principles for determining a material subsidiary. The Policy on the Material Subsidiary is available on the website of the Company at:

[https://www.allieddigital.net/in/downloads/Inv_Policies/Policy on Determination of Material Subsidiaries.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_Material_Subsidiaries.pdf)

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

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

vii. Means of Communication:

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

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

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

Intimation to the Stock Exchanges: The Company intimates the Stock Exchanges (i.e. BSE and NSE, where the shares of the company are listed) all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders and are required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations.

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

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

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

viii. Code of Conduct:

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

3. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting detail:

Date :	September 03, 2020	
Time:	02:00 p.m.	
Financial Year :	April 1, 2019 to March 31, 2020	
Financial Calendar (Tentative):	Financial Reporting for:	
	For the Quarter ended	Tentative Date
	June 30, 2020	By August 14, 2020
	September 30, 2020	By November 14, 2020
	December 31, 2020	By February 14, 2021
	March 31, 2021	By May 30, 2021
Book Closure date:	August 29, 2020 to September 03, 2020 (both day inclusive)	
Registered Office of the Company:	Premises No.13A, 13 th Floor, Earnest House, NCPA Road, Block III, Nariman Point Mumbai – 400 021. Email: investors@allieddigital.net Website: www.allieddigital.net	
Dividend Payment Date	On or after September 09, 2020, subject to the approval of Shareholders at the ensuing Annual General Meeting.	
List of Stock Exchanges where the Shares of the Company are listed:	<ul style="list-style-type: none"> National Stock Exchange of India Limited (NSE)(Stock Code/ Symbol: ADSL) Address: Exchange Plaza, Plot No. C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051. Tel.: +91-22- 26598100/8114, Fax: +91-22-26598120 	

	<ul style="list-style-type: none"> BSE Limited (BSE)(Stock Code/ Script Code: 532875) Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel.: +91-22-22721233/4, Fax: +91-22- 22721919
Listing Fees and Custodian Fees to Depositories	The Company has paid Annual Listing fees for the year 2019-2020 to both the Stock Exchanges and the Company has paid Annual Custodian Fees to each of the depositories based on the number of folios as on March 31, 2020.
ISIN of Company' Equity Shares:	INE102I01027
Corporate Identification Number (CIN):	L72200MH1995PLC085488

B. Registrar and Share Transfer Agent:

For both Physical and Demat (Common Registrar)

Link Intime India Private Limited,
C-101, 247 Park, L B S Marg,
Vikhroli West, Mumbai- 400083.
Tel. No.: +91-022-49186270
Fax No.: +91-22-49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

C. Share Transfer System:

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

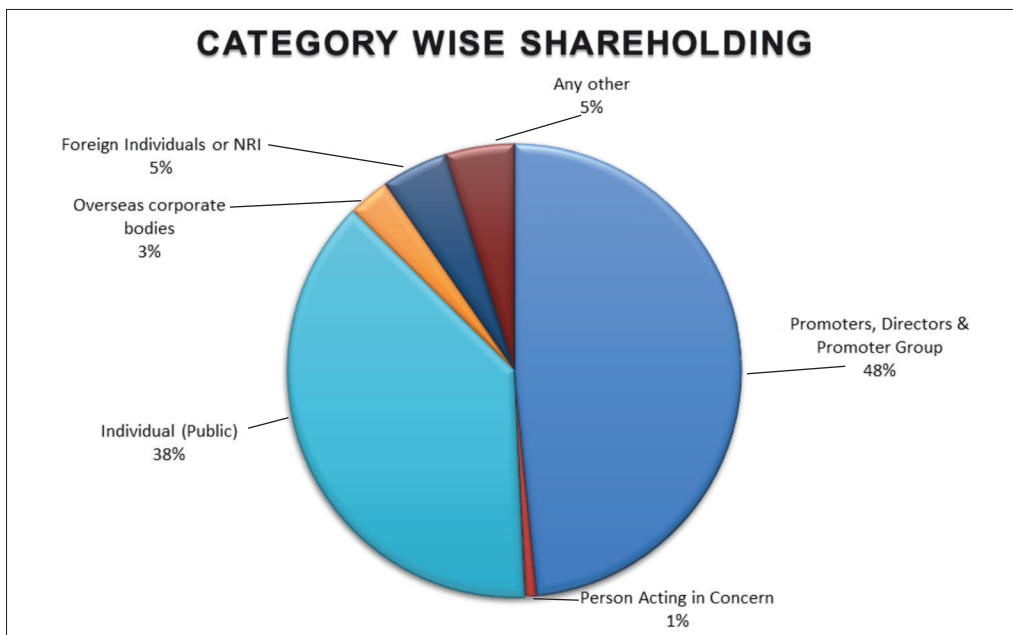
The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained half-yearly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

D. Distribution of Share Holding as on March 31, 2020:

Equity Shares slabs	Shareholders		Shares	
	Number	Percentage (%)	Number	Percentage (%)
1-500	16732	79.82	2281242	4.54
501-1000	1801	8.59	1522173	3.03
1001-2000	1012	4.83	1572651	3.13
2001-3000	427	2.04	1098404	2.19
3001-4000	196	0.94	702942	1.40
4001-5000	189	0.90	904248	1.80
5001-10000	284	1.36	2118084	4.22
> 10001	320	1.52	40005784	79.69
TOTAL	20961	100.00	50205528	100.00

E. Category wise Shareholding as at March 31, 2020:

Category	No. of Shares Held	Percentage to total Number of Shares (%)
Promoters, Directors & Promoter Group	24295019	48.39
Person Acting in Concert	408212	0.81
Foreign Portfolio Investors	20000	0.04
Foreign Institutional Investor	0	0
Individual (Public)	19156964	38.16
Overseas corporate bodies	1490000	2.97
Foreign Individuals or NRI	2368599	4.72
Any other	2466734	4.91
Total	50205528	100



F. Dematerialization of Shares:

As on March 31, 2020, 4,86,65,422 equity shares representing 96.94% of the total equity share capital of the Company were held in dematerialised form with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The break-up of equity shares held in physical and dematerialized form as of March 31,2020 is given below.

Particulars	No. of Shares	Percentage (%)
Physical Shares	1540106	3.06
Held in dematerialised form in CDSL	9632435	19.19
Held in dematerialised form in NSDL	39032987	77.75
Total	50205528	100.00

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

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

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

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

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

J. Dividend Distribution Policy:

Your Company has formulated the Policy on distribution of dividend and the same is available on the website of your Company and a web link for the same is http://www.allieddigital.net/in/inv_policies.html

K. Address for Correspondence:

For any other query relating to shares:

Link Intime India Private Limited
C-101,247 Park, L B S Marg,
Vikhroli West, Mumbai- 400083.
Tele: +91 22 4918 6270
Fax: +91 22 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

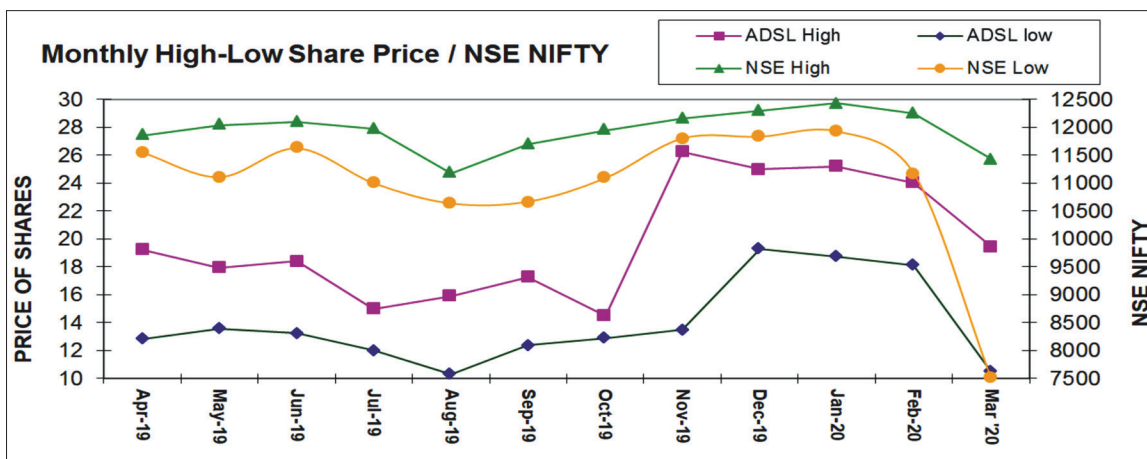
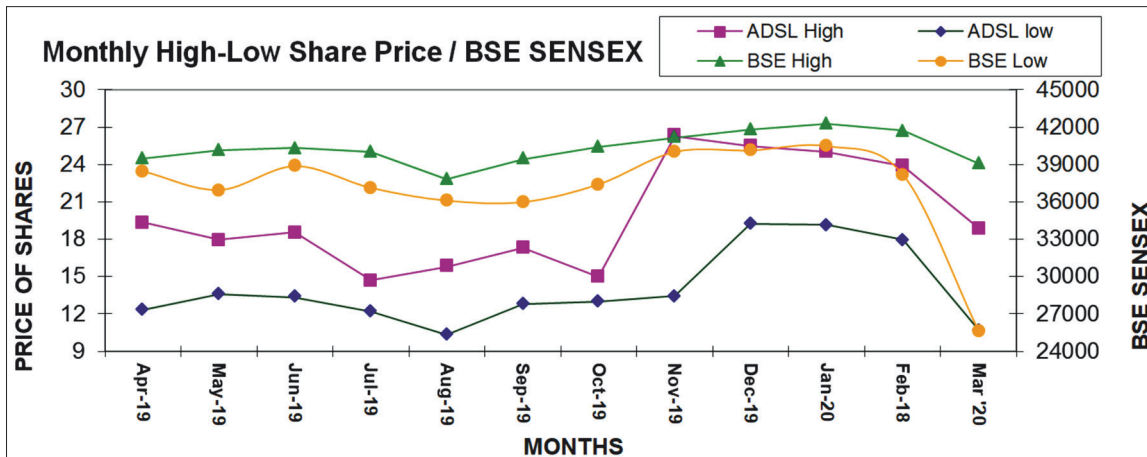
For general correspondence:

Company Secretary
Allied Digital Services Limited,
Premises No. 13A, 13th Floor, Earnest House,
NCPA Road, Block III, Nariman Point Mumbai- 400 021.
Tel: +91 22 6681 6400
Fax: +91 22 2282 3030
Email: investors@allieddigital.net
Website: www.allieddigital.net

L. Market information:

Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from April 01, 2019 to March 31, 2020 are noted herein below:

Month	ADSLon BSE		Sensex		Volume	ADSLon NSE		S&PCNXNifty		Volume
	High	Low	High	Low		High	Low	High	Low	
Apr-19	19.39	12.31	39487.45	38460.25	148551	19.20	12.85	11856.15	11549.1	1811242
May-19	17.99	13.60	40124.96	36956.1	112424	17.90	13.55	12041.15	11108.3	592409
Jun-19	18.55	13.35	40312.07	38870.96	75902	18.40	13.25	12103.05	11625.1	670595
Jul-19	14.70	12.20	40032.41	37128.26	49663	14.95	12.00	11981.75	10999.4	394928
Aug-19	15.80	10.30	37807.55	36102.35	133790	15.90	10.30	11181.45	10670.15	959911
Sep-19	17.30	12.77	39441.12	35987.8	172935	17.25	12.40	11694.85	10670.25	1741738
Oct-19	14.98	13.00	40392.22	37415.83	86827	14.50	12.90	11945	11090.15	705025
Nov-19	26.30	13.42	41163.79	40014.23	317630	26.25	13.50	12158.8	11802.65	5591672
Dec-19	25.50	19.20	41809.96	40135.37	287230	25.00	19.30	12293.9	11832.3	2181984
Jan-20	25.00	19.15	42273.87	40476.55	192259	25.20	18.75	12430.5	11929.6	885207
Feb-20	23.90	17.95	41709.3	38219.97	151311	24.05	18.10	12246.7	11175.05	570138
Mar-20	18.90	10.70	39083.17	25638.9	243489	19.45	10.50	11433	7511.1	706157



4. Discretionary Requirements under Regulation 27 of Listing Regulations:

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

The Board: The Chairman is an Executive Director and hence, this provision is not applicable.

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

Modified Opinion in Auditor's Report: The Auditors' Report on Company's Standalone and Consolidated Financial Statements for the financial year ended March 31, 2020 is unmodified.

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

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

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

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

6. CEO and CFO Certification:

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

7. Certificate on Corporate Governance:

Certificate from the M/s. Rathi & Associates, Practicing Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Listing Regulations, forms part of this report and is marked as “*Annexure III*”.

Annexure I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V - Para C - Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of
ALLIED DIGITAL SERVICES LIMITED**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Allied Digital Services Limited having CIN: L72200MH1995PLC085488, and having registered office at Premises No.13A, 13th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V - Para C - Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of Appointment
1.	Mr. Prakash Dhanjibhai Shah	00189842	10/02/1995
2.	Mr. Nitin Dhanji Shah	00189903	10/02/1995
3.	Ms. Shubhada Keshav Jahagirdar	00895950	01/10/2014
4.	Mr. Shrikant Navnitlal Parikh	01735830	23/05/2016
5.	Mr. Nehal Nitin Shah	02766841	30/07/2018
6.	Mr. Venugopal Ramaswami Iyengar*	02591297	28/04/2009

*Mr. Venugopal Ramaswami Iyengar ceased to be the Director of the Company w.e.f. 29th April, 2020.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR
PARTNER
FCS No. 5171
C.P. No. 3030
UDIN: F005171B000452420**

**Place : Mumbai
Date: July 30, 2020**

Annexure II

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

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

To
The Board of Directors
Allied Digital Services Limited

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

- I. We have reviewed Financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- II. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- III. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- IV. We have indicated to the Auditors and audit committee-
 - significant changes, if any, in internal control over financial reporting during the year;
 - significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - No instances of significant fraud were observed during the year under review.

For Allied Digital Services Limited

Place: Mumbai
Date: July 30, 2020

Paresh Shah
Chief Executive Officer

Gopal Tiwari
Chief Financial Officer

Annexure III

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

To
The Members,
Allied Digital Services Limited

We have examined all the compliance of conditions of Corporate Governance by Allied Digital Services Limited having its registered office at Premises No. 13A, 13th Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai – 400 021 (“the Company”), for the year ended 31st March, 2020, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and Management of the Company, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the Chapter IV of the Listing Regulations *except for Regulation 31(2) of Listing Regulations i.e. 100% shareholding of promoter and promoter group is not in dematerialized form.*

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For and on behalf of
Rathi & Associates
Company Secretaries**

**Himanshu S. Kamdar
Membership No. 5171
COP No: 3030**

**Date: July 30, 2020
Place: Mumbai**

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

To,
The Members
Allied Digital Services Limited

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes of conduct for the financial year ended March 31, 2020.

For Allied Digital Services Limited

**Nitin Shah
Chairman & Managing Director**

**Place: Mumbai
Date: July 30, 2020**

INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Allied Digital Services Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

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 **Companies Act, 2013** (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the **Companies (Indian Accounting Standards) Rules, 2015**, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. 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.

Emphasis of matter

We draw attention to Note 2 to the accompanying notes to Standalone Financial Statement with regard to management’s evaluation of uncertainty due to the outbreak of COVID-19 and its impact on future operations of the Company. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SR NO	KEY AUDIT MATTERS	AUDITOR’S RESPONSE
1	<p>Revenue recognition Fixed price contracts</p> <p>The Company engages in Fixed price contracts, including contracts with multiple performance obligations. Revenue recognition in such contracts involves judgments relating to identification of distinct performance obligations, determination of transaction price for such performance</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included Obtained an understanding of the systems, processes and controls for evaluation of fixed price contracts to identify distinct performance obligations and recognition of revenue. Evaluated the design and operating effectiveness of internal controls including IT controls relating to recording of the contract value, determining the transaction price, allocation of consideration to different performance</p>

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
	<p>obligations and the appropriateness of the basis used to measure revenue recognised over a period.</p> <p>In case of Fixed price contracts where performance obligations are satisfied over a period of time, revenue is recognised using the percentage of completion method based on management's estimate of contract efforts. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. These contracts may also involve recognizing onerous obligations that require critical estimates to be made by the management. In case of Fixed price maintenance contracts, revenue is recognised either on a straight line basis or using the percentage of completion method or at an amount equal to sums billed to customer, depending on the most appropriate method that depicts the value of service delivered to the customer.</p>	<p>obligations, measurement of efforts incurred and process around estimation of efforts required to complete the performance obligations and the most appropriate method to recognise revenue.</p> <ul style="list-style-type: none"> On selected sample of contracts, we tested that the revenue recognised is in accordance with the revenue recognition accounting standard. We - evaluated the identification of performance obligations; - considered the terms of the contracts to determine the transaction price, - determined if the Company's evaluation of the method used for recognition of revenue is appropriate; - tested the Company's calculation of efforts incurred, estimation of contract efforts including estimation of onerous obligation, through a retrospective review of efforts incurred with estimated efforts; - assessed appropriateness of contract assets/ unbilled revenue on balance sheet date by evaluating underlying documentation. Tested aged contract assets to assess possible delays in achieving milestones, which may require a change in estimated efforts to complete the remaining performance obligations. Evaluated management assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance and other areas of judgement, including for possible effects, if any from the COVID-19 pandemic. Performed analytical procedures over revenue and receivables.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial
 - g) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
 - h) 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, as amended 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 standalone financial [Refer Note No 28(3)]
 - 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 no delay in transferring amounts, 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
Partner
M. No. 103840
UDIN: 20103840AAAAGP765

Place: Mumbai
Date: 11th June, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Allied Digital Services Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. According to the information and explanations given to us, the inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- iii. According the information and explanations given to us, the Company has granted unsecured loans to three bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The terms of arrangements do not stipulate any repayment schedule hence we are unable to make any specific comment on the regularity of the repayment of principal and payment of interest.
 - (c) In the absence of any repayment schedule we are unable to comment on the amount of overdue amount outstanding at the year end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The company has not accepted any deposits from the public during the FY 2019-20. However, in respect of existing deposits the outstanding amount towards the principal and interest in respect of some unclaimed deposits are as under:

Principal Amount due as on 31.03.2020	Interest Due upto 31.03.2020	Total Dues as at 31.03.2020
₹ 5.91 Lakhs	₹ 1.05 Lakhs	₹ 6.96 Lakhs

- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally not been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (₹ In lakhs)*	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Penalty u/s 271(1)(c)	₹ 32.82 Lakhs	AY 2006-07	Commissioner of Income Tax Appeals, Mumbai
Income Tax Act, 1961	Penalty u/s 271(1)(c)	₹ 18.22 Lakhs	AY 2010-11	Commissioner of Income Tax Appeals, Mumbai

- viii. The Company has not defaulted in repayment of any loans or borrowings from financial institutions, banks and government or has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company did not raise any money by way of initial public offer or further public offer including debt instruments. The term loans outstanding at the beginning of the current year and those raised during the current year have been applied for the purposes for which those were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

RAMESH PIPALAWA
Partner
M. No. 103840
UDIN: 20103840AAAAGP765

Place: Mumbai
Date: 11th June, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Allied Digital Services Limited of even date)

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

We have audited the internal financial controls over financial reporting of Allied Digital Services Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date: 11th June, 2020

For SHAH & TAPARIA

Chartered Accountants
(Firm Regn No 109463W)

RAMESH PIPALAWA

Partner
M. No. 103840
UDIN: 20103840AAAAGP765

BALANCE SHEET AS AT 31ST MARCH, 2020.

(₹ In Lakhs)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-Current assets			
Property, Plant and Equipment	2(i)	4,512	4,688
Investment Property	3	8,113	8,203
Intangible Assets	4	4,046	4,954
Right of use Asset	2(ii)	167	-
Financial Assets			
Investments	5	15,519	15,506
Loans	6(i)	251	162
Other Financial Assets	7(i)	376	454
Other Non-Current Assets	8(i)	1,022	1,277
Asset classified as held for sale	9	59	-
Total Non-Current Assets		34,064	35,243
Current assets			
Inventories	10	3,483	3,383
Financial Assets			
Trade Receivables	11	16,560	14,246
Cash and Cash Equivalents	12(i)	267	458
Other bank balances	12(ii)	605	765
Loans	6(ii)	138	127
Other Financial Assets	7(ii)	3,792	4,695
Other Current Assets	8(ii)	1,515	1,287
Total Current Assets		26,360	24,961
Total Assets		60,424	60,204
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	2,510	2,510
Other Equity	14	44,618	43,797
Total Equity		47,128	46,307
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15(i)	553	1,317
Other Financial Liabilities	16(i)	156	4
Provisions	17(i)	-	2
Deferred Tax Liabilities (Net)	18	2,694	2,653
Total Non-Current Liabilities		3,403	3,976
Current Liabilities			
Financial Liabilities			
Borrowings	15(ii)	4,616	5,132
Trade Payables	19		
- Trade payables to Micro and Small enterprises		-	-
- Trade payables to other than Micro and Small enterprises		4,100	2,948
Other Financial Liabilities	16(ii)	235	72
Provisions	17(ii)	942	1,768
Total Current Liabilities		9,893	9,920
Total Equity and Liabilities		60,424	60,204

For Shah & TapariaChartered Accountants
FRN : 109463W**Ramesh Pipalawa**

M. No. 103840

Place : Mumbai

Date : 11th June, 2020**For Allied Digital Services Limited****Nitin Shah**

Chairman & Managing Director

Gopal Tiwari

Chief Financial Officer

Prakash Shah

Whole Time Director

Neha Bagla

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020.

(₹ In Lakhs)

Particulars	Note	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Revenue from Operations	20	9,419	7,523
Other Income	21	558	412
Total Revenue		9,978	7,935
Expenses			
Purchase of stock-in-trade	22	2,307	1,358
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(100)	(72)
Employee benefits expense	24	3,159	2,500
Finance Costs	25	619	921
Depreciation and amortisation expense	4	1,370	1,385
Other expenses	26	1,793	1,080
Total Expenses		9,148	7,173
Profit / (Loss) from ordinary activities after finance costs but before exceptional items		830	762
Exceptional Items	27	-	351
Profit / (Loss) from ordinary activities before tax		830	1,113
Tax expense			
Current Tax		149	210
MAT Credit		(149)	(210)
Deferred Tax		41	150
Net Profit / (Loss) from ordinary activities after tax		788	963
Other Comprehensive Income			
Items that will not be Reclassified to P&L			
Actuarial Gain/(Loss) on Gratuity	28	(25)	(35)
Items that will be Reclassified Subsequently to P&L			
		-	-
Total Comprehensive Income (after tax)		764	928
Paid-up equity share capital (Face Value of ₹ 5/-)		2,510	2,510
Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year		44,618	43,797
Earning per Share (Refer Note 29) (of ₹ 5/- each)			
Basic		1.57	1.92
Diluted		1.57	1.92

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

As per our report of even date

For Shah & Taparia
Chartered Accountants
FRN : 109463W

For Allied Digital Services Limited

Ramesh Pipalawa
M. No. 103840

Nitin Shah
Chairman & Managing Director

Place : Mumbai
Date : 11th June, 2020

Gopal Tiwari
Chief Financial Officer

Prakash Shah
Whole Time Director

Neha Bagla
Company Secretary

STATEMENT OF CHANGE IN EQUITY

(₹ In Lakh)

A. Equity Share Capital	Balance
Balance as at 01.04.2019	2510
Change in Equity Share Capital During the year	-
Balance as at 31.03.2020	2510

B. Other Equity

(₹ In Lakh)

Particulars	Other Equity					
	Reserve and Surplus					Total
	Securities premium account	Retained Earnings	Capital Redemption Reserve	General Reserve	Employee Stock Option Outstanding & Other Comprehensive income	
Balance as at 01.04.2019	37,019	4,604	30	1,374	769	43,796
Profit for the Year	-	788	-	-	(25)	763
Transfers	-	-	-	684	(684)	-
Adjustment for Prior Period	-	58	-	-	-	58
Adjustment IND AS & Consolidation	-	-	-	-	-	-
Balance as at 31.03.2020	37,019	5,451	30	2,058	60	44,618

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

As per our report of even date

For Shah & Taparia

Chartered Accountants
FRN : 109463W

Ramesh Pipalawa

M. No. 103840

Place : Mumbai

Date : 11th June, 2020

For Allied Digital Services Limited

Nitin Shah

Chairman & Managing Director

Gopal Tiwari

Chief Financial Officer

Prakash Shah

Whole Time Director

Neha Bagla

Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020.

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
I	CASH INFLOW FROM OPERATING ACTIVITIES		
(a)	Profit/Loss as per Profit & Loss Account after Tax	789	963
	Adjustments:		
	Adjustments for Prior period taxes & IND As effect from Surplus in P&L	(13)	-
	Adjustment for Prior period taxes	58	-
	Actuarial loss on valuation of gratuity	(25)	-
	Bad Debt Written off during the year	-	217
	Depreciation and amortization	1,370	1,385
	Foreign Exchange Gain	(247)	-
	Income from Investing Activities	(140)	(412)
	Deferred Tax	41	150
	Finance Cost	619	921
	Changes in Assets and Liabilities		
	Inventories	(101)	(72)
	Trade receivables	(2,314)	200
	loans and advances	(101)	63
	Other Financial Assets	981	(827)
	other assets	(228)	(13)
	Trade payables	1,152	(1,051)
	Liabilities & Provisions	131	1,273
	other Liability	(1,002)	(617)
	Net Cash generated by Operating Activities	971	2,182
II	CASH INFLOW FROM INVESTING ACTIVITIES		
	Payment toward acquisition of the fixed assets including intangible	(219)	4
	Disposal of the Investment\Changes due to Ind As in Investments	-	(15)
	Interest received	140	345
	Repayment of loan given	255	66
	Net Cash generated by Investing Activities	176	401
III	CASH INFLOW FROM FINANCING ACTIVITIES		
	From borrowings	672	2,515
	Repayment of loan	(1,771)	-
	Lease payment	(46)	(4,713)
	Finance Cost	(600)	(921)
	Net Cash generated by Financing Activities	(1,745)	(3,120)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(599)	(537)
	Add: Cash and cash equivalents at the beginning of the period (B) (refer Annexure I)	1,470	1,760
	Cash and cash equivalents at the end of the period (A+B)	871	1,223
	Supplementary Information		
	Restricted Cash Balance & Cash Equivalent (Refer note below)	605	765

Note : Balance in Fixed Deposit with banks pledged against guarantees given by bank As per our report of even date

Annexure I	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash on hand and balances with banks	266	458
Short Term Investment	605	765
Cash and cash equivalents as previously reported	871	1,223
Effect of exchange rate changes	-	247
Cash and cash equivalents as restated	871	1,470

For Shah & Taparia

Chartered Accountants
FRN : 109463W

Ramesh Pipalawa

M. No. 103840

Place : Mumbai

Date : 11th June, 2020

For Allied Digital Services Limited

Nitin Shah

Chairman & Managing Director

Gopal Tiwari

Chief Financial Officer

Prakash Shah

Whole Time Director

Neha Bagla

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1) Corporate information

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

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

2) Significant Accounting Policies

Basis of preparation and presentation

a) Statement of compliance

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

b) Basis of measurement

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

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

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and liabilities at the date of the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed under “**Summary of significant accounting policies**”. Accounting estimates could change from period to period. Actual results may differ from these estimates.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements.

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

Summary of significant accounting policies

- (i) Functional and presentation currency Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- (ii) Foreign currency transactions and balances are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.
- (iii) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- (iv) Effective April 1, 2018, the Company has prospectively adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.
- (v) Investment in subsidiaries: Investment in subsidiaries is measured at cost.
- (vi) Financial instruments: All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs. For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

(vii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset’s contractual cash flow represent Solely Payments of Principal and Interest (SPPI) Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

(viii) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

(ix) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

- a) Non-derivative financial liabilities
 - (i) Financial liabilities at amortised cost: Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
 - (ii) Financial liabilities at FVTPL: Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.
- b) Derivative financial instruments: Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

(x) Property, plant and equipment

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

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

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

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

c) Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

(xi) Intangible assets

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

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

(xii) Impairment

Financial assets

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

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

(xiii) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee.

The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

Gratuity :-

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

Provident Fund :-

Eligible employees of the company receive benefits from employees provident fund Organisation, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The remaining portion is contributed to the government-administered pension fund.

(xiv) Share based payments

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

(xv) Provisions

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

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

(xvi) Revenue

The Company derives revenue primarily from IT Infrastructure Services, Enterprise Application & Integrated Solutions and related services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition.

Refer to Note 1 Significant Accounting Policies in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue on time-and-material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue)

In arrangements for IT and ITeS related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering IT and ITeS related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For IT and ITeS and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Revenue from licenses where the customer obtains a "right to use" the licenses is available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Revenues for the years ended March 31, 2020 and March 31, 2019 are as follows :

(in ₹ Lakhs)

Particulars	Year ended March 31,	
	2020	2019
Revenue from services	7805	6296
Revenue from products	1559	1206
Other Operating Income	55	21
Total revenue from operations	9419	7523

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(₹ in Lakh)

Particulars	Year ended March 31, 2020
Revenue by offerings	
Infrastructure Management Services	3941
End User Services	5478
Total	9419

Infrastructure Management services

Infrastructure Management services comprise service and solution offerings of the Company that enable our clients to transform their businesses. We have added many medium enterprises government businesses for Network operations centre (NOC) and Security operations centre (SOC) services along with traditional Managed Services business.

End user services

Core services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, facility management services, traditional enterprise application implementation, support and integration services and Annual Maintenance Contracts.

Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for fixed-price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed-price development contracts is based on percentage-of-completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed-price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2020, the Company recognized revenue of ₹ 4168 Lakh from Opening unearned revenue as of April 1, 2019.

During the year ended March 31, 2020, Unbilled revenue of ₹ 3144 Lakh

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations, adjustment for revenue that has not materialized and adjustments for currency.

The impact on account of applying the erstwhile Ind AS 18, Revenue instead of Ind AS 115, *Revenue from Contracts with Customers* on the financials results of the Company for the year ended and as at March 31, 2020 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹ 3144 Lakh March 31, 2020 have been considered as a non-financial asset.

(xvii) Income taxes

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

a) Current income tax

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

b) Deferred income tax

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

c) Minimum Alternate Tax

Minimum Alternate Tax is in the nature of unused tax credit which can be carried forward and utilised when the company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that is probable that the unused tax credit can be utilised in the specified future period.

(xviii) Earnings per share

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

(xix) Adoption of Ind AS 116 – Leases

i) The Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The lease rentals charged during the period are as follows

(₹ In Lakhs)

Particulars	Year ended March 31,	
	2020	2019
Lease rentals recognized during the period	55	41

ii) The Company as a Lessee:

Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in the recognition of ROU asset of ₹ 167 lakh and ₹167 lakh on a consolidated and standalone basis, respectively, 'Net investment in sublease' of ROU asset of ₹ 203 Lakh on both standalone and consolidated basis, and a lease liability of ₹ 203 Lakh and ₹203 on a consolidated and standalone basis, respectively. The cumulative effect of applying the standard, amounting to ₹37 Lakh and ₹ 37 Lakh, was debited to retained earnings, net of taxes on a consolidated and standalone basis, respectively. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116, Leases resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

(₹ In Lakhs)

Particulars	Category of ROU asset
	Buildings
Balance as at April 1, 2019	-
Reclassified on account of adoption of Ind AS 116)	203
Additions(1)	-

(₹ In Lakhs)

Particulars	Category of ROU asset
	Buildings
Deletion	-
Depreciation	37
Balance as at March 31, 2020	167

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows

(₹ In Lakhs)

Particulars	As at March 31, 2020
Current lease liabilities	23
Non-current lease liabilities	152
Total	173

The movement in lease liabilities during the year ended March 31, 2020 as follows

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease.

(₹ In Lakhs)

Particulars	Year ended March 31, 2020
Balance at the beginning	-
Additions	203
Finance cost accrued during the period	-
Deletions	-
Payment of lease liabilities	28
Translation difference	-
Balance at the end	175

(xx) Fair value hierarchy

Level wise disclosure of financial instruments

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Non-current investments in equity shares measured at FVTOCI	NA	NA	1	Quoted bid prices in an active market
Non-current investments in unquoted preference shares measured at FVTPL	174	160	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Long term borrowings (including current maturities)				
Carrying value	NA	NA	2	Discounted cash flow - observable future cash flows are based on terms discounted at a rate that reflects market risks
Fair value	NA	NA		

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Foreign currency options – Assets	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Foreign currency options – Liability	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Foreign currency forward contracts – Liability	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Commodity forward contracts – Assets	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Interest rate swaps – Assets	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Interest rate swaps - Liability	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

Sensitivity Analysis of Level III

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by ₹ 10 Lakh (₹ 10 Lakh)

Reconciliation of Level III fair value measurement:

(₹ In Lakhs)

	As at March 31, 2020	As at March 31, 2019
Opening balance	160	148
Additional investment	-	-
Reclassification of allowance for loss	-	-
Allowance for loss	-	-
Gain recognised in the statement of profit and loss	14	12
Closing balance	174	160

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 are as follows:

NOTE - 2(i) : PROPERTY PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Asset classified as held for sale	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Asset classified as held for sale	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Premises Lease Hold	2,734	-	-	2,734	327	34	-	361	2,373	2,407
Civil and Plumbing Work	1,818	-	-	1,818	239	30	-	269	1,549	1,579
Furniture and Fixtures	3,214	98	-	3,312	2,627	262	-	2,888	424	588
Office Equipments	920	-	(901)	19	907	4	(895)	16	3	14
Motor Vehicles	140	117	-	256	132	4	-	136	120	7
Computers and IT Equipments	9,617	6	(5,889)	3,734	9,525	3	(5,836)	3,691	43	92
Computers (Given on lease)	156	-	-	156	156	-	-	156	-	-
Total	18,599	221	(6,790)	12,030	13,913	337	(6,731)	7,518	4,512	4,687

NOTE - 2 (ii) : RIGHT OF USE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Asset classified as held for sale	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Asset classified as held for sale	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Immovable Property	-	203	-	203	-	36	-	36	167	-
Total	-	203	-	203	-	36	-	36	167	-

NOTE - 3 : INVESTMENT PROPERTY

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Asset classified as held for sale	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Asset classified as held for sale	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Leasehold Land	2,278	-	-	2,278	221	22	-	244	2,035	2,057
Premises Lease Hold	6,873	-	-	6,873	727	68	-	795	6,079	6,146
Total	9,151	-	-	9,151	948	90	-	1,038	8,113	8,203

NOTE - 4 : INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Asset classified as held for sale	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Asset classified as held for sale	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer Software Licenses	76	-	-	76	76	0	-	76	(0)	1
Intellectual Property Rights	9,131	-	-	9,131	4,178	907	-	5,086	4,046	4,953
Total	9,207	-	-	9,207	4,255	907	-	5,162	4,046	4,954
Grand Total	36,958	424	(6,790)	30,592	19,116	1,370	(6,731)	13,755	16,837	17,843

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2019 are as follows :

NOTE - 2(i) : PROPERTY PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj/Del during the year 2018-2019	As at 31-03-2019	Upto 31-03-2018	For the year 2018-2019	Adj. during the year	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Premises Lease Hold	2,734	-	-	2,734	293	34	-	327	2,407	2,441
Civil and Plumbing Work	1,818	-	-	1,818	205	34	-	239	1,579	1,613
Furniture and Fixtures	3,214	-	-	3,214	2,309	318	-	2,627	588	906
Office Equipments	920	-	-	920	903	4	-	907	14	17
Motor Vehicles	135	4	-	140	132	0	-	132	7	4
Computers and IT Equipments	9,617	-	-	9,617	9,521	4	-	9,525	92	-
Computers (Given on lease)	156	-	-	156	156	-	-	156	-	-
Total	18,595	4	-	18,599	13,519	394	-	13,913	4,688	4,980

NOTE - 2(ii) : RIGHT OF USE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj/Del during the year 2018-2019	As at 31-03-2019	Upto 31-03-2018	For the year 2018-2019	Adj. during the year	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Immovable Property	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

NOTE - 3 : INVESTMENT PROPERTY

(₹ In Lakhs)

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj/Del during the year 2018-2019	As at 31-03-2019	Upto 31-03-2018	For the year 2018-2019	Adj. during the year	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Leasehold Land	2,278	-	-	2,278	199	22	-	221	2,057	2,079
Premises Lease Hold	6,873	-	-	6,873	660	67	-	727	6,146	6,214
Total	9,151	-	-	9,151	859	89	-	948	8,203	8,293

NOTE - 4 : INTANGIBLE ASSETS

(₹ In Lakhs)

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj/Del during the year 2018-2019	As at 31-03-2019	Upto 31-03-2018	For the year 2018-2019	Adj. during the year	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Computer Software Licenses	76	-	-	76	75	0	-	75	1	2
Intellectual Property Rights	9,131	-	-	9,131	3,277	901	-	4,178	4,953	5,854
Total	9,207	-	-	9,207	3,352	902	-	4,254	4,954	5,855
Grand Total	36,954	4	-	36,958	17,730	1,385	-	19,115	17,844	19,129

Note 05: Investments

i) Non Current Investments

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(1)	Non- Quoted, Long Term, Trade: (Carried at Cost)		
(a)	Investment in Equity instruments of Subsidiaries		
(i)	Allied Digital Services LLC (USA) 306017 (Previous year: 306017) equity shares of USD 10 each, fully paid up	7,531	7,531
(ii)	Allied Digital Inc (USA) 10,000 (Previous year: 10,000) equity shares of USD 0.0001/- each fully paid up	7,075	7,075
(iii)	Allied Digital Singapore Pte Limited 100 (Previous year: 100) equity shares of SGD 1 each, fully paid up	6	6
(iv)	Allied Digital Asia Pacific Pty Limited (Australia) 100 (Previous year: 100) equity shares of AUD 1 each, fully paid up	128	128
(v)	Allied E-Cop Surveillance India Pvt. Ltd 86010 (Previous year: 86010) equity shares of ₹ 10/- each fully paid up	1	1
(vi)	Allied Digital Services (UK) Ltd. 900 (Previous year: 900) equity shares of GBP 1 each fully paid up	1	1
(vii)	Enpointe Technologies (India) Private Limited 999 (Previous Year : 999) equity shares of ₹ 100 Each fully paid up	1	1
(viii)	Allied Digital Services OY 2500 (Previous year: 2500) equity shares of EURO 1 each, fully paid up	2	2
	Total Investment in Subsidiaries	14,745	14,745
(b)	Investment in Equity instruments of Associates:		
(i)	Soft Shell System (I) Pvt Ltd 117,924 (Previous year.117924) equity shares of 10/- each fully paid up at a premium of Rs 498.81 per equity shares	600	600
(ii)	Allied CNT Solutions Pvt. Ltd. 14200 (Previous Year: 14200) equity shares of ₹ 10/- each	0	0
	Total Investment in Associates	600	600
	Investment in Others (Unquoted)		
(i)	Uthopia Green Trans pvt ltd 200 (Previous Year: 200) equity shares of ₹ 10/- each	0	0
	Total Investment in Others	0	0

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

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(c)	Investment carried at Fair Value through Amortised Cost		
(i)	450000(Previous Year : 450000) Preference Shares @ 100/- of Devyog Builders Pvt Ltd	174	161
	Total Investment in Preference Shares	174	161
	Total Non Current Investments	15,519	15,506

Note : Aggregate amount of unquoted investment is ₹ 15,519 Lakh (P.Y. 2018-19 ₹ 15,506 Lakh) There is no impairment in value of investment

Note 6 : Loans

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Non-Current (Unsecured, considered good)		
	Loans and advances to related parties	251	162
	Total Long Term Loans and Advances	251	162
(ii)	Current		
	Loans and advances (others)	138	127
	Total Short-term loans and advances	138	127
	Total loans	389	289

Note 7: Other Financial Assets

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Non-Current		
(a)	Security Deposits		
	Unsecured, considered good	-	55
(b)	Others	376	400
	Total	376	454
(ii)	Current		
(a)	Rental Security Deposits		
	Unsecured, considered good *	13	7
(b)	Unbilled revenue	3,144	4,168
(c)	Others	596	402
(d)	Interest Accrued	39	118
	Total	3,792	4,695
	Total Other Financial Assets	4,168	5,149

* Financial assets carried at amortised cost

Note 8: Other Assets

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Non-Current		
	Receivables from Government Authorities	1022	1,277
	Total	1,022	1,277
(ii)	Current		
(a)	MAT Credit Entitlement	1,460	1,145
(b)	Prepaid expenses	55	142
	Total	1,515	1,287
	Total Other Assets	2,536	2,564

Note 9: Asset classified as held for sale

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Asset classified as held for sale	59	-
	Total Inventories	59	-

Note 10: Inventories

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Stock in Trade	3,483	3,383
	Total Inventories	3,483	3,383

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

Note 11: Trade Receivables

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	3,598	2,591
		3,598	2,591
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	12,962	11,655
	Total Trade Receivable	16,560	14,246

Trade Receivable stated above include debts due from:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Private Company in which director is a member	6,217	3,428
		6,217	3,428

Note 12 (i): Cash and Cash Equivalents:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Balances with Banks In Current Account	261	454
(b)	Cash on hand	6	4
	Total Cash and Cash Equivalents	267	458

Note 12 (ii): Other Balances with Bank:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Balances with Banks In fixed deposit accounts (pledge with bank against guarantees given by bank) Above Fixed deposit have maturity of 12 months or less	605	765
		605	765

Note 13: Equity Share Capital

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

(₹ In Lakhs)

Share Capital	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 5 each with voting rights	6,00,00,000	3,000	6,00,00,000	3,000
Issued				
Equity shares of ₹ 5 each with voting rights	5,02,05,528	2,510	5,02,05,528	2,510
Subscribed & Paid up				
Equity shares of ₹ 5 each with voting rights	5,02,05,528	2,510	5,02,05,528	2,510

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

(₹ In Lakhs)

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended 31 March, 2019		
- Number of shares	5,02,05,528	5,02,05,528
- Amount in ₹ Lakh	2,510	2,510
Year ended 31 March, 2018		
- Number of shares	5,02,05,528	5,02,05,528
- Amount in ₹ Lakh	2,510	2,510

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

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

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

(₹ In Lakhs)

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights				
Nitin Dhanji Shah	1,47,83,031	29.45	1,47,83,031	29.45
Prakash Dhanji Shah	81,78,348	16.29	81,78,348	16.29

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

The Company by a Special Resolution passed at Annual General Meeting held on 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 ₹ 5/- each to be granted to eligible employees of the Company. This stock option scheme is titled as "ESOP 2010". Out of the same 4,87,500 options have been granted during the financial year 2012-13. Of these 2,02,500 options had lapsed as the employees holding the said number of grants had been terminated in preceding Financial year. The balance 25,12,500 options were not exercised and hence are now lapsed.

(₹ In Lakhs)

Particular	2019-20	2018-19
Opening Outstanding option	25,12,500	25,12,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	-
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	(25,12,500)	-
Closing Outstanding option	-	25,12,500

Note 14: Other Equity**(i) Reserves and Surplus**

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Capital Redemption Reserve		
	Opening Balance	30	30
	Closing Balance	30	30
(b)	Securities Premium Account		
	Opening Balance	37,019	37,019
(+)	Securities premium credited on allotment of equity shares	-	-
(-)	Utilised during the year for:	-	-
	Closing Balance	37,019	37,019
(c)	General Reserves		
	Opening Balance	1,374	1,338
(+)	Transfer from ESOP Outstanding	684	36
	Closing Balance	2,058	1,374
(d)	Surplus		
	Opening balance	4,604	3,641
(+)	Net Profit/(Net Loss) For the current year	789	963
(-)	Adjustments for Prior period taxes	58	-
	Closing Balance	5,451	4,604
	Total Reserves and Surplus	44,558	43,027

(ii) Other component of equity

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2019
(a)	Employee Stock Options Outstanding		
	Opening	684	720
	(Less): Transfer to General Reserves	(684)	(36)
	Total ESOP Outstanding	-	684
(b)	Accumulated Other Comprehensive Income		
	Opening	85	120
	Add: During the Year	(25)	(35)
	Total Other Comprehensive Income	60	85
	Total Other Component of Equity	60	769
	Total	44,618	43,796

Note 15: Borrowings

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Non Current Borrowings		
	Secured		
a.	Kotak Bank	-	1,317
	Security details		
	Shared pari passu with Barclays Bank		
	Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai		
	Mortgage of 13A, Earnest House, 13 Floor, Nariman Point, Mumbai		
	Mortgage of Gala no 3,4,7, 301,302,305,306.307 & 308 Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai		
	Hypothecation Charge on Movable assets except Vehicles		
	Hypothecation Charge on Current Assets		
	Personal Guarantee of Promotors		
b.	Caparo Financial Solution Ltd	471	-
	Equitable mortgage of the immovable property situated at Office no. 406 4th Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai-400096		
c.	HDFC Bank	82	-
	Equitable mortgage of the Vechiles		
	Total Non-Current Borrowings	553	1317
(ii)	Current Borrowings		
	Secured		
a	Loans repayable on demand		
	i) From Bank	1,885	1,886
	Unsecured		
a	Loans and advances from related parties (Repayable on Demand)	2731	3,246
	Total Current Borrowings	4,616	5,132
	Total Borrowings	5,168	6,449

Detail of secured short - term borrowing along with security and term of repayment:

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand		
From Barclays Bank (Foreign Currency Loan)	1,885	1,886
	1,885	1,886

Security Details

Shared Pari-Pasu with Kotak Bank

- Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai
- Mortgage of 13A, Earnest House, 13 Floor, Nariman Point, Mumbai
- Mortgage of Gala no 3,4,7, 301,302,305,306.307 & 308 Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Hypothecation Charge on Movable assets except Vehicles
- Hypothecation Charge on Current Assets
- Personal Guarantee of Promotors

Note 16: Other Financial Liabilities

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Other Non-Current Financial Liabilities		
	Deferred Rent Income- Security Deposits Rent	4	4
	Lease Liability	152	-
	Total Non-Current Borrowings	156	4
(ii)	Other Current Financial Liabilities		
(a)	Security deposit for rented property	4	3
(b)	Others	4	46
(c)	Current Maturities	191	-
(d)	Fixed Deposits from public	6	16
(e)	Unpaid Dividend	8	8
(f)	Lease Liability	23	-
	Total Other Current Financial Liabilities	235	72
	Total Borrowings	391	76

In respect of Fixed Deposit from public unclaimed amount overdue as at 31.03.2020; (Principal - ₹ 5.91 Lakhs and calculated Interest - ₹ 1.04 Lakhs).

Note 17: Provisions

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Non-Current Provisions		
(a)	Provision for employee benefits:		
	- Provision for gratuity	-	2
	Total Non-Current Provisions	-	2
(ii)	Current Provisions		
(a)	Provision for employee benefits and others	275	432
(b)	Provision for Expenses *	666	1,336
	Total Current Provisions	942	1,768
	Total Provisions	942	1,770

Note 18: Deferred tax liabilities

The net deferred tax as at 31st March, 2020, comprises of the following components:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Deferred Tax Liability		
	Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act		
	Total Deferred Tax Liability	2,694	2,653
	Net Deferred Liability/ (Asset)	2,694	2,653

Note 19: Trade Payables

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Trade payables		
	-Trade payables to Micro and Small enterprises	-	-
	-Trade payables to other than Micro and Small enterprises	4,100	2,948
	Total Trade Payables	4,100	2,948

Note 20: Operating Income

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Services, Solutions and Sales	9,364	7,502
	Other Operating revenue	55	21
	Total Operating Income	9,419	7,523

Note 21 : Other Income

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Interest Income (Refer Note 21.A)	140	345
	Net gain on foreign currency transactions	247	-
	Other non-operating income (Refer Note 21.B)	172	66
	Total Other Income	558	412

Note 21.(A)

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Interest Income comprises:		
	Interest on deposits from banks	140	345
	Total - Interest Income	140	345

Note 21.(B)

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Other non-operating income comprises:		
	Sundry Balance W/back	152	-
	Miscellaneous Income	20	23
	Income from Office Rent	-	43
	Total Other non-operating income	172	66

Note 22: Purchase of Traded Goods

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Purchase of Traded Goods and Services	2,307	1,358
	Total Purchase of Traded Goods	2,307	1,358

Note 23: Changes in Inventories of Stock-in-Trade

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Closing Stock	3,483	3,383
	Less : Opening Stock	3,383	3,311
	Net (increase) / decrease	(100)	(72)

Note 24 : Employee Benefits Expenses

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
(a)	Salaries and wages	3,032	2,430
(b)	Contributions to Provident Fund	29	26
(c)	Contributions to ESIC	22	24
(d)	Contributions to Labour Welfare Fund	0	0
(e)	Contributions to Gratuity	60	9
(f)	Staff welfare expenses	15	10
	Total Employee Benefit Expenses	3,159	2,500

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

Note 25 : Finance Cost

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
(a)	Interest expense on Borrowings	459	712
(b)	Other borrowing costs	160	209
	Total Finance Cost	619	921

Note 26: Other expenses

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Rent including Lease Rentals	17	41
	Repairs and Maintenance	164	84
	Insurance	20	34
	Communication	57	42
	Travelling and Conveyance	139	116
	Electricity Expenses	142	158
	Freight and Forwarding	2	18
	Advertisement Expenses	4	5
	Legal and Professional Fees	349	353
	Payments to Auditors (Refer Note (26A) below)	12	10
	Rates and Taxes	228	88
	Brokerage Charges	9	2
	Printing & Stationery Expenses	7	11
	Business Promotion Expenses	32	30
	Office Expenses	58	55
	Labour Charges	45	9
	Sundry Balances Written Off	121	-
	Prior Period Expenses	114	-
	Miscellaneous Expenses	275	26
	Total Other Expenses	1,793	1,080

Note 26(A): Details of Auditors' Remuneration:

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	<u>Payments to the Auditors</u>		
(a)	For Statutory Audit	10	8
(b)	For Taxation Matters	2	2
	Total	12	10

Note 27: Exceptional Items

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Reversal of Expenses	-	(622)
	Bad debt written off	-	271
	Total	-	351

Note 28: Component of Other Comprehensive Income

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
(a)	Items that will not be reclassified to profit or loss		
	Actuarial Gain/Loss on Gratuity	25	35
	Total	25	35

Note 29 : Earning Per Shares

Sr. No	Particular	2019-20	2018-19
A	Weighted average number of equity shares of ₹ 5/- each		
I	Number of shares at the beginning of the year (nos) of ₹ 5/- each (Previous Year of ₹ 5/- each)	50205528	50205528
II	Number of Shares at the end of the year (Nos) of ₹ 5/- each	50205528	50205528
III	ESOP outstanding to employees	NIL	NIL
IV	Weighted average number of equity shares of ₹ 5/- each (Previous Year of ₹ 5/- each) outstanding during the year (Nos) for basic EPS	50205528	50205528
V	Weighted average number of equity shares of ₹ 5/- each Dilutive EPS	50205528	50205528
B	Net Profit after tax available for equity shareholders (In ₹ Lakh)	789	963
C	Basic income as per share (in rupees) [B/A (V)]	1.57	1.92
D	Diluted income per share (in rupees) [B/A(VI)]	1.57	1.92

30 (1) : Employee Benefits**Gratuity Plan**

- (i) An amount of ₹ 25.36 lakhs has been recognized towards the Employees Gratuity Fund against the liability of ₹ 198.05 lakhs as per the Actuarial Valuation for Gratuity as on 31st March 2020. The Company has its Employees Gratuity Fund managed by Birla Sun Life Insurance Company. The particulars under AS 15 (Revised) furnished below are those which are relevant and available to the company and which are as per the Actuarial Valuation Report:-

	Valuation Date	Valuation Date
	31st March, 2020	31st March, 2019
I Assumptions as at		
Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
Discount Rate	7%	8%
Rate of increase in compensation	5%	5%
Rate of return (expected) on plan assets	9%	0.09
Withdrawal rates	1 to 6%	1 to 6%
II Changes in present value of obligations		
PVO at beginning of period	19849921	15928192
Interest cost	1410521	1057005
Current Service Cost	4296299	3664786
Benefits Paid	(2775214)	(4294326)
Actuarial (gain)/loss on obligation	2536751	3494264
PVO at end of period	25318278	19849921
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	44190	239165
Adjustment to Opening Fair Value of Plan Assets	0	(649)

	Valuation Date	Valuation Date
	31st March, 2020	31st March, 2019
Expected Return on Plan Assets	4,323	10,842
Benefit Paid	(2775214)	(4294326)
Actuarial gain/(loss) on plan Assets	2657725	4000778
Fair Value of Plan Assets at end of period	68976	44190
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	44190	239165
Adjustment to Opening Fair Value of Plan Assets	(4323)	(649)
Actual Return on Plan Assets	4,323	10,842
Contributions	2800000	4100000
Benefit Paid	(2775214)	(4294326)
Fair Value of Plan Assets at end of period	68976	44190
Fund Status	25249302	19805731
Excess of actual over estimated return on Plan Assets	2657725	4000778
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	(25,36,751)	(34,94,264)
Actuarial Gain/(Loss) for the period (Plan Assets)	(26,57,725)	(40,00,778)
Total Gain/(Loss) for the period	(51,94,476)	(74,95,042)
Actuarial Gain/(Loss) recognized for the period	(51,94,476)	(74,95,042)
Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VI Amounts to be recognized in the Balance Sheet and statement of Profit & Loss Account		
PVO at end of period	2,53,18,278	1,98,49,921
Fair Value of Plan Assets at end of period	68,976	44,190
Fund Status	2,52,49,302	1,98,05,731
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	(1,98,05,731)	(1,56,89,027)
VII Expense recognized in the statement of P & L Account		
Current Service Cost	42,96,299	36,64,786
Interest cost	14,06,198	10,46,163
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized for the period	57,02,497	47,10,949
Expense recognized in the statement of P & L Account	57,02,497	47,10,949
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	1,98,05,731	1,56,89,027
Adjustment to Opening Fair Value of Plan Assets	-	649
Expenses as above	57,02,497	47,10,949
Contribution paid	(28,00,000)	(41,00,000)

	Valuation Date	Valuation Date
	31st March, 2020	31st March, 2019
Other Comprehensive Income (OCI)	25,41,074	35,05,106
Closing Net Liability	2,52,49,302	1,98,05,731
IX Experience Analysis - Liabilities		
Actuarial (Gain)/Loss due to change in basis	0	0
Experience (Gain) / Loss due to change in Experience	0	0
Total	0	0
Experience Analysis – Plan Assets	57,02,497	5,06,514
Experience (Gain) / Loss due to change in Plan Assets	34,94,264	34,94,264
X Schedule VI Details		
Current Liability		
Non-current Liability	2,52,49,302	1,98,05,731

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

(₹ in Lakhs)

Particular	Year ended 31.03.20	Year ended 31.03.19
i Income in Foreign Currency (Exports)		
Sales of Services and products	3,595	3,077
ii Expenditure in Foreign Currency (subject to deduction of tax where applicable)		
a Travelling	4	6
b Cloud Computing	225	107
iii Value of Imports calculated on C.I.F. basis - Traded Goods	-	-

Note 30 (3): Contingent Liabilities and commitment Contingent liabilities (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank Guarantees Issued	640	2285
Income Tax (Litigation)	51	51
Total	691	2336

Note 30 (4): Summary of Related Party transaction**A) Nature of transaction with the Related Parties**

(₹ In Lakhs)

Particulars	Subsidiary		Associate	
	2019-20	2018-19	2019-20	2018-19
Sale of Goods / Services / Facility				
Allied Digital Services, LLC (USA)	3,564	4,226	0	0
Allied Digital Services (UK) Ltd.	31	116	0	0
Purchase of Goods, Services and Facilities				
Allied Digital Services, LLC (USA)	225	107	0	0

B) Balances with Related Party

Particulars	Subsidiary		Associate	
	2019-20	2018-19	2019-20	2018-19
Sundry Debtors				
Allied Digital Asia Pacific Pty Ltd. (Australia)	425	390	-	-
Allied Digital Services, LLC (USA)	5,727	2,955	-	-
Allied Digital Services (UK) Ltd.	66	59	-	-
Allied Digital INC (USA)	6	6	-	-
Assetlite Equipment (I) Private Limited			5	5
Sundry Creditors				
Allied Digital Services LLC (USA)	2,707	1,879	-	-
Assetlite Equipment India Private Limited	-	-	13	13
Loan and advance				
Assetlite Equipment India Private Limited	-	-	54	54
Short Term Borrowing				
En-Pointe Technologies India Pvt. Ltd.	61	61	-	-
Allied Digital Singapore Pte Ltd.	10	10	-	-
Allied Digital Services LLC (USA)	1,675	2,180	-	-
Allied Digital INC (USA)	861	861	-	-
Non-current investment				
Allied Digital Services LLC (USA)	7,531	7,531	-	-
Allied Digital INC (USA)	7,075	7,075	-	-
Allied Digital Singapore Pte Ltd.	6	6	-	-
Allied Digital Asia Pacific Pty Ltd. (Australia)	128	128	-	-
Allied e-Cop Surveillance India Pvt. Ltd.	1	1	-	-
Allied Digital Services OY	2	2	-	-
Allied Digital Services (UK) Ltd.	1	1	-	-

**Disclosure required under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 regarding related parties
Amount of loan/ advances in the nature of loan outstanding from subsidiaries and associates:**

(₹ In Lakhs)

Particulars	Outstanding as at the end of the year	Maximum amount outstanding during the year	Investment in shares of the company
Subsidiaries			
Allied Digital INC (USA)			
2019-20	-	-	7,531
2018-19	-	-	7,531
En-Pointe Technologies India Pvt. Ltd.			
2019-20	62	62	-
2018-19	62	62	-
Allied Digital Singapore Pte Ltd.			
2019-20	10	10	6
2018-19	11	11	6
Allied Digital Asia Pacific Pty Ltd. (Australia)			
2019-20	-	-	128
2018-19	-	-	128
Allied e-Cop Surveillance India Pvt. Ltd.			
2019-20	-	-	1
2018-19	-	-	1
Allied Digital Services (UK) Ltd.			
2019-20	-	-	1
2018-19	-	-	1
Associates			
Assetlite Equipment India Private Ltd.			
2019-20	54	54	-
2018-19	54	54	-

Summarized segment information for the year ended March 2020.

(₹ In Lakhs)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Segment Revenue		
Enterprise Computing based Solutions	6,594	5,266
Infrastructure Management based Solutions	2,826	2,257
Un - allocable - Expenses/ (Income)	(558)	(701)
Net Segment Revenue	8,862	6,822
Profit before Interest, Un-allocable expenses & Tax		
Enterprise Computing based Solutions	1384	3518
Infrastructure Management based Solutions	3228	1301
	4,612	4,819
Less: i) Interest	619	921
ii) Un-allocable Expenses (net of un - allocable income)	3,158	2,970
Total Profit Before Tax	835	928
Un-allocable - Capital Employed	44,618	43,797
Total Capital Employed	45,453	44,725

Information regarding geographical revenue is as follow.

(₹ In Lakhs)

Revenue	Year Ended 31st March, 2020	Year Ended 31st March, 2019
India	5,825	5,230
UK	31	253
USA	3,564	2,040
Total	9,419	7,523

Information regarding customer Wise Revenue is as follow

(₹ In Lakhs)

Revenue	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Govt of Maharashtra	2,169	3,776
Allied Digital Services LLC (USA)	3,564	2,040
Others	3,687	1,707
Total	9,419	7,523

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Allied Digital Services Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), and its associate which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the **Companies Act, 2013** (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the **Companies (Indian Accounting Standards) Rules, 2015**, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 2 to the accompanying notes to Consolidated Financial Statement with regard to management’s evaluation of uncertainty due to the outbreak of COVID-19 and its impact on future operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
1	<p>Revenue recognition</p> <p>Fixed price contracts</p> <p>The Company engages in Fixed price contracts, including contracts with multiple performance obligations. Revenue recognition in such contracts involves judgments relating to identification of distinct performance obligations,</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included Obtained an understanding of the systems, processes and controls for evaluation of fixed price contracts to identify distinct performance obligations and recognition of revenue. Evaluated the design and operating effectiveness of internal controls including</p>

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
	<p>determination of transaction price for such performance obligations and the appropriateness of the basis used to measure revenue recognised over a period.</p> <p>In case of Fixed price contracts where performance obligations are satisfied over a period of time, revenue is recognised using the percentage of completion method based on management's estimate of contract efforts. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. These contracts may also involve recognizing onerous obligations that require critical estimates to be made by the management. In case of Fixed price maintenance contracts, revenue is recognised either on a straight line basis or using the percentage of completion method or at an amount equal to sums billed to customer, depending on the most appropriate method that depicts the value of service delivered to the customer.</p>	<p>IT controls relating to recording of the contract value, determining the transaction price, allocation of consideration to different performance obligations, measurement of efforts incurred and process around estimation of efforts required to complete the performance obligations and the most appropriate method to recognise revenue.</p> <ul style="list-style-type: none"> • On selected sample of contracts, we tested that the revenue recognised is in accordance with the revenue recognition accounting standard. We - evaluated the identification of performance obligations; - considered the terms of the contracts to determine the transaction price, - determined if the Company's evaluation of the method used for recognition of revenue is appropriate; - tested the Company's calculation of efforts incurred, estimation of contract efforts including estimation of onerous obligation, through a retrospective review of efforts incurred with estimated efforts; - assessed appropriateness of contract assets/ unbilled revenue on balance sheet date by evaluating underlying documentation. • Tested aged contract assets to assess possible delays in achieving milestones, which may require a change in estimated efforts to complete the remaining performance obligations. • Evaluated management assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance and other areas of judgement, including for possible effects, if any from the COVID-19 pandemic. • Performed analytical procedures over revenue and receivables.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated

financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and if its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 2,003 Lakhs as at 31st March, 2020, total revenues of ₹ 27,107 Lakhs and net cash flows amounting to ₹ 591.99 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.
- (b) We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of ₹ 25,773 Lakhs as at 31st March, 2020, total revenues of ₹ 82 Lakhs and net cash flows amounting to ₹ (12.19) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 1 lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the **Companies (Accounts) Rules, 2014**.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates incorporated in India, none of the directors of the Group companies and associates incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- g) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note No 28(3) to the standalone financial statements.
 - ii. The Group and its associates did not have any material foreseeable losses on long term contracts including derivatives contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

Place: Mumbai
Date: 11th June, 2020

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

RAMESH PIPALAWA
Partner
M. No. 103840
UDIN: 20103840AAAAGP765

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Allied Digital Services Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Allied Digital Services Limited (hereinafter referred to as “Company”) and its subsidiary companies and its associate, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies and its associate, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date: 11th June, 2020

For SHAH & TAPARIA

Chartered Accountants
(Firm Regn No 109463W)

RAMESH PIPALAWA

Partner
M. No. 103840
UDIN: 20103840AAAAGP765

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020.

(₹ In Lakhs)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-Current assets			
Property, Plant and Equipment	2(i)	5,233	4,728
Investment Property	3	8,113	8,203
Intangible Assets	4	4,186	5,209
Right of use Asset	2(ii)	167	-
Goodwill		9,622	9,622
Financial Assets			
Investments	5	774	840
Loans	6 (i)	251	162
Other Financial Assets	7 (i)	376	454
Other Non-Current Assets	8 (i)	1,022	1,794
Asset classified as held for sale	9	59	-
Total Non-Current Assets		29,803	31,013
Current assets			
Inventories	10	3,509	3,408
Financial Assets			
Trade Receivables	11	20,251	19,648
Cash and Cash Equivalents	12	1,784	1,396
Other bank balances	13	605	765
Loans	6 (ii)	138	127
Other Financial Assets	7 (ii)	3,860	4,762
Other Current Assets	8 (ii)	2,350	2,208
Total Current Assets		32,497	32,314
Total Assets		62,300	63,327
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	2,510	2,510
Other Equity	15	43,128	41,171
Equity Attributable to Shareholders		45,638	43,681
Non- Controlling Interest		1,196	889
Total Equity		46,834	44,570
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16 (i)	553	1,317
Other Financial Liabilities	17 (i)	156	4
Provisions	18 (i)	-	2
Deferred Tax Liabilities (Net)	19	2,533	2,557
Total Non-Current Liabilities		3,242	3,881
Current Liabilities			
Financial Liabilities			
Borrowings	16(ii)	4,616	5,132
Trade Payables	20		
-Trade payables to Micro and Small enterprises			
-Trade payables to other than Micro and Small enterprises		5,967	2,358
Other Financial Liabilities	17(ii)	236	2,769
Other Current Liabilities	21	450	1,867
Provisions	18(ii)	955	2,750
Total Current Liabilities		12,224	14,876
Total Equity and Liabilities		62,300	63,327

As per our report of even date

For Shah & Taparia
Chartered Accountants
FRN : 109463W

Ramesh Pipalawa
M. No. 103840

Place : Mumbai
Date : 11th June, 2020

For Allied Digital Services Limited

Nitin Shah
Chairman & Managing Director

Gopal Tiwari
Chief Financial Officer

Prakash Shah
Whole Time Director

Neha Bagla
Company Secretary

CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020.

(₹ In Lakhs)

Particulars	Note	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Income from Operations			
Net Sales/Income from Operations	22	33,014	23,973
Other Income	23	558	412
Total income from Operations (net)		33,572	24,384
Expenses			
Purchase of stock-in-trade	24	19,321	13,456
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(100)	(72)
Employee benefits expense	26	4,816	3,657
Finance Costs	27	699	1,003
Depreciation and amortisation expense	4	2,221	2,162
Other expenses	28	4,212	3,078
Total Expenses		31,168	23,284
Profit / (Loss) from operations before exceptional items		2,404	1,101
Exceptional Items		-	351
Profit / (Loss) from ordinary activities before tax		2,404	1,452
Tax expense			
Current Tax		591	275
MAT credit		(149)	(210)
Deferred Tax		41	150
Net Profit / (Loss) from ordinary activities after tax		1,922	1,237
Shares of Profit/(Loss) of Associates & Joint Ventures		2	5
Net Profit / (Loss) for the Period		1,924	1,237
Other Comprehensive Income			
Items that will not be Reclassified to P&L			
Gratuity Actuarial Gain/(Loss)	30	(25)	(35)
Items that will be Reclassified Subsequently to P&L			
Foreign Currency Translation Difference		75	-
Total Comprehensive Income (after tax)		1,975	1,202
Net Profit/(Loss) attributable to:			
Owners			
Non-Controlling Interest		306	(7)
Paid-up equity share capital (Face Value of ₹ 5/-)		2,510	2,510
Reserves Excluding Revaluation Reserves as per balance sheet		43128	41171
Earning per Share (of ₹ 5/- each)			
Basic		3.83	2.46
Diluted		3.83	2.46

As per our report of even date

For Shah & TapariaChartered Accountants
FRN : 109463W**For Allied Digital Services Limited****Ramesh Pipalawa**

M. No. 103840

Place : Mumbai

Date : 11th June, 2020**Nitin Shah**

Chairman & Managing Director

Gopal Tiwari

Chief Financial Officer

Prakash Shah

Whole Time Director

Neha Bagla

Company Secretary

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020.

(₹ In Lakhs)

A. Equity Share Capital	Balance
Balance as at 01.04.2019	2510
Change in Equity Share Capital During the year	-
Balance as at 31.03.2020	2510

B. Other Equity

(₹ In Lakhs)

Particulars	Other Equity					
	Reserve and Surplus					Total
	Securities premium account	Retained Earnings	Capital Redemption Reserve	General Reserve	Employee Stock Option Outstanding & Other Comprehensive income	
Balance as at 01.04.2019	37,056	1,841	30	1,374	870	41,172
Profit for the Year	-	1,924	-	-	50	1,974
Transfers	-	-	-	684	(684)	-
Adjustment for Prior Period Items	-	(17)	-	-	-	(17)
Adjustment IND AS & Consolidation	-	-	-	-	-	-
Balance as at 31.03.2020	37,056	3,748	30	2,058	236	43,128

As per our report of even date

For Shah & Taparia

Chartered Accountants
FRN : 109463W

Ramesh Pipalawa

M. No. 103840

Place : Mumbai

Date : 11th June, 2020

For Allied Digital Services Limited

Nitin Shah

Chairman & Managing Director

Gopal Tiwari

Chief Financial Officer

Prakash Shah

Whole Time Director

Neha Bagla

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020.

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
I	CASH INFLOW FROM OPERATING ACTIVITIES		
	(a) Profit/Loss as per Profit & Loss Account after Tax	1975	1230
	Adjustments:		
	Adjustments for Prior period taxes & IND As effect from Surplus in P&L	(13)	-
	Minority interest and Associates profit	(309)	
	Bad Debt Written off during the year	-	271
	Depreciation and amortization	2,221	-
	Foreign Exchange Gain	(247)	-
	Gratuity Exp	60	2,162
	Income from Investing Activities	(558)	(66)
	Deferred Tax	65	150
	Finance Cost	699	1,003
	Actuarial gain through OCI	25	(35)
	Income tax paid	441	275
	FCTR	(75)	(5)
	(b) Changes in Assets and Liabilities		
	Inventories	(101)	(97)
	Trade receivables	(603)	(4,617)
	loans and advances	(101)	1,425
	Other Financial Assets	981	(906)
	other assets	(142)	568
	Trade payables	3,610	(2,107)
	Other Financial liability	(2,709)	(825)
	Liabilities & Provisions	(3,215)	3,489
	Net Cash generated by Operating Activities	3,526	1,913
II	CASH INFLOW FROM INVESTING ACTIVITIES		
	Payment toward acquisition of the fixed assets including intangible	(1,577)	22
	Disposal of the Investment\Changes due to Ind As in Investments	78	92
	Asset classified as held for sale	-	-
	Interest Write off	-	345
	Repayment of loan given	773	
	Other Non-Operating Income	558	66
	Net Cash generated by Investing Activities	(168)	525
III	CASH INFLOW FROM FINANCING ACTIVITIES		
	Repayment of loan	(1,281)	(4,713)
	Lease payment	(46)	-
	From borrowings	152	2,515
	Finance Cost	(699)	(1,003)
	Net Cash generated by Financing Activities	(3,377)	(3,201)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(19)	(762)

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Add: Cash and cash equivalents at the beginning of the period (B) (As per Annexure I)	2,408	2,923
	Cash and cash equivalents at the end of the period (A+B)	2,389	2,161
	Supplementary Information		
	Restricted Cash Balance & Cash Equivalent (Refer note below)	605	765

(₹ In Lakhs)

Annexure I	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash on hand and balances with banks	1,784	1,396
Short Term Investment	605	765
Cash and cash equivalents as previously reported	2389	2,161
Effect of exchange rate changes	-	247
Cash and cash equivalents as restated	2389	2,408

As per our report of even date

For Shah & Taparia

Chartered Accountants
FRN : 109463W

Ramesh Pipalawa

M. No. 103840

Place : Mumbai

Date : 11th June, 2020

For Allied Digital Services Limited

Nitin Shah

Chairman & Managing Director

Gopal Tiwari

Chief Financial Officer

Prakash Shah

Whole Time Director

Neha Bagla

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

1) Corporate information

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

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

2) Significant Accounting Policies

2.1 Basis of preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following;

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupee (‘INR’) which is also the Group’s functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate as at March 31, 2020.

Subsidiaries; Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Equity accounted investees; The Group’s interests in equity accounted investees comprise interests in associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of each of the subsidiaries and associate used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.
- d) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

The consolidated financial statements comprise the financial statements of the Company, and its subsidiaries and associate as disclosed below :

Summary of significant accounting policies

- (i) Functional and presentation currency Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- (ii) Foreign currency transactions and balances are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.
- (iii) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- (iv) Effective April 1, 2018, the Company has prospectively adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.
- (v) Investment in subsidiaries: Investment in subsidiaries is measured at cost.

- (vi) Financial instruments: All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs. For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

(vii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent Solely Payments of Principal and Interest (SPPI)

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

(viii) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

(ix) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

- a) Non-derivative financial liabilities
 - (i) Financial liabilities at amortised cost: Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
 - (ii) Financial liabilities at FVTPL: Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.
- b) Derivative financial instruments: Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

(x) Property, plant and equipment

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

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

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

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

- c) Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

(xi) Intangible assets

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

level of maintenance expenditures required to obtain the expected future cash flows from the asset. The estimated useful lives of intangibles are as follows:

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

(xii) Impairment

Financial assets

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

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

(xiii) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee.

The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

Gratuity :-

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

Provident Fund :-

Eligible employees of the company receive benefits from employees provident fund Organisation, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The remaining portion is contributed to the government-administered pension fund.

(xiv) Share based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period.

The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss.

(xv) Provisions

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

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

(xvi) Revenue

The Group derives revenues primarily from business of IT and ITeS services, consulting and implementing smart city projects as a master system integrator (MSI).

Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition.

Refer to Note 1 *Significant Accounting Policies* in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue on time-and-material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue)

In arrangements for IT and ITeS related services and maintenance services, the Group has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering IT and ITeS related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the

standalone selling price. For IT and ITeS and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Revenue from licenses where the customer obtains a “right to use” the licenses is available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period. The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Management services

Infrastructure Management services comprise service and solution offerings of the Group that enable our clients to transform their businesses. We have added many medium enterprises government businesses for Network operations centre (NOC) and Security operations centre (SOC) services along with traditional Managed Services business.

End user services

Core services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, facility management services, traditional enterprise application implementation, support and integration services and Annual Maintenance Contracts.

Trade receivables and contract balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for fixed-price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed-price development contracts is based on percentage-of-completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed-price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2020, the Company recognized revenue of ₹ 4168 Lakh from opening unearned revenue as of April 1, 2019.

During the year ended March 31, 2020, Unbilled revenue of ₹ 3144 Lakh

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations, adjustment for revenue that has not materialized and adjustments for currency.

The impact on account of applying the erstwhile Ind AS 18, Revenue instead of Ind AS 115, Revenue from *Contracts with Customers* on the financials results of the Company for the year ended and as at March 31, 2020 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹ 3144 Lakh March 31, 2020 has been considered as a non-financial asset.

(xvii) Income taxes

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

a) Current income tax

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

b) Deferred income tax

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

c) Minimum Alternate Tax

Minimum Alternate Tax is in the nature of unused tax credit which can be carried forward and utilised when the company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that is probable that the unused tax credit can be utilised in the specified future period.

(xviii) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period,

unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Standards issued by Ministry of Corporate Affairs (“MCA”), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind As which the Company has applied as they are effective from April 1, 2019;

(xix) Adoption of Ind AS 116 – Leases

Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee’s incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in the recognition of ROU asset of ₹ 167 lakh and ₹ 167 lakh on a consolidated and standalone basis, respectively, ‘Net investment in sublease’ of ROU asset of ₹ 203 Lakh on both standalone and consolidated basis, and a lease liability of ₹ 203 Lakh and ₹ 203 on a consolidated and standalone basis, respectively. The cumulative effect of applying the standard, amounting to ₹ 37 Lakh and ₹ 37 Lakh, was debited to retained earnings, net of taxes on a consolidated and standalone basis, respectively. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116, Leases resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	(₹ In Lakhs)	
	Category of ROU asset	
	Buildings	
Balance as at April 1, 2019	-	
Reclassified on account of adoption of Ind AS 116)	203	
Additions(1)	-	
Deletion	-	
Depreciation	37	
Balance as at March 31, 2020	167	

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows

Particulars	(₹ In Lakhs)	
	As at March 31, 2020	
Current lease liabilities	23	
Non-current lease liabilities	152	
Total	173	

The movement in lease liabilities during the year ended March 31, 2020 as follows

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease

(₹ In Lakhs)

Particulars	Year ended March 31, 2020
Balance at the beginning	-
Additions	203
Finance cost accrued during the period	-
Deletions	-
Payment of lease liabilities	28
Translation difference	-
Balance at the end	175

(xx) Fair value hierarchy

Level wise disclosure of financial instruments

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Non-current investments in equity shares measured at FVTOCI	NA	NA	1	Quoted bid prices in an active market
Non-current investments in unquoted preference shares measured at FVTPL	174	160	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Long term borrowings (including current maturities)				
Carrying value	NA	NA	2	Discounted cash flow - observable future cash flows are based on terms discounted at a rate that reflects market risks
Fair value	NA	NA		
Foreign currency options - Assets	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Foreign currency options - Liability	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Foreign currency forward contracts - Liability	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Commodity forward contracts - Assets	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	Level	Valuation techniques and key inputs
Interest rate swaps - Assets	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)
Interest rate swaps - Liability	NA	NA	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices)

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

Sensitivity Analysis of Level III

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by ₹ 10 Lakh (₹ 10 Lakh)

Reconciliation of Level III fair value measurement:

(₹ In Lakhs)

	As at March 31, 2020	As at March 31, 2019
Opening balance	160	148
Additional investment	-	-
Reclassification of allowance for loss	-	-
Allowance for loss	-	-
Gain recognised in the statement of profit and loss	14	12
Closing balance	174	160

Notes to the Financial Statements for the year ended on 31st March, 2020

NOTE - 2(i) : PROPERTY PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Adj for Cons/ Del during the year 2019-2020	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Adj for Cons/ Del during the year 2019-2020	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Premises Lease Hold	2,981	-	682	3,663	573	38	-	611	3,052	2,408
Civil and Plumbing Work	1,818	-	-	1,818	266	30	-	296	1,522	1,552
Furniture and Fixtures	3,352	100	-	3,452	2,736	262	-	2,999	453	616
Office Equipments	964	1	(901)	64	949	4	(895)	58	7	16
Motor Vehicles	136	117	-	253	132	4	-	136	117	4
Computers and IT Equipments	10,622	31	(5,889)	4,764	10,488	27	(5,836)	4,678	86	134
Computers (Given on lease)	156	-	-	156	158	-	-	158	(2)	(2)
Total	20,030	249	(6,108)	14,170	15,302	365	(6,731)	8,936	5,234	4,728

(₹ In Lakhs)

NOTE - 2 (ii) : RIGHT OF USE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Asset classified as held for sale	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Asset classified as held for sale	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Immovable Property	-	203	-	203	-	36	-	36	167	-
Total	-	203	-	203	-	36	-	36	167	-

(₹ In Lakhs)

NOTE - 3 : INVESTMENT PROPERTY

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Adj for Cons/ Del during the year 2019-2020	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Adj for Cons/ Del during the year 2019-2020	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Leasehold Land	2,278	-	-	2,278	254	22	-	276	2,002	2,024
Premises Lease Hold	7,004	-	-	7,004	826	67	-	893	6,111	6,179
Total	9,282	-	-	9,282	1,080	90	-	1,170	8,113	8,203

(₹ In Lakhs)

NOTE - 4 : INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2019	Add during the year 2019-2020	Adj for Cons/ Del during the year 2019-2020	As at 31-03-2020	Upto 31-03-2019	For the year 2019-2020	Adj for Cons/ Del during the year 2019-2020	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer Software Licenses	76			76	76	0	-	76	0	0
Intellectual Property Rights	10,331			11,067	5,122	1,730	737	7,589	4,186	5,209
Total	10,407	-	-	11,144	5,198	1,730	737	7,665	4,186	5,209
Grand Total	39,719	452	(6,108)	39,719	21,581	2,221	(5,994)	17,808	17,700	18,139

Notes to the Financial Statements for the year ended on 31st March, 2019

NOTE - 2(i) : PROPERTY PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj for Cons/ Del during the year 2018-2019	As at 31-03-2019	Upto 31-03-2018	For the year 2018-2019	Adj for Cons/ Del during the year 2018-2019	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Premises Lease Hold	2,981			2,981	400	37	136	573	2,408	2,581
Civil and Plumbing Work	1,818			1,818	231	34		266	1,552	1,587
Furniture and Fixtures	3,352	0		3,352	2,417	319		2,736	616	935
Office Equipments	964			964	945	4		949	16	20
Motor Vehicles	136			136	132	0		132	4	4
Computers and IT Equipments	10,601	21		10,622	10,460	29		10,488	134	141
Computers (Given on lease)	156			156	158	-		158	(2)	(2)
Total	20,008	22	-	20,030	14,743	423	136	15,302	4,728	5,265

NOTE - 2(ii) : RIGHT OF USE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj/Del during the year 2018-2019	As at 31-03-2019	Upto 31-03-2018	For the year 2018-2019	Adj. during the year	Upto 31-03-2019	As at 31-03-2019	As at 31-03-2018
Immovable Property	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

NOTE - 3 : INVESTMENT PROPERTY

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj for Cons/ Del during the year 2018-2019	As at 31-03-2019	For the year 2018-2019	Adj for Cons/ Del during the year 2018-2019	Upto 31-03-2018	Upto 31-03-2019	As at 31-03-2018	As at 31-03-2019
Leasehold Land	2,278	-	-	2,278	22	-	232	254	2,024	2,046
Premises Lease Hold	6,873	-	131	7,004	67	-	759	826	6,179	6,115
Total	9,151	-	131	9,282	89	-	991	1,080	8,203	8,161

NOTE - 4 : INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	As at 31-03-2018	Add during the year 2018-2019	Adj for Cons/ Del during the year 2018-2019	As at 31-03-2019	For the year 2018-2019	Adj for Cons/ Del during the year 2018-2019	Upto 31-03-2018	Upto 31-03-2019	As at 31-03-2018	As at 31-03-2019
Computer Software Licenses	76	-	-	76	0	-	76	76	0	1
Intellectual Property Rights	9,690	-	641	10,331	1,649	-	3,473	5,122	5,209	6,217
Total	9,766	-	641	10,407	1,650	-	3,549	5,198	5,209	6,217
Grand Total	38,926	22	772	39,719	2,162	136	19,283	21,581	18,139	19,643

Note 05: Investments**i) Non Current Investments**

(₹ In Lakhs)

Sr. No.	Particulars	As at Mar 31, 2020	As at Mar 31, 2019
(1) Non-Quoted, Long Term: (Carried at Cost)			
(a) Investment in Associates			
	Soft Shell System (I) Pvt Ltd		
	117,924 (Previous year: 117,924) shares of 10/- each fully paid up at a premium of Rs 498.81 per share	600	600
	Total Investment in Associates	600	600
(b) Investment in Others (Unquoted)			
	Uthopia Green Trans Pvt Ltd	0	0
	Total Investment in Others	0	0
(c) Investment carried at fair value through amortized cost			
	450000 (Previous Year : 450000)Preference shares @ 100/- Devyog Builders Pvt Ltd	174	240
	Total Investment in Preference Shares	174	240
	Total Non Current Investments	774	840

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

Note 6: Loans

(₹ In Lakhs)

Sr. No.	Particulars	As at Mar 31, 2020	As at Mar 31, 2019
(i) Non-Current			
(a)	Loans and advances to related parties (Unsecured, Considered Goods)	251	162
	Total Long Term Loans and Advances	251	162
(ii) Current			
	Loans and advances (others) Unsecured, considered good	138	127
	Total Short-term loans and advances	138	127
	Total loans	389	289

Note 7: Other Financial Assets

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-Current			
(a)	Security Deposits	-	55
(b)	Others	376	399
	Total	376	454
(ii) Current			
(a)	Rental Security Deposits		
	Unsecured, considered good	13	7
(b)	Unbilled revenue	3,144	4,168
(c)	Others	664	587
(d)	Intererest Accrued	39	-
	Total	3,860	4,762
	Total Other Financial Assets	4,236	5,216

Note 8: Other Assets

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i) Non-Current			
	Receivables from Government Authorities	1,022	1,794
	Total	1,022	1,794
(ii) Current			
(a)	MAT Credit Entitlement	1,460	1,152
(b)	Other	890	1,056
	Total	2,350	2,208
	Total Other Assets	3,371	4,002

Note 9: Asset classified as held for sale

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Asset classified as held for sale	59	-
	Total Inventories	59	-

Note 10: Inventories

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Stock in Trade (for Trading)	3,509	3,408
	Total Inventories	3,509	3,408

Note 11: Trade Receivables

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	7,273	5,955
		7,273	5,955
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	12,978	13,694
	Unsecured, considered doubtful	-	-
	Less : Provision for doubtful debts	-	-
		12,978	13,694
	Total Trade Receivable	20,251	19,648

Trade Receivable stated above include debts due from:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Private Company in which director is a member	6,217	2,393
		6,217	2,393

Note 12: Cash and Cash Equivalents:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Balances with Banks		
	In Current Account	1,778	1,391
(b)	Cash on hand	6	4
	Total Cash and Cash Equivalents	1,784	1,396

Note 13: Other Balances with Bank:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Balances with Banks		
	In fixed deposit accounts (pledge with bank against guarantees given by bank)		
	Above Fixed deposit have maturity of 12 months or less.	605	765
		605	765

Note 14: Share Capital

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

(₹ In Lakhs)

Share Capital	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 5 each with voting rights	6,00,00,000	3,000	6,00,00,000	3,000
Issued				
Equity shares of ₹ 5 each with voting rights	5,02,05,528	2,510	5,02,05,528	2,510
Subscribed & Paid up				
Equity shares of ₹ 5 each with voting rights	5,02,05,528	2,510	5,02,05,528	2,510

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

(₹ In Lakhs)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights					
Year ended 31 March, 2019					
- Number of shares	5,02,05,528	-	-	-	5,02,05,528
- Amount	2,510	-	-	-	2,510
Year ended 31 March, 2020					
- Number of shares	5,02,05,528	-	-	-	5,02,05,528
- Amount	2,510	-	-	-	2,510

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 ₹ 5/- each to be granted to eligible employees of the Company. This stock option scheme is titled as "ESOP 2010". Out of the same 4,87,500 options have been granted during the financial year 2012-13. Of these 2,02,500 options had lapsed as the employees holding the said number of grants had been terminated in preceding Financial year. The balance 2512500 options were not exercised and hence are now lapsed.

(₹ In lakh)

Particular	2019-20	2018-19
Opening Outstanding option	25,12,500	25,12,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	-
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	(25,12,500)	-
Closing Outstanding option	-	25,12,500

Note 15: Other Equity

(i) Reserves and Surplus

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital Redemption Reserve			
	Opening Balance	30	30
	Closing Balance	30	30
(b) Securities Premium Account			
	Opening Balance	37,056	37,056
(+)	Securities premium credited on allotment of equity shares	-	-
(-)	Utilised during the year for:	-	-
	Closing Balance	37,056	37,056
(c) General Reserves		1,374	1,338
	Add: Transfer from ESOP Outstanding	684	36
	Closing Balance	2,058	1,374
(d) Surplus			
	Opening balance	1,841	646
	Minority Interest	-	-
(+)	Net Profit/(Net Loss) For the current year	1,924	1,195
(+)	Excess Provision made for Proposed Dividend	-	-
(+)	Excess Provision made for Dividend Distribution Tax	-	-
(-)	Dividends proposed to be distributed to equity shareholders	-	-
(-)	Adjustment for consolidation	-	-
(-)	Short Provision of Tax of earlier years (Net)	-	-
(-)	Bad debts and other balances Adjusted	-	-
(-)	Adjustment of Prior Period Debt	(17)	(0)
	Closing Balance	3,748	1,841
(e) Foreign Currency Translation Reserve		-	-
	Total Reserves and Surplus	42,892	40,300

(ii) Other component of equity

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Employee Stock Options Outstanding		
	Opening	684	720
	Less: Transfer to General Reserves	(684)	(36)
	Total ESOP Outstanding	0	684
(b)	Accumulated Other Comprehensive Income		
	Opening	187	222
	Add: During the Year	(25)	(35)
	Total Other Comprehensive Income	162	187
	Total Other Component of Equity	237	870
	Total Reserve and Surplus	43,128	41,171

Note 16: Borrowings

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Non Current Borrowings		
	Secured		
a.	Kotak Bank	-	1,317
	Security details		
	Shared pari passu with Barclays Bank		
	Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai		
	Mortgage of 13A, Earnest House, 13 Floor, Nariman Point, Mumbai		
	Mortgage of Gala no 3,4,7, 301,302,305,306.307 & 308 Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai		
	Hypothecation Charge on Movable assets except Vehicles		
	Hypothecation Charge on Current Assets		
	Personal Guarantee of Promotors		
b.	Caparo Financial Solution Ltd	471	-
	Equitable mortgage of the immovable property situated at Office no. 406 4th Floor, Seepz, SEZ, MIDC., Marol, Andheri-East, Mumbai-400096		
c.	HDFC Bank	82	-
	Equitable mortgage of the Vechiles		
	Total Non-Current Borrowings	553	1317
(ii)	Current Borrowings		
	Secured		
a	Loans repayable on demand		
	i) From Bank	1,885	1,886
	Unsecured		
a	Loans and advances from related parties (Repayable on Demand)	2731	3,246
	Total Current Borrowings	4,616	5,132
	Total Borrowings	5,168	6,449

Detail of secured short - term borrowing along with security and term of repayment:

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand		
From Barclays Bank (Foreign Currency Loan)	1,885	1,886
	1,885	1,886

Security Details

Shared Pari-Pasu with Kotak Bank

- Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai
- Mortgage of 13A, Earnest House, 13 Floor, Nariman Point, Mumbai
- Mortgage of Gala no 3,4,7, 301,302,305,306.307 & 308 Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Hypothecation Charge on Movable assets except Vehicles
- Hypothecation Charge on Current Assets
- Personal Guarantee of Promoters

Note 17: Other Financial Liabilities

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Other Non-Current Financial Liabilities		
	Deferred Rent Income- Security Deposits Rent	4	4
	Lease Liability	152	-
	Total Non-Current Borrowings	156	4
(ii)	Other Current Financial Liabilities		
(a)	Security deposit for rented property	4	3
(b)	Current Maturities	191	-
(c)	Lease Liability	23	-
(d)	Fixed Deposits from public	6	16
(e)	Unpaid Dividend	8	8
(f)	Others	5	2744
	Total Other Current Financial Liabilities	236	2,769
	Total Borrowings	392	2,774

In respect of Fixed Deposit from public unclaimed amount overdue as at 31.03.2020; (Principal - ₹ 5.91 Lakhs and calculated Interest - ₹ 1.04 Lakhs).

Note 18: Provisions

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Non-Current Provisions		
(a)	Provision for employee benefits:		
	- Provision for gratuity*	-	2
	Total Non-Current Provisions	-	2
(ii)	Current Provisions	955	2,750
	Total Current Provisions	955	2,752

Note 19: Deferred tax liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability		
Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	2,533	2557
Total Deffered Tax Liability	2,533	2,557
Net Deffered Liability/ (Asset)	2,533	2,557

Note 20: Trade Payables

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Trade payables		
	-Trade payables to Micro and Small enterprises		
	-Trade payables to other than Micro and Small enterprises	5,967	2358
	Total Trade Payables	5,967	2,358

Note 21: Other liabilities

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Other Current Liabilities		
	Other Current Liabilities	450	1,867
	Total Other Current Liabilities	450	1,867
	Total Other Liabilities	450	1,867

Note 22 : Operating Income

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Services, Solutions and Sales	32,959	23,952
Other Operating Revenue	55	21
Total Operating Income	33,014	23,973

Note 23 : Other Income

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Interest Income (Refer Note 23.A)	140	345
Net gain on foreign currency transactions	247	-
Other non-operating income (Refer Note 23.B)	172	66
Total Other Income	558	412

Note 23.A

(₹ In Lakhs)

Particulars	For the year ending Mar 31, 2020	For the year ending Mar 31, 2019
Interest Income comprises:		
Interest on deposits from banks	140	345
Total - Interest Income	140	345

Note 23.B

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Other non-operating income comprises:		
Income from Office Rent	-	43
Miscellaneous Income	20	23
Sundry Balance W/back	152	-
Total Other non-operating income	172	66

Note 24 Purchase of Traded Goods

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Purchase of Traded Goods and Services	19,321	13,456
Total Purchase of Traded Goods	19,321	13,456

Note 25: Changes in Inventories of Stock-in-Trade

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Closing Stock	3,483	3,383
Less : Opening Stock	3,383	3,311
Net (increase) / decrease	(100)	(72)

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

Note 26 : Employee Benefits Expenses

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
(a)	Salaries and wages (Including Directors' Remuneration) (Refer note (26A))	4,689	3,588
(b)	Contributions to Provident Fund	29	26
(c)	Contributions to ESIC	22	24
(d)	Contributions to Gratuity	60	9
(e)	Staff welfare expenses	15	10
	Total Employee Benefit Expenses	4,816	3,657

(26A) Details of Managerial Remuneration:

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Salaries	172	140
Total	172	140

Note 27 : Finance Cost

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
(a) Interest expense on Borrowings	539	794
(b) Other borrowing costs	160	209
Total Finance Cost	699	1,003

Note 28: Other expenses

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Rent including Lease Rentals	15	42
Repairs and Maintenance	392	273
Insurance	84	84
Communication	151	138
Travelling and Conveyance	224	183
Electricity Expenses	148	162
Freight and Forwarding	2	18
Advertisement Expenses	6	44
Legal and Professional Fees	1,436	1,336
Payments to Auditors (Refer Note (28A) below)	12	10
Rates and Taxes	227	106
Brokerage Charges	517	215
Security Charges	183	-
Printing & Stationery Expenses	8	12
Business Promotion Expenses	51	30
Office Expenses	65	65
Labour Charges	45	9
Avid Bank Interest	148	7
Sundry Balances Written Off	107	39
Prior Period Expenses	114	-
Miscellaneous Expenses	277	306
Total Other Expenses	4,212	3,078

Note 28 (A): Payment to Auditors

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
	Payments to the Auditors		
(a)	For Statutory Audit	10	8
(b)	For Taxation Matters	2	2
	Total	12	10

Note 29: Exceptional Items

(₹ In Lakhs)

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Reversal of Expenses	-	(622)
Bad debt written off	-	271
	-	351

Note 30: Component of Other Comprehensive Income

(₹ In Lakhs)

Sr. No	Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
(a)	Items that will not be reclassified to profit or loss		
	Actuarial Gain/Loss on Gratuity	(25)	(35)
	Total	(25)	(35)



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