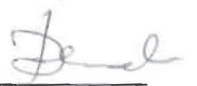





Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1.	NAME OF THE COMPANY	Allied Digital Services Limited
2.	ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED	March 31 st , 2014
3.	TYPE OF AUDIT OBSERVATION	<p><u>Matter of Emphasis:</u></p> <p>(Refer point No. 4 of the Notes To Accounts on Page 79 of the Annual Report which states that some delays have been noticed in filing of the returns and payment of some of the statutory liabilities, due to which an additional liability of the taxes on account of Interest on delay in payment of these taxes as well as penalty on delay in filing the returns shall accrue for the year under consideration as well as the earlier years.</p>
4.	FREQUENCY OF OBSERVATION	The aforementioned matter of emphasis has been mentioned in the Annual Report for the year ended March 31 st 2012, March 31 st 2013 and March 31 st 2014.
5.	TO BE SIGNED BY: <ul style="list-style-type: none"> • CEO/MANAGING DIRECTOR • CFO • AUDITOR OF THE COMPANY • AUDIT COMMITTEE CHAIRMAN 	   



allied | digitalTM

IT managed. Responsibly.



Moving
Forward
as a **Dark Horse**
in Challenging
Landscapes

Annual Report
2013 - 2014





“

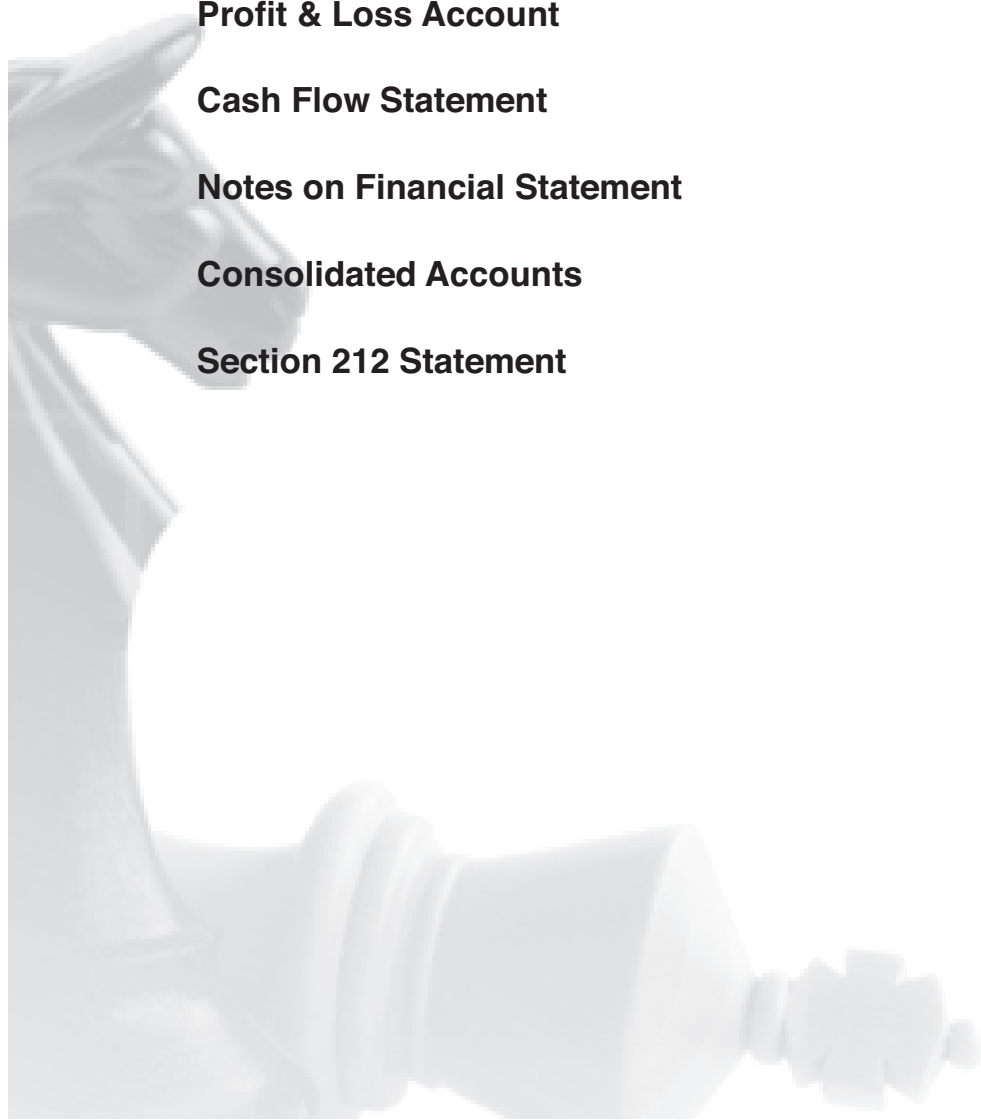
We intend to keep on **MOVING FORWARD** by creating complete readiness through innovation & automation to address the changing needs of the customers & IT landscape for the cutting-edge IT solutions.

With this, Allied Digital is poised for a stronger future growth.”

- **Mr. Nitin Shah**
CMD

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Corporate Information

BOARD OF DIRECTORS

Mr. Nitin D. Shah

Chairman and Managing Director

Mr. Prakash D. Shah

Executive Director - Commercial

Mr. Paresh B. Shah

Executive Director & CEO

Prof. Venugopal R. Iyengar

Independent Director

Dr. Shrikant N. Parikh

Independent Director

Dr. Roopkishan S. Dave

Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ravindra Joshi

REGISTERED OFFICE

Premises No. 13A, 13 Floor,
Earnest House,
Backbay Reclamation,
NCPA Road, Block III,
Nariman Point, Mumbai - 400 021

CIN : L72200MH1995PLC085488

BANKERS

State Bank of India
Standard Chartered Bank
Barclays Bank

REGISTRAR & TRANSFER AGENT

Linkintime India Private Limited.
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup,
Mumbai 400 078. India.
Tel: +91 22 25946970
Fax: +91 2225946969
W : www.linkintime.co.in

AUDITORS

K.M. Kapadia & Associates





CMD

Mr. Nitin Shah

Dear Shareholders,

It is my pleasure to address you on the occasion of our annual general meeting. Your company has seen the ups and downs of the technology cycle which have been compounded by some macroeconomic factors in the last two years. We believe that the worst of that period is behind us and as we step into the new fiscal, we look upon the same with a renewed sense of optimism and hope.

Global activity has broadly strengthened and is expected to improve further in 2014-15, according to the April 2014 WEO, with much of the impetus for growth coming from advanced economies. Although downside risks have diminished overall, lower-than-expected inflation poses risks for advanced economies, there is increased financial volatility in emerging market economies, and increases in the cost of capital will likely dampen investment and weigh on growth. Emerging market economy policymakers must adopt measures to changing fundamentals, facilitate external adjustment, further monetary policy tightening, and carry out structural reforms.

According to Gartner report, across mature economies, the 2014 growth outlook has improved significantly, compared to 2013. The uptick is primarily

due to the Euro zone which is expected to return to a positive growth rate in 2014. The US economy growth is expected to increase in 2014. However, due to a weak start of the year following bad winter weather, the outlook for 2014 has been revised down to 2.3% from earlier forecast of 3.0% in 2014.

Business Overview

We have had another tough year in terms of financial performance and we ended the year with revenues of Rs. 296.85crore and an EBITDA of Rs.48.65crore. Services contributed 51% while solutions contributed the remaining.

While the domestic business continues to remain a tough nut to crack with issues around policy paralysis, inflationary pressures and weakness in several sectors of the economy, our international business is showing definite signs of gathering momentum. We are hopeful that this traction will gather speed as we move into the new fiscal and help us come out of the performances of the last two fiscals.

We continue to focus our attention on the Remote Infrastructure Management Services vertical which has been our core strength and which continues to deliver us good dividends both in North America and in India. This apart, we have also started paying special emphasis to managed security services which we believe will be the next phase of abnormal growth in the IT industry. With technology explosion and proliferation of several devices with greater volume of transactions being done through the e-Commerce channels, the key focus area of a number of corporates is on security.

Allied Digital provides unique offerings in the space of security services. It offers security services for end-user computing devices, mobility devices, data center devices, applications, networking devices and perimeter devices. One of the company's unique services is Threat Notification Advisory Services (TNAS), wherein these notifications are sent to customers across the world. This helps its customers to guard themselves against possible attacks. Allied Digital has been able to prevent many 'zero day attacks' using TNAS. The company has also taken strides by Adopting & Promoting Social media, Mobility, Analytics & Cloud Computing (SMAC).

We also continue to be the partner of choice in the field of IP Surveillance and Homeland Security systems.

We have won the prestigious order to implement the Closed Circuit Television Camera (CCTV) network project for the Pune Municipal Corporation (PMC) and Pimpri Chinchwad Municipal Corporation (PCMC) areas. Allied Digital was selected after a rigorous selection process scoring the highest marks in technical and commercial evaluation. Government has already allocated budget for this project.

The contract of the project is worth Rs.224 crores and is expected to be executed in over a period of 42 weeks and shall run for 60 months. The main scope of the project involves fitting of 1250+ CCTV cameras across the two corporations at 440 junctions and other locations. Apart from that, monitoring of the Pune commissionerate as well control rooms in both corporations will also come under this project. This project will enable its governing authorities to act upon any unwanted riots or terrorists attacks before the situation aggravates beyond control. This 'Smart City' surveillance project is one of the many that could be in the pipeline as announced by the new government to set up 100 such smart cities across the length and breadth of the country.

Further, along the lines of streamlining operations and dedication to providing industry-leading innovation to our clients, we unveiled Allied Digital's Integrated Tool-as-a-Service (ADiTaaS) this past year. ADiTaaS is built on our proprietary Integrated Service Delivery Framework (ISDF) with the key objectives of bringing standardized processes, comprehensive asset control, strong adaptive and integration friendly architecture in a single "IT Service-in-a-Box" that will considerably reduce an organization's IT management costs. ADiTaaS is compliant with IT Service Management (ITSM) and IT Infrastructure Library (ITIL) best practices. This solution has allowed many of our customers to increase visibility into critical components of their own environment, while allowing them to make better decisions for their business.

During the year, we also divested our entire 52.6% stake in our subsidiary, Digicomp Complete Solutions Ltd ('Digicomp'), to the Regeneris Group, UK. We had invested in the company in 2008 as a strategic investor. We had partnered in the growth of a global platform and developed Digicomp to the current level and the transaction was done with the intention of taking this business to the next level through the partnership with Regeneris, a global leader in its business segment.

In Europe we plan to expand to in larger geographies with our new alliances and are ready to target large ticket deals, specially multi-country service delivery deals. We are also seeing potential in Middle-east and African region in security space and company has decided to focus in these regions which will give impetus to overall EBITDA margin.

We continue to win many awards and recognitions during the fiscal in recognition of its leadership and innovative practices in many segments that we are present in. To name a few, ADSL won the prestigious world-wide MSP of the year 2014 from LANDesk Software, USA for the third year in a row. Allied Digital was also featured as Silicon India's Top 10 promising IT services companies from India. These recognitions further strengthen our commitment to provide the best possible services to our customers using the latest technology.

Corporate Social Responsibility (CSR) activities continue to be an important facet of ADSL's commitment to give back to the society. Allied Digital through the Padmapragna trust works towards the empowerment of women by providing them with necessary skills training and other facilities in a manner that they can be self-reliant. This apart, we also have focused on the education of needy children, provided healthcare facilities to the poor and also committed our time to spiritual and religious activities.

This is a small way of showing our gratitude to the almighty who has showered us with his benevolence. We would like to place our heartfelt gratitude and regard to all our customers, employees and most importantly shareholders who have supported us in the best and worst of our times. I am hoping that the wait for better times is just around the corner and we hope to reward your patience with a much better performance in the coming fiscal.

Mr. Nitin Shah
Chairman and Managing Director

Nitin Shah



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IT managed. Responsibly.



CEO

Mr. Paresh Shah

Dear Shareholders,

The fiscal year 2013-14, as predicted, started slow, but showed signs of revival in the last quarter for IT. The current year looks well poised for global growth. The change in government of India will bring new focus in the area of infrastructure, manufacturing and banking. Macro-economic factors are expected to improve. This will fuel domestic industry growth and lead to more demand in IT.

Global economy, barring some recent setbacks in the middle-east is on improvement path. US are leading the growth & are also having positive impact to the rest of the world economy. This gives me a strong feeling that "Better days should be coming". Being transformed, to offer right services and solutions for current and future upcoming IT trends, it is oriented in the right direction to take up new opportunities.

Your company, though did not have a great year, yet saw a major turnaround and improve over the previous year, as we won one of the largest deals in the history of the company. It has now gathered significant experience in doing very large projects and showing excellent stability internationally. The transformation

has started showing positive outcome, and I see the current fiscal year ending brighter and an excellent future.

Our last fiscal Year

The Indian economy showed some recovery in last quarter, as a result, IT demand has increased. The government change has fueled positive change in the corporate world. The new government is also seriously interested in driving infrastructure projects, of which IT now will play a major role.

In India, the major story this year for us has been the "Big Win" for Pune City Surveillance Project of Rs. 224 crore over five years. This project puts us a leader in system integration space in India today. Also, an iconic project, first time in India, it also marks a launch of a huge estimated business of 20,000 crore in homeland security in India. In fact, major resources and company's efforts are directed to the implementation of the project. We are poised to get into larger projects and initiatives, we believe that public private partner and with the help of banking provisions will support winning many more deals to successfully execute. I hope the new government, takes some major steps to revive favoring banking policies for mid-size companies like ours, so we can execute large projects successfully. The Pune City project is undergoing a major Capex investment in the last financial quarter and early quarter this year.

Globally, we had a profitable year, especially in the US. Also, the biggest news is we have been successful in renewing all our large contracts, which is a significant achievement. We also added many more new customers this year, and won the top "platinum managed services award" from LANDesk for the third time in a row. Great synergy between our operating functions; our service delivery, focused sales, smart cost control and practice innovation has contributed to this success which now looks well set for growth. Our UK business is stable. We have completed two years of our first and largest ADiTaaS roll out and are looking at new expansions. By the way, ADiTaaS picked up an innovation Top-100 industry award in India. We also introduced a Reporting tool for smart IT Service analytics.

Current Industry Scenario

The current year as mentioned above, brings us tremendous opportunities in the areas where we are well positioned already. The CCTV market in India is about to explode for large and custom projects, where we are now experienced campaigners. Second, the managed security business looks to rebound in a big way. We are among the top companies in India and this business too has good profit potential. Third, the cloud business will continue to grow. I also see more transformation and modernization projects coming in third and fourth quarters. The mobility business and globally, "Data Warehousing" and "Big Data Analytics" will continue to grow, with India not too far behind.

The US market will continue to be lucrative this year. However, Allied Digital has significant plans to stride into global business. The Europe and Africa also show new glimpses of opportunities this year. For our systems integration business too, we are looking at some good global exposure very soon. Overall, I feel, this is the year of major upswing in the coming quarter.

Allied Digital Positioning

Your company is geared to take up this growth. Let me highlight the roadmap for this and coming year. We are establishing ourselves as leaders in large Smart City projects, not just by experience, but also with some large global tie-ups. This will carve out new plans in Homeland Security, Systems Integration, Intelligent Building management etc. So our ADiInsight part of business is going to make big moves. We also intend to complete a major alliance for IT business in Gulf Region. We are on our way to acquire a major business in Application outsourcing. We also have opened up our alliance in Africa this year, and look for an immediate break in third quarter of this year. We are working towards doing a major scaling in our field services and service desk business globally, thanks to some interesting tie-ups in Europe, China and Japan. In India, we will continue to concentrate only on profit making businesses, as collections are still a challenge. Technology wise, we have plans to take ADiTaaS into new roadmap, for non-IT device integration, multi-lingual capability and add-on tools.

In all, we are seeing a very positive indication for the good growth in the future. I would re-iterate that our transformation for "small pain - long gain" is rightly defined and we see movements to major growth in the second half of the year. Also, we are making some global strides, which are going to bear fruits too. Our expertise in large infrastructure projects and focus on value-added innovation keeps us in the leaders' league. Your support and interest has given us good motivation. Myself and company leaders are recognizing your support and your belief in the company which motivates us working at our best to produce success stories and better financial growth.

Mr. Paresh Shah
Chief Executive Officer

Paresh Shah



**CEO
(ISG)**

Mr. Jawahar Ali

Government's new policy prioritizes development of infrastructure that provides better roads, express way connectivity between cities, high speed railways, airports and most importantly Smart Cities that offers operational efficiency and improved productivity for economic growth. Physical Security System is an integral part of this development and has enormous business opportunity for Master Systems Integrators (MSI) such as Allied Digital.

World-wide there has been a huge growth in security industry and India is rated as one of the fastest growing security market in the world. The overall size of the Indian Security market is estimated to be around Rs. 60 Billion comprising of Video Surveillance, Access Control, Perimeter protection, Baggage Scanning, turnstile and Barriers with an average growth rate of 31% (from 2008 to 2013). Allied Digital is ideally positioned to consolidate its position in the industry as an MSI.

Allied Digital has several wins such as Pune City Surveillance project, Integrated security system for critical Infrastructure protection that includes leading stock exchange in the country; an international standard Multi facility hospital in Noida; Cash Centres

located pan India for a leading Bank that complies with RBI guidelines for security recording; and Video Surveillance systems at manufacturing facilities pan India for two leading Pharma companies that helps in obtaining US Food and Drugs Administration audit approval for continued access to the US Market. The experience gained in these and similar projects have provided Allied Digital with a deep insight in Security System Architecture that are highly optimised for performance and Total Cost of Ownership (TCO).

Allied Digital's recognition and value as a leading MSI in the country is derived from its demonstrated experience in commissioning integrated physical security system that can be appropriately modified and commissioned in various applications such as City Surveillance, critical infrastructure protection, banking, manufacturing, Transportation and Smart City which has significant business volume and value. Smart city project has full support from the government and around 100 such cities have been planned. Allied Digital is very actively engaged in these opportunities and responded to Expression of Interest floated by some governments and further progress is underway.

Allied Digital's Strategic Partnership Agreement with a prominent business house in the Middle East for Integrated Physical Security System to be deployed in leading cities in the region has a potential for very significant growth in its business.

With successful wins in key Physical Security opportunities, Allied Digital is looking ahead to further consolidate its position as a leading Master Systems Integrator in the country.

**Mr. Jawahar Ali
Chief Executive Officer
Integrated Solutions Group**

Jawahar Ali



COO

Mr. Sanjiv Patki

As I had communicated last year, we had decided to focus on four strategic initiatives. They were:-

- Improvement of revenue
- Introduction of path breaking offerings through use of new technologies
- Further improvement in our Project Delivery capabilities
- Improving productivity and efficiency thereby optimizing costs

During the course of this year we concentrated on above initiatives and we have seen a very good traction in all four areas. I would like to place before you some of the offerings in new technologies that we have introduced in the market. One of the major initiatives is continued emphasis on Cloud Computing and providing solutions based on cloud. We received some large orders to implement Business Support Systems on cloud. We forged some strategic alliances in order to offer Business Support systems on the cloud. We would be actively taking these offering to market to increase our revenue. We would also be offering our own tool (ADiTaaS) on cloud to ensure cost optimization for our clients and increase our revenue the in the cloud space.

We have introduced new offerings in the Managed Security Services Space. We believe this would be a

new vehicle that would place us to serve Fortune 500 companies. A lot of emphasis is being placed on Governance, Risk and Compliance and the demand for Information Security Services will continue to grow. With introduction of new technologies in banking sector like Mobile Money, Big Data and Analytics and emphasis of enterprise on Social Media, Mobility, Analytics and Cloud (SMAC) security will play a major role and provide your company with a fast vehicle of growth.

We have been making huge improvements in our Project Delivery capabilities. In order to accomplish this we have been encouraging our employees to undertake certifications in Project Management. I am extremely happy to announce that we have a large number of PMP Certified resources with us. Most of them have completed their certification this year. They are our internal employees who have been with us for a long time. It is due to these efforts of our employees and encouragement given by us, that we have been able to deliver two major projects among many on time with no time or cost overrun.

We have introduced a metric driven approach to size the resource requirement for all projects. We have also optimized the resource mix and numbers on most of the projects. This initiative has made us lean and more objective driven. This has also optimized our cost and given us an edge over most of our competitors. As we witnessed another tough year from an economic perspective, where some of our competitors went out of business, we came out stronger to face tough challenges ahead. We see some improvement in global business activity. We are seeing a lot of traction being developed in emerging markets. Due to our intrinsic strength and capabilities, we are being invited to participate in business initiatives in markets that are new to us. This will also provide us with a huge growth potential during the year 2014 - 2015.

This year besides initiatives mentioned above, we will focus on Innovation. In every task we accomplish, we will find ways to increase efficiency and reduce cost through Innovation. We believe that Allied Digital is strongly positioned to address areas that are changing the market place.

Mr. Sanjiv Patki
Chief Operations Officer

Sanjiv Patki



Global Footprints of Allied Digital





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



Cross Functional Services

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

❖ Benefits ❖

Cost Optimization

Improved Operational Efficiency

IT On Demand

Align IT to Business Growth

Events and News

Allied Digital & Amazon networking event-Bangalore

Allied Digital Services Limited and Amazon Web Services held an exciting and informative dinner session on 18th December 2013 at Hotel Royal Orchid, Bangalore to help understand how large enterprises today are leveraging the AWS Cloud for running mission critical applications.



Allied Digital & Amazon web services networking event-Mumbai

Allied Digital Services Limited and Amazon Web Services held an exciting and informative dinner-cocktail session on how to save costs and address growing IT demand for organizations by leveraging Cloud based services at Orchid hotel Mumbai on 4th October 2013.

Mr. Nitin Shah, CMD- Allied Digital featured in the article 'Most Influential Gujaratis' by Times of India, Ahmedabad edition on 03rd August 2013.



Allied Digital is featured in Silicon India (US Edition) amongst 10 Most Promising IT Services Companies.



As a CSR activity Alliedian's extended a helping hand by donating some amount through donation coupons to the Habitat for Humanity

Awards and Recognition

**Top Solutions Provider' and 'Solution Champ -
Managed Security Services' 2013
by DQ Channels**



**Winner of the Channel World
Premier 100 Awards, 2014**



Best VAR 2013' - Western India



**Allied Digital wins MSP of the Year 2013
Award - LANDesk Software USA**



**Certificate of Excellence
from India Inc Innovative 100,
for smart innovation
-ADiTaaS platform**

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of Allied Digital Services Limited will be held on Thursday, September 25th, 2014 at IMC Building, IMC Marg, Churchgate, Mumbai - 400020, at 03:00 P.M., to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2014, Profit and Loss Account along with Notes to accounts for the year ended on that date and the Report of the Auditor's and the Directors' thereon;
2. To appoint a Director in place of Mr. Paresh Bipinchandra Shah, who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint Statutory Auditors and fix their remuneration and to consider and if thought fit, pass the resolution with or without modification(s), as an **Ordinary Resolution** the following:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, M/s. Shah & Taparia bearing Membership Number 033594, be and are hereby appointed as Auditors of the Company in place of retiring auditors i.e. M/s. K.M. Kapadia & Associates, Chartered Accountant, Mumbai (Firm Registration No. 104777W), to hold the office for a period of five years i.e. from conclusion of Twentieth Annual General Meeting until conclusion of Twenty-Fifth Annual General Meeting of the Company subject to ratification in every Annual General Meeting at such remuneration plus service tax, out of pocket and travelling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT M/s. Shah & Taparia, Chartered Accountants, have given their consent for appointment and a certificate of eligibility under Section 139(1) of the Companies Act, 2013.

RESOLVED FURTHER THAT any director of the Company be and are hereby authorized, jointly and/or severally to take all steps as are necessary and to do all such acts, deeds and things as may be considered necessary and incidental to give effect to this resolution."

Special Business:

4. To appoint Ms. Shubhada Jahagirdar (DIN 00895950) as an Independent Director of the Company and to consider and if thought fit, pass the following resolution with or without modification(s) in this regard as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provision of Section 149, 152 of the Companies Act, 2013 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Shubhada Jahagirdar (DIN 00895950) who has consented to act as Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as a Independent Director of the Company to hold office for 5 (five) consecutive years for the term with effect from October 01st, 2014, not liable to retire by rotation."

5. To appoint Prof. Venugopal Ramaswami Iyengar (DIN 02591297) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as **Ordinary Resolution**:

"RESOLVED THAT Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prof. Venugopal Ramaswami Iyengar (DIN 02591297), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing

his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for the term upto March 31st, 2019, not liable to retire by rotation.”

6. To appoint Dr. Shrikant Navnitlal Parikh (DIN 01735830) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as **Ordinary Resolution:**

“**RESOLVED THAT** Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Shrikant Navnitlal Parikh (DIN 01735830), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for the term upto March 31st, 2019, not liable to retire by rotation.”

7. To appoint Dr. Roopkishan Sohanlal Dave (DIN 02800417) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as **Ordinary Resolution:**

“**RESOLVED THAT** Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Roopkishan Sohanlal Dave (DIN 02800417), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for the term upto March 31st, 2019, not liable to retire by rotation.”

For and on behalf of the Board of Directors,

Date: August 14th, 2014

Sd/-
Nitin Shah
Chairman and Managing Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
2. A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder;
3. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting;
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting;

In case of joint registered holders of any shares any one of such persons may vote at any meeting either personally or by attorney duly authorized under power of attorney or by proxy in respect of such shares as if he were solely entitled thereto;

In case if more than one of such joint-holders be personally present at any meeting that one of the said persons so present whose name stands first or higher on the Register in respect of such share shall alone be entitled to vote in respect thereof.

Provided always that a joint-holder present at any, meeting personally shall be entitled to vote in preference to a joint holder present by an attorney duly authorized under power of attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher in the Register in respect of such shares.

Several executors or administrators of a deceased member in whose sole name any share stands shall for the purpose of this clause be deemed joint holders thereof.

6. The Register of Members and Share Transfer Books of the Company will remain closed from September 19th, 2014 to September 25th, 2014 (both days inclusive) for the purpose of Annual General Meeting;
7. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed Form 2B to the Registrar & Transfer Agents of the Company;
8. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting;
9. A Statement pursuant to section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
10. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance;
11. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent;
12. Members are requested to bring their copy of the Annual Report to the Meeting;
13. All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 A.M to 1.00 P.M on all working days up to the date of the Meeting;
14. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants;
15. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Link Intime India Pvt Ltd., C-13 Pannalal Silk Mills Compound L. B. S. Marg, Bhandup-West, Mumbai - 400 078. Tel. No.: +91-22-25946970. Fax No.: +91-22 -25946969.
16. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Ravindra Joshi, Company Secretary and Compliance Officer, at the Company's registered office. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will thereafter be transferred to the Investor Education and Protection Fund as per Section 124 of the Companies Act, 2013;
17. As per the provisions of the Companies Act, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company;
18. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting;

- 19 The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the Central Government, which remain unpaid:

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

20. Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended March 31st, 2014 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

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

21. The Shares of the Company are listed at the Bombay Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange, Exchange Plaza, C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. The Listing fees have been paid in time for the year ended March 31st, 2014.

22. The Shareholders of the Company are requested to note that Company has passed board resolution for issue of Convertible Warrants on August 14th, 2013. The approval of the shareholders was obtained by the Company on September 25th, 2013. The Company has received In-principle approvals from Bombay Stock Exchange and National Stock Exchange on October 25th, 2013 and August 01st, 2014 respectively.

In this regard shareholders are requested to note that the Company has fixed the Relevant Date as August 26th, 2013 instead of the relevant date which was earlier fixed as August 23rd, 2013 in Pursuant to the Issue of Convertible Warrants under Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations, 2009.

23. **E- voting:**

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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

Process for E –Voting –

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- Log on to the e-voting website www.evotingindia.com;
- Click on “Shareholders” tab;
- Now, select the “ALLIED DIGITAL SERVICES LIMITED” from the drop down menu and click on “SUBMIT”;
- Now Enter your User ID ;
 - For CDSL: 16 digits beneficiary ID;
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login;

- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used;
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab;
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach '**Password Creation**' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xi. Click on the EVSN on which you choose to vote;
- xii. On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- xiii. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details;
- xiv. After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote;
- xv. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates;

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com;
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on;
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote;
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

In case of members receiving the physical copy:

- Please follow all steps from sl. no. (i) to sl. no. (xvii) Above to cast vote.
24. The voting period begins from 10.00 a.m. on Friday, September 19th, 2014 and ends at 9.00 p.m. on Saturday September 20th, 2014. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 14th, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
 25. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 26. Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company;
 27. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be published on the Company's website www.allieddigital.net and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicate to the Stock Exchanges.

For and on behalf of the Board of Directors,

Date: August 14th, 2014

Sd/-
Nitin Shah
Chairman and Managing Director

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

Mr. Paresh Shah aged 47 years was also appointed as a Chief Executive Auditor (CEO) of the Company with effect from February 07th, 2012. He has 25 years of experience in the field of IT with a Master's Degree in Computer Science from the US and Business Management diploma in Marketing and Finance, he has climbed the ladder of his career from a Programmer Analyst to a global certified Enterprise Solutions Architect, CTO and Program Director. Young and dynamic, he is the driver for a proven practice in Cloud Computing and is actively involved in advising customers, forming strategic partnerships and providing enterprise system integration solutions.

His exposure in the competitive business environment helps him bring strong expertise in Business Transformation, Enterprise Solutions Architecture, New Business Development, Software Delivery, Consulting and Innovation. Each of the attributes helps Allied Digital Services Limited to soar higher and achieve greater horizons.

Prior to Allied Digital Services Limited, Mr. Shah has acted as a Global Practice Head, Enterprise Technologies for Wipro. His extensive and diverse experience fields include Business Transformation, Enterprise Solutions and Architecture and Total Outsourcing Solutions.

Shareholding of Mr. Paresh Shah (both own or held by / for other persons on a beneficial basis) as on date is NIL.

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

Item No. 4

It is proposed to appoint Ms. Shubhada Jahagirdar as an Independent Director of the Company under Section 149 of the Companies Act, 2013 (the Act) and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company and she shall not be liable to retire by rotation.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

Ms. Shubhada Jahagirdar is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notice in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Shubhada Jahagirdar for the office of Director of the Company.

The Company has also received declarations from Ms. Shubhada Jahagirdar that she meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Shubhada Jahagirdar fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Ms. Shubhada Jahagirdar is independent of the Management.

(a) A brief resume of the director is as follows;

Ms. Jahagirdar holds degree in Bachelor of Arts (Hon.) as well as Bachelor of Law (LLB). She has done her Masters in Social Work (MSW) in family and child welfare. She has also completed Diploma in Business and Marketing Management.

(b) Nature of her expertise in specific functional areas is as follows;

She is Trainer in Entrepreneurship Development of India, Ahmedabad. Currently she is acting as a consultant to MD of Bio Life Impex Pvt. Ltd., also she is working as a director in M/s EnerSearch GMBH, Germany. She is an Associate consultant with Indo-German chembar of Commerce, Mumbai and Commercial Services of United States of America, Mumbai. She is also engaged as a Consultant in Bio Fuel plantations in the country. She has worked for M/s. Hydroclav India Pvt. Ltd. as a General Manager. She has also worked for M/s. Molecular Diagnostics Pvt. Ltd., Mumbai as a Vice President, Market Development and Public Relations. She also has Worked for M/s. Approach Marketing Pvt. Ltd., Mumbai for seven years as a Director responsible for Marketing and Public Relations, Worked as a Secretary of National Institute of Motivational and Institutional Development (NIMID) for four years, Worked as a family counselor in Mahindra & Mahindra, Worked as a senior population education officer with the Family Planning Association of India, Mumbai for two years, Worked as a Consultant to Mahila Arthik Vikas Mahamandal, Mumbai for two years, worked for 42 years as a Secretary for Bal Bodhpeth, an NGO involved in conducting creative programmes for children between 6 to 12 years age all over India, Worked for 10 years as a Vice President in Yuvak Pragati Sahayog, an NGO involved in organizing activities for local and international youth, Ex-President in Giants Group of Bombay Harbour, Worked on various pollution committees of the Maharashtra government, she is also been Secretary for Indian chapter of International Business and Professional Women (IBPW) an international organization having

114 countries as members. She was Chairperson for past four years of Giants International's vehicular pollution control drives. She is Founder trustee of Golden Energizers, an NGO. Moreover this, she is also involved in much more social activities which are countless. She has conducted several motivational training programmes for the top and middle level managers and workers. She possesses Specialization in conducting stress management courses.

(c) Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows:

Ms. Shubhada Jahagirdar does not hold Directorship nor she is member in other Committees in any other Companies.

(d) Shareholding of non-executive directors as stated in Clause 49 (IV)(E)(v) of the Listing Agreement:

Shareholding of Ms. Shubhada Jahagirdar (both own or held by / for other persons on a beneficial basis) as on date is NIL.

The Board recommends the Ordinary Resolution set out at Item No. 4 for approval by the Members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

Item No. 5

Prof. Venugopal Ramaswami Iyengar is an Independent Director of the Company and have held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Prof. Venugopal Ramaswami Iyengar as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term upto March 31st, 2019, not liable to retire by rotation.

Prof. Venugopal Ramaswami Iyengar is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Prof. Venugopal Ramaswami Iyengar for the office of Director of the Company.

The Company has also received declarations from Prof. Venugopal Ramaswami Iyengar that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Prof. Venugopal Ramaswami Iyengar fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Prof. Venugopal Ramaswami Iyengar is independent of the Management.

(a) A brief resume of the director is as follows;

Prof. Venugopal Iyengar aged 58 years has been an Independent Director of the Company since April 28, 2009. He holds a Masters degree in Science, Certified in Governance of Enterprise IT, Certified Information Security Manager, Certified Information System Auditor (CISA), Certified Information System Security Professional and Associate Certified Fraud Examiner.

(b) Nature of his expertise in specific functional areas is as follows;

He has thirty five (35) years of experience in the field of IT. He received Most Valuable Professionals (MVP) award in the year 2006 from Microsoft Corporation, USA for his contribution to the global security community. He also received "Pillar of Hindustani Society" award in the year 2008 from the Trans-Asian Chamber of Commerce and Industries and Indo-Mongolian Chamber of Commerce for his global contribution in the area of IT governance, IS Audit and Information Security. Prior to joining our Company,

he had worked with Tata Consultancy Services Limited as the head of E-Security Consulting Practice, as a Corporate head of Quality Audit with Tata Infotech Limited and as a Regional Manager with Tata Unisys Limited.

(c) Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows;

Allied-eCop Surveillance Private Limited

(d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement;

Shareholding of Prof. Venugopal Iyengar (both own or held by / for other persons on a beneficial basis) as on date is NIL.

The Board recommends the Ordinary Resolution set out at Item No. 5 for approval by the Members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

Item No. 6

Dr. Shrikant Navnitlal Parikh is an Independent Director of the Company and have held the position as such for more than 5(five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Dr. Shrikant Navnitlal Parikh as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term upto March 31st, 2019, not liable to retire by rotation.

Dr. Shrikant Navnitlal Parikh is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Shrikant Navnitlal Parikh for the office of Director of the Company.

The Company has also received declarations from Dr. Shrikant Navnitlal Parikh that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Shrikant Navnitlal Parikh fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Dr. Shrikant Navnitlal Parikh is independent of the Management.

(a) A brief resume of the director is as follows;

Dr. Shrikant Parikh, 58 years, joined the Board on May 23rd, 2006 as an Independent Director of our Company. He holds a Bachelors Degree in Electrical Engineering from University of Mumbai; Doctorate degree in Computer Science from Southern Methodist University, USA, Masters in Computer Science and Engineering from University of Texas, USA; certified Project Management Professional from Dallas, USA.

(b) Nature of his expertise in specific functional areas is as follows;

He has thirty (30) years of experience in the IT Industry. He is a member of the Corporate Distributed System Performance Council (IBM) and is also a member of Corporate Automation Software Committee (SGS Thompson). He is a co-founder and ex-Chief Technical Officer of Globe Ranger Corp. (USA). He is also a co-founder of M/s. InfoAlive Solutions and Services. He has served a long span of his career for IBM, USA. He has also served as a consultant and advisor to technology companies in USA and India providing his guidance on all issues relating to corporate management. He has also been training senior professionals in software projects / outsourcing services management of software / technology

organizations and guides young entrepreneurs on matters of Strategy. He has a deep interest in NGO activities focusing on rural India. He has organized and Co-organized National and International level Conferences and job fairs.

Research & Publications:

- 33 International Patents (12 from US, 12 from Japan and 9 from EU);
- Published over 50 invention disclosures;
- Published several research papers and case studies;
- Research: Grain Supply Chains, Enterprise Systems Implementation in SMEs, Business/Society Implications of Wireless Technologies;
- Research: Technologies like Operating Systems, Power Management, Product Concepts, Telemedicine and more.

Awards & Recognition:

- Awarded 10 Invention Achievement Awards from IBM;
- Multiple Management Appreciation Awards from IBM;
- Listed in several editions of Who's Who.

(c) Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows;

A3 Remote Monitoring Technologies Private Limited

(d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement;

Shareholding of Dr. Shrikant Parikh (both own or held by / for other persons on a beneficial basis) as on date is NIL.

The Board recommends the Ordinary Resolution set out at Item No. 6 for approval by the Members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

Item No. 7

Dr. Roopkishan Sohanlal Dave is an Independent Director of the Company and have held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Dr. Roopkishan Sohanlal Dave as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term upto March 31st, 2019, not liable to retire by rotation.

Dr. Roopkishan Sohanlal Dave is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Roopkishan Sohanlal Dave for the office of Director of the Company.

The Company has also received declarations from Dr. Roopkishan Sohanlal Dave that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Shrikant Navnitlal Parikh fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Dr. Shrikant Navnitlal Parikh is independent of the Management.

(a) A brief resume of the director is as follows;

Dr. Roopkishan Dave aged 59 years, holds PHD degree and degree of M.S.H.S. in emergency and disaster management. He has done B.E. in Electronics & Communication and also holds an M.B.A. degree.

(b) Nature of his expertise in specific functional areas is as follows;

Dr. Dave has more than 36 years of experience in ICT Policy & Project Management including emergency response, disaster mitigation and management. His domain of expertise includes - Spectrum Management, Information & Communication Technology Policy, e-Governance system management, vulnerability and Risk Assessment, development of emergency response policies / procedures / protocol / mutual-aid system, SCADA / real time data acquisition / data analysis and forecasting; design, establishment, operation and management of Emergency Operation Center (SEOC, DEOC, TEOC) in a typical Government system; Crisis Communication system; alert & warning system; development and management of EOP / EAP / SOP and capacity building.

Dr. Dave is a senior member of IEEE for more than 29 years. He is also a member of professional societies such as International Association of Emergency Managers (USA) and Fellow IETE.

(c) Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows;

Dr. Roopkishan Dave does not hold Directorship nor is he a member in other Committees in any other Companies.

(d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement;

Shareholding of Dr. Roopkishan Dave (both own or held by / for other persons on a beneficial basis) as on date is NIL.

The Board recommends the Ordinary Resolution set out at Item No. 7 for approval by the Members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

For and on behalf of the Board of Directors

Sd/-

Nitin Shah

Chairman and Managing Director

Registered Office:

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

Date: August 14th, 2014

DIRECTORS' REPORT

To,

The Members of

ALLIED DIGITAL SERVICES LIMITED

Your Directors present herewith the Annual Report together with the Audited Statement of Accounts and Auditors' Report thereon for the Financial Year ended March 31st, 2014:

RESULTS OF OPERATIONS:

(₹ In Lakhs)

PARTICULARS	2013-14	2012-13
Total Operational Income	14,938.06	23,625.54
Other Income	3,250.95	544.34
Total Income	18,189.01	24,169.88
Less: Operating Expenditure	13,492.09	20,781.91
Profit before Interest, Depreciation, Amortization Tax & Exceptional Item	4,696.92	3,387.97
Less: Depreciation	2,325.24	2,132.41
Less: Interest	1,437.98	1,355.92
Profit before Tax and Exceptional Item	933.69	(100.35)
Exceptional Item	-	576.44
Profit before Tax	933.69	(676.79)
Less: Provision for Taxation	194.80	-
Less: Deferred Tax Liability	(542.28)	341.01
Net Profit for the year	1,281.18	(1,017.80)
Add: Balance brought forward from the Previous Year	27,426.36	28,444.16
Amount Available for Appropriation	28,707.53	27,426.36
Less: Transfer to General Reserve	-	-
Proposed Dividend Including Dividend Tax	-	-
Short provision of Tax of earlier years (Net)	-	-
Add: Excess provision of Tax of earlier years	-	-
Balance carried to Balance Sheet	28,707.53	27426.34

BUSINESS OPERATIONS:

Your Company is an IT Infrastructure Management and Technical Support Services Outsourcing Company, with an impeccable track record for designing, developing, deploying and delivering end-to-end IT Infrastructure services with an objective to provide end to end IT Solutions, outcomes of which have always resulted into a positive change in the organization. Your Company is an experienced entity having sufficient knowledge of the local market which assists them in organizing manpower for diverse tasks and contractual works. It has over more than two decades of experience in enterprise IT Infrastructure, Management and Implementation and consulting on complex IT Solutions for different Business Verticals.

Your Company's inherent capabilities built on the philosophy of '3S' (Smart People, Smart Processes, Smart Technology); provides the strong foundation for a best-in-class Integrated Service Delivery Framework which consistently augments our overall value creation proposition to our clients; both effectively and efficiently.

Your Company provide credible, high class and customer oriented services and solutions to its clients, actively participate to fulfill the needs and preferences of the customers, their requirements in a dedicated manner. We seek long term partnership with clients while addressing their IT requirements. Our customer centric approach has resulted in high levels of client satisfaction and retention. Moreover we encourage a warm and cordial environment in our organization which will add to the skilled workforce and also improve the work culture.

The global economic environment remains subdued, although key economies such as the US are showing stability and some improvement, with a yet unresolved crisis in the Euro zone and signs of slower growth in many emerging economies. In such business conditions the Company's gross income for the Financial Year ended March 31st, 2014 decreased by 25% to ₹ 181.89 Crore from ₹ 241.70 Crore in the previous year. The operating profit (PBDIT) of the Company increased to ₹ 46.97 Crore during the year, from ₹ 33.88 Crore in the previous year. Interest & Depreciation was at ₹ 37.63 Crore as against ₹ 34.88 Crore in the previous year. The provision for taxation during the year was ₹ (3.47) Crore which includes deferred tax Asset for the year. The net Profit for the year was ₹ 12.81 Crore. Like several other major technology companies, Allied Digital has also been hurt by the recent economic turmoil, margin pressure, increase in competition, spending curbed on IT cost by the customer. The Company's Net worth as on March 31st, 2014, stood at ₹ 690.02 Crore, as against ₹ 677.21 Crore last year.

OUTLOOK:

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

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

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

APPROPRIATIONS:

a. DIVIDEND:

In recognition of the fact that the economy is recovering and in view of the Company's performance the Directors do not recommend any Dividend for the Financial Year 2013-2014.

b. LIQUIDITY:

Your Company maintains sufficient cash to meet its strategic objectives. As on March 31st 2014, your Company has liquid assets including investment in mutual funds of ₹ 19.20 Crore as against ₹ 15.74 Crore at the previous year end. These funds are lying in current bank account, fixed deposits with banks and in mutual funds.

BOARD OF DIRECTORS

RE-APPOINTMENT/ APPOINTMENT:

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 2013, at least two-third of our Directors shall be subject to retirement by rotation. One- third of these retiring Directors must retire from office at each Annual General Meeting of the Shareholders. Mr. Paresh Shah will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement,

Ms. Shubhada Jahagirdar who has consented to act as Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years effective from October 01st, 2014, not liable to retire by rotation.

Pursuant to the provisions of the Companies Act, 2013, the Company has decided the term of Independent Directors as below:

Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Prof. Venugopal Ramaswami Iyengar (DIN 02591297), Dr. Shrikant Navnitlal Parikh (DIN 01735830), and Dr. Roopkishan Sohanlal Dave (DIN 2800417), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for the term upto March 31st, 2019, not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

As stipulated under clause 49 (IV)(G) of the Listing Agreement entered into with the stock exchanges, the following informations are provided in the Report in explanatory statement to Notice forming part of the Annual Report:

A brief resumes of the Directors proposed to be appointed / reappointed;

Nature of their expertise in specific functional areas is as stated above;

The names of companies in which they hold directorships and membership/ chairmanship of Committees of the Board;

Shareholding of Non-Executive Directors as stated in clause 49(IV)(E)(V) of the Listing Agreement.

DIVIDEND:

Your Directors have not recommended any Dividend for the Financial Year 2013-2014.

COST AUDIT:

The Company is not required to undertake the cost audit as required under Section 148 of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements, the Audited Consolidated Financial Statement is provided in the Annual Report.

COMMITTEES OF THE BOARD:

The details of the Committees of the Board including their composition are provided in the Corporate Governance Section of this Annual Report.

• **Nomination and Remuneration Committee – Companies Act 2013.**

Pursuant to the provisions of Section 178 of Companies Act, 2013, the Board of Directors of the Company has consented the change in nomenclature of existing Remuneration Committee to 'Nomination and Remuneration Committee' as provided under Companies Act, 2013 and has also approved the revised terms of reference of the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013 (effective from 01/04/2014).

As per the said terms of reference approved by the Board the Nomination and Remuneration Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the Director, KMP and other employees. The Company's policy on Directors appointment and remuneration and other specifications as mentioned above will be disclosed in the Boards' Report as provided under Section 134 (3) (e) once the same is formulated by the Committee.

SUBSIDIARIES:

Your Company has Seven subsidiaries:-

1. Allied Digital Services, LLC;
2. Allied Digital INC;
3. Allied Digital Singapore Pte. Ltd;
4. Allied Digital Asia Pacific PTY LTD;
5. *Digicomp Complete Solutions Limited;
6. En Pointe Technologies India Private Limited ;
7. Allied-eCop Surveillance Private Limited.

* Your Company has divested it's entire 52.6% holding in it's subsidiary, Digicomp Complete Solutions Limited as per Share Purchase and Shareholders agreement on August 14th, 2013.

Pursuant to the provisions of Section 212 of the Companies Act, 1956 ("the Act"), the Company is required to attach to its Annual Report, the Balance Sheet, Profit and Loss Account, Directors' Report and the Report of the Auditors' (collectively referred to as "the accounts and reports"), of its subsidiaries for the year ended March 31st, 2014.

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

The Ministry of Corporate Affairs has granted a general exemption to the companies from attaching financials of the subsidiaries, subject to the laid down conditions. The Board of Directors has also given their consent for not attaching the accounts and reports of its subsidiary to the Annual Report under the provisions of Section 212 of the Companies Act, 1956. Therefore, the Company shall not be attaching the audited accounts of the subsidiaries to the annual accounts of the Company for the current year. The annual accounts of the subsidiary companies and related detailed information will be made available to any member of the Company or subsidiary company upon request and are also available for inspection by any member of the Company, during the business hours, at the registered office of the Company and that of the subsidiary company concerned.

The statement containing the list of subsidiaries along with brief financial details of the subsidiaries is given on page numbers 122 of the Annual Report.

UTILISATION OF FUNDS RAISED THROUGH QIP AND ISSUE OF SHARE WARRANTS:

The Company has raised funds through the issue of shares to the Qualified Institutional Buyers pursuant to Qualified Institutional Placement and Issue of Share Warrants to Bennett Coleman and Company Limited. Out of the above issues proceeds as on March 31st 2014, the company is having balance of ₹ 5.01 cores pending for deployment.

HUMAN RESOURCES:

Your Company recognizes the importance of people in its growth and has been progressing with the unflinching commitment of the dedicated team of employees. The Company's recruitment practices ensure that suitable candidates with merit are recruited and provided with right opportunities to grow within the Organization. The Company has developed an HR strategy comprising need base training. Employees are encouraged to attend seminars, lectures and training. Key performance indicators by department heads were subject to regular management review meetings.

Developing a learning culture has always been and will continue to be our uppermost priority. Our efforts in the coming years will be to enable our employees to continually grow and build a competitive edge by translating the learning into positive actions. Several trainings were conducted during the year under review. We believe that together we can and will make the Company achieve its corporate mission.

QUALITY & CERTIFICATION:

We continue our excellence in journey with a critical focus on quality and processes and significant investment in quality processes. Pursuant to our ISO 9001 certification, since last 15 years, we continued further certifications for our other activities. Your Company's Remote Management Services (RMS) center at Navi Mumbai has got ISO 27001: 2005 Certification in a year 2007 and has gone through one successful renewal and five successful surveillance audit. It is planned to get this certified against ISO 27001:2013 in Aug 2014. By this certification, we have protected IT infrastructure by means of right infrastructure and process deployment so that the customers are in safe hands. We have further completed certifications of this RMS by ISO 20000-1:2005 which is certification of excellence in IT Service Management and has gone through one successful renewal and two successful surveillance audits and recently we have up-scaled this certification to ISO 20000-1:2011. The IT services that we thus provide from this RMS are certified to be one of the best in the world meeting requirements of that standard. We have further initiated movements towards green IT and offer green data center consultancy to our prospects. In this initiative we intend to voluntarily reduce energy consumption of hardware and offer consultancy to our prospects to reduce consumption of that data center thus improving carbon footprint and one more step towards precious energy conservation. We have registered for getting our software activities certified under CMMI certification level 3 which is expected to be completed in a year's time.

SUSTAINABILITY INITIATIVES:

As part of sustainability journey, Allied Digital's various businesses have adopted sustainability approach encompassing initiatives covering natural & energy resource conservation, water efficiency, waste reduction and product innovation. This is strengthened through commitment of top management, robust processes and policy formulation.

The company actively works towards development of underprivileged communities especially around our area of operations. Mother & child health, primary education and skill building are the key thrust areas for community welfare.

INVESTMENTS:

The investments of the Company as on March 31st, 2014 were to the tune of ₹ 152.46 Crore as compared to the last year's investment of ₹ 151.93 Crore.

The Book value of the quoted investments for the year under review was ₹ 5.01 Crore (previous year ₹ 5.17 Crore) and its realizable value as at March 31st, 2014 for this investment was same as book value.

FIXED DEPOSITS:

In terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit Rules), 1975, the Company has accepted fixed deposits during the year. As on date no Principal or Interest amount is outstanding.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The information on Conservation of Energy required under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. Although operations of the Company are not energy intensive, steps are being taken to conserve energy in all possible areas.

PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Annexure to the Directors' Report and the same are nil as no employees of the Company come under the purview of the aforesaid provisions. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975, the Annual Report is being sent to all Members

of the Company excluding the aforesaid information. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of your Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ In Lakhs)

PARICULARS	2014	2013
Earnings	2,748.95	1,871.71
Outflow (including Capital imports)	151.52	1,268.70
Net Foreign Exchange Earnings (NFE)	2,597.43	603.01
NFE / Earnings (%)	94	32

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 217(2AA) of the Companies Act, 1956, that:

In the preparation of the Annual Accounts for the year ended March 31st, 2014, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;

The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31st, 2014;

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

The Directors have prepared the Annual Accounts for the year ended March 31st, 2014, on a going concern basis.

STATUTORY AUDITORS:

At the Annual General Meeting, members will be requested to appoint M/s. Shah & Taparia, Chartered Accountant, Mumbai (Firm Registration No. 109463W) as Auditors of the company in place of retiring auditors M/s. K.M. Kapadia & Associates, Chartered Accountant, Mumbai (Firm Registration No. 104777W), to hold office for a period of five years i.e. from conclusion of Twentieth Annual General Meeting until conclusion of Twenty - Fifth Annual General Meeting of the Company subject to ratification in every Annual General Meeting and to fix their remuneration.

M/s. Shah & Taparia, Chartered Accountants, have given their consent for appointment. The Company has also received a certificate of eligibility from them under Section 139(1) of the Companies Act, 2013 and notice from a shareholder moving resolution of their appointment.

SECRETARIAL AUDITOR:

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

ESOP 2010:

At present the Company has an Option plan for its employees, "ESOP 2010". "ESOP 2010", was approved by the members at their meeting held on September 29th, 2010. The Company had granted total 502,500 options under "ESOP 2010" to the eligible employees in tranches out of total 3,000,000 grants allocated under

the effective ESOP scheme. During the financial year ended March 31st, 2014, No options were granted to employee of the Company or it's Subsidiary. Each option entitles the holder thereof to apply for and be allotted Equity Shares of the Company upon payment of the exercise price during the exercise period.

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

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

CORPORATE GOVERNANCE:

Your Company has taken appropriate steps and measures to comply with all the applicable mandatory provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges. The Company's governance practices are described separately in the Corporate Governance section from pages 33 of this Annual Report. We have obtained certification from a Practicing Chartered Accountant on our compliance with Clause 49 of the Listing Agreement with Indian Stock Exchanges, described in the separate section forming a part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

THE COMPANIES ACT, 2013:

The Companies Act, 2013 (the Act) came into force as on April 1st, 2014 (in the manner, to the extent notified by the Ministry of Corporate Affairs). The Act has replaced the Companies Act, 1956 and has brought a new set of compliances for companies. The new Legislation will facilitate greater transparency, more disclosures and enhanced corporate governance. The Company is taking necessary steps for implementation of the provisions of the Act.

AWARDS AND RECOGNITION:

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

- Certificate of Excellence from India Inc Innovative 100, for smart innovation –ADiTaaS platform
- "Best VAR 2013" – Western India
- Winner of the Channel World Premier 100 Awards, 2014

ACKNOWLEDGMENT:

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

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

For and on behalf of the Board of Directors

sd/-

Nitin D. Shah

Chairman & Managing Director

sd/-

Prakash D. Shah

Executive Director- Commercial

Place: Mumbai

Date: August 14th, 2014



REPORT ON THE CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2013-2014

(As required under Clause 49 of the Listing Agreement with the Stock Exchanges in India)

1. THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

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

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

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

2. BOARD OF DIRECTORS:

As on March 31st, 2014, the Board of Allied Digital Services Limited had 6 Directors, comprising (i) 3 Executive Directors, including the Chairman and (ii) 3 Independent Directors as defined under the Listing Agreement with Indian Stock Exchanges. Detailed profiles of the Directors have been discussed in this annual report. The Directors have expertise in the fields of Finance, Computer Engineering, Computer Management, Business Transformation, Enterprise Solutions Architecture and Business Administration. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. Each Director informs the Company on an annual basis about the Board and Committee positions he occupies in other companies including Chairmanships and notifies changes during the term of their directorship in the Company.

a) Size and Composition of Board:

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

Category	Name of the Directors
Promoter Directors	Mr. Nitin Shah (Chairman & Managing Director)
	Mr. Prakash Shah (Executive Director - Commercial)
Executive Director	Mr. Paresh Shah (CEO & Executive Director)
Independent and Non- Executive Director	Dr. Shrikant Parikh
	Prof. Venugopal Iyengar
	Dr. Roopkishan Dave

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

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non-Executive Directors

receive sitting fees for attending the meeting of the Board and various Committees. They do not receive any remuneration apart from the sitting fees. The Board reviews the declaration made by the Executive Directors regarding compliance with all applicable laws on regular basis as also steps taken to remediate instances of non-compliance.

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

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

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

1 Excluding directorship in Allied Digital Services Limited

2 For the purpose of considering the limit of the committee memberships and chairmanships of a Director, the Audit Committee and Shareholders' Grievances Committee have been considered.

- c) **Board Meetings:**

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

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

Four (4) Board meetings were held during the Financial Year 2013-14. The date on which the said meetings were held are May 30th, 2013, August 14th, 2013, November 14th, 2013 and February 08th, 2014 and the gap between two Meetings did not exceed four months.

The details of Directors attendance at Board Meeting held during the Financial Year 2013-14 and the last AGM held on September 25th, 2013.

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

d) Board Business:

The Board has complete access to any information within the Company. In addition to the regular business items, the following items / information are regularly placed before the Board to the extent applicable;

- Unaudited Quarterly / Half yearly financial results and audited annual accounts of the Company with relevant details for consideration and approval;
- Strategies for shaping of portfolio and direction of the Company and priorities, in corporate resource allocation;
- Corporate annual plan and operating framework;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Board Remuneration policy and individual remuneration packages of Directors;
- Compliance with all relevant legislations and regulations;
- Risk evaluation and control;
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement;
- Significant development in the human resources and industrial relations fronts;
- Any materially significant effluent or pollution problems;
- Status of Business Risk Exposures, its management and related action plans;
- Minutes of meetings of other Committee Meetings;
- Abstracts of circular resolutions passed;
- General notices of interest;
- Sale and / or Purchase of investments, fixed assets;
- Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non-compliances, if any;
- Related party transactions;
- Reviewing the Company's financial and risk management policies;
- Reviewing the business plan and strategy of the Company;
- Reviewing the operations and financial results of the Subsidiary Companies;
- Reviewing the Minutes of meetings of Subsidiary Companies.
- Disclosure of Independent Directors at the time of appointment / annually
- Disclosure of Directors Interest and their shareholding

e) Risk Management:

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

COMMITTEES OF THE BOARD:

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

- Audit Committee;
- Remuneration Committee;
- Shareholders' Grievance Committee;
- Compensation Committee; and
- Management Committee

AUDIT COMMITTEE:

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

a) Constitution and Composition of Committee:

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

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

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

b) Meetings:

Four (4) Audit Committee Meetings were held during the Financial Year 2013-14. The date on which the said meetings were held are, May 30th, 2013, August 14th, 2013, November 14th, 2013 and February 08th, 2014.

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

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

- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosures of related party transactions;

- Qualifications in draft audit report;
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the performance of Statutory & Internal Auditors, adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with the 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;
- To look into the reasons for substantial defaults, if any, in the payments to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the function of the Whistle Blower Mechanism;
- Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and / or other Committees of Directors of the Company;
- Reviewing the financial statements and in particulars the investments made by the unlisted subsidiaries of Company.

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

REMUNERATION COMMITTEE:

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

Remuneration Policy:

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

a) Composition of the Committee:

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

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

- To approve the Remuneration Plan of the Company;
- To review and grant increments to Executive / Managing Director;
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

c) Attendance at the Remuneration Committee Meetings

During the Financial Year 2013 –14, No meeting of the Remuneration Committee was held.

d) Disclosure of Remuneration paid

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

Details of remuneration paid to Directors during the accounting year ended March 31st, 2014 are as under:

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

Mr. Nitin Shah, Managing Director and Chairman and Mr. Prakash Shah, Whole-time Director were appointed w.e.f. April 01st, 2011 and the details of the remuneration during the accounting year ended March 31st, 2014 are given as under:

Name of Directors	Fixed Salary	Perquisite	Performance linked Incentive	Sitting Fees	Total	Service Contract / Notice Period	Stock Option granted, if any
Mr. Nitin Shah	1500004	3500000	N.A.	NIL	5000004	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil
Mr. Prakash Shah	750000	2250000	N.A.	NIL	3000000	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil

INVESTORS' / SHAREHOLDERS' GRIEVANCE COMMITTEE:

a) Composition:

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

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

b) Meeting of the Shareholders' grievance Committee Meetings:

Four (4) Shareholders' Grievance Committee Meetings were held during the Financial Year 2013-14. The dates on which the said Meetings were held are May 30th, 2013, August 14th, 2013, November 14th, 2013 and February 08th, 2014.

c) Compliance Officer:

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

d) Investors' / Shareholders' Grievance Redressal:

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

Nature of Complaints	Opening	Received	Resolved	Outstanding as at March 31 st , 2014
Non Receipt Of Annual Report	0	3	3	0
Non receipt of dividend	0	4	4	0
Total	0	7	7	0

During the Accounting Year ended March 31st, 2014, Seven (7) complaints were received from shareholders, all of which have been attended / resolved as on date.

All valid Share Transfers received during the accounting year ended March 31st, 2014 have been acted upon. There were no share transfers pending for more than 30 days for the half-year ended September 30th, 2013, and for more than 15 days for the half-year ended March 31st, 2014.

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

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

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

COMPENSATION COMMITTEE:

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

a) Constitution and Composition of Committee:

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

b) Meeting of the Compensation Committee:

During the Financial Year 2013 – 2014, No Compensation Committee Meeting was held.

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

- To decide the terms and conditions of the Employee Stock Option Scheme (ESOP);
- The quantum of any option to be granted under an employee stock option scheme per employee and in aggregate;
- The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

- The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- The right of the employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights, issues, bonus issues, merger, sale of divisions and other;
- The grant, vest and exercise of option in case of employees who are on long leave.

MANAGEMENT COMMITTEE:

a) Constitution and Composition of Committee:

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

b) Meeting of the Management Committee:

Four (4) Management Committee Meetings were held during the Financial Year 2013 – 2014. The dates on which the said meetings were held are April 22nd, 2013, May 21st, 2013, July 08th, 2013 and January 07th, 2014.

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

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

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

**GENERAL BODY MEETINGS:
ANNUAL GENERAL MEETINGS**

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

Financial Year	Day and Date	Location of AGM	Time
2012-2013	Wednesday, September 25 th , 2013	Tarabai Hall, Shiv Prasad Building, 97, Marine Drive, Mumbai – 400002	03:30 P.M.
2011-2012	Thursday, September 27 th , 2012	Tarabai Hall, Shiv Prasad Building, 97, Marine Drive, Mumbai – 400002	03:30 P.M.
2010 -2011	Thursday, September 29 th , 2011	Tarabai Hall, Shiv Prasad Building, 97, Marine Drive, Mumbai – 400002	03:30 P.M.

b) No Extra- Ordinary General Meeting of the Shareholders was held during the year.

c) Details of Special Resolutions passed in previous three Annual General Meetings:

At the last Annual General Meeting held on September 25th, 2013 the following special resolutions were passed.

- Issue and Allotment of Equity Warrants to Promoters and Non-Promoters
- Increase in remuneration of Mr. Nitin Shah, as Managing Director.
- Increase in remuneration of Mr. Prakash Shah, as Executive Director.

At the last Annual General Meeting held on September 27th, 2012, Special Resolution was passed for Appointment of Mr. Paresch Bipinchandra Shah, as Executive Director

At the last Annual General Meeting held on September 29th, 2011 the following special resolutions were passed.

- Re-appointment of Mr. Nitin Shah, as Managing Director.
- Re-appointment of Mr. Manoj Shah, as Executive Director.
- Re-appointment of Mr. Prakash Shah, as Executive Director.

d) Details of Special Resolution passed During financial year under review through postal ballot:

No Special Resolution was passed through Postal Ballot during the Financial Year 2013-14 by the Company.

3. Disclosures:

1. Related Party Transactions:

Related Parties and transactions as required under Accounting Standard (AS-18) are furnished under paragraph number 10D of the Notes to the Accounts attached with the financial statements for the year ended March 31st, 2014.

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

2 Compliance by the Company:

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

3) Whistle Blower Policy:

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

4) Mandatory & Non Mandatory requirement of this clause:

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

5) Means of Communication:

The Quarterly and Half Yearly results of the Company are published in an English and one Regional language newspaper namely The Economic Times and Maharashtra Times respectively. The results are also displayed on the Company's website: www.allieddigital.net

The Company informs the Stock Exchanges about all price sensitive matters or such other matters which are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters. A Management Discussion and Analysis Statement is a part of the Company's Annual Report, which is sent to each member by post.

6) Code of Conduct:

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

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

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

4. General Shareholder Information :

I. Annual General Meeting:

- Date : September 25th, 2014
- Time : 03:00 P.M.
- Venue : IMC Building, IMC Marg, Churchgate, Mumbai - 400020

II. Financial Year:

The Financial Year of the Company is from April 01st, 2013 to March 31st, 2014.

III. Date of Book Closure:

Book closure is from September 19th, 2014 to September 25th, 2014, both days inclusive.

IV. Listing on Stock Exchange:

The Company is listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. Listing fee for the year 2013 – 2014 has been paid in full to both the Stock Exchanges.

V. Stock Code :

National Stock Exchange India Limited	:	ADSL
Bombay Stock Exchange Limited	:	532875
ISIN in NSDL and CDSL for Equity Shares	:	INE102I01027
Corporate Identification No	:	L72200MH1995PLC085488

VI. Registrar and Share Transfer Agent:

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West), Mumbai - 400078
Tel. No. : +91-22-25946970 | Fax No. : +91-22-25946969
Email : investors@allieddigital.net | Website: www.linkintime.co.in

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

The Shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days for the half-year ended September 30th, 2013 and 15 days for the half-year ended March 31st, 2014 from the date of receipt, subject to documents being valid and complete in all respects. Similarly all requests for demat are received and processed by the Registrar and Transfer Agent and confirmations are given to the depositories within the prescribed time limit.

Nomination Facility for Shareholding:

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

Correspondence regarding Change in Address:

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

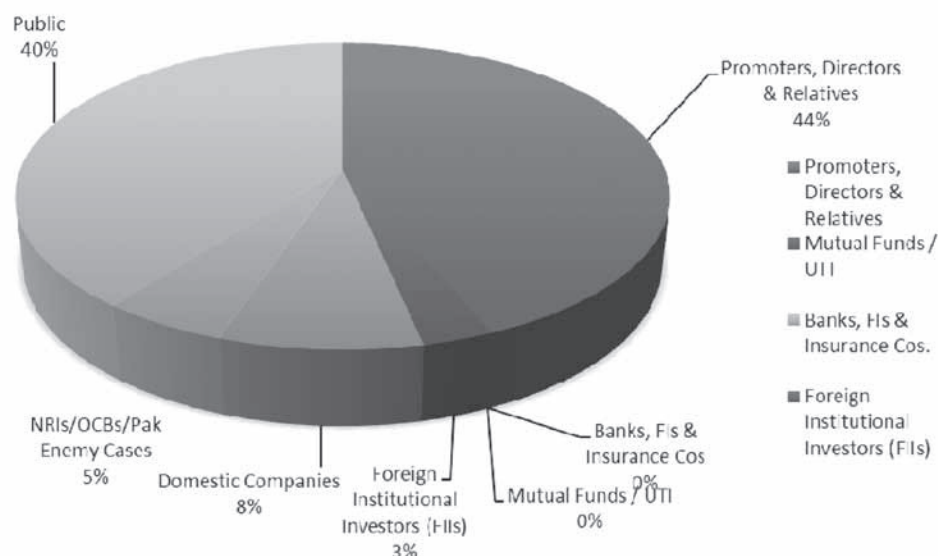
VIII. Distribution of Shareholding as on March 31st, 2014

No. of equity shares held	No. of shareholders	% of shareholders	shares held (in rs.)	% of share holding
UPTO 5000	27112	98.0330	9358076	20.2614
5001 - 10000	281	1.0161	2086008	4.5165
10001 - 20000	119	0.4303	1672364	3.6209
20001 - 30000	52	0.1880	1288031	2.7887
30001 - 40000	24	0.0868	840713	1.8202
40001 - 50000	18	0.0651	840781	1.8204
50001 - 100000	26	0.0940	1886920	4.0854
100001 AND ABOVE	24	0.0868	28213834	61.0865
TOTAL	27656	100.0000	46186727	100.0000

Shareholding Pattern as on March 31st, 2014

Category	No. of Shares Held	Percentage to total Number of Shares (%)
a. Promoters, Directors & Relatives	20188318	43.71
b. Mutual Funds / UTI	Nil	N.A.
c. Banks, FIs & Insurance Cos.	Nil	N.A.
d. Foreign Institutional Investors (FIIs)	1368642	2.96
e. Domestic Companies	3912811	8.47
f. NRIs/OCBs/Pak Enemy Cases	2465939	5.33
g. Public	18251017	39.53
Total	46186727	100.00

Shareholding Pattern as on March 31st, 2014



ix. Dematerialization of Shares:

The Shares of the Company can be held and traded in electronic form. As on March 31st, 2014, 96.77 % (44,696,073 Shares) of total shares of the Company were held in demat form. Break up of shares in physical and demat form as of March 31st, 2014:

Particulars	No. of Share	Percentage (%) of Total Shares
Physical Segment	1490654	3.23
Demat Segment	44696073	96.77
NSDL	38461906	83.27
CDSL	6234167	13.50
Total	46186727	100.00

- x. **Outstanding GDRs / ADRs** : NIL
- xi **Warrants or any Convertible Instrument, Conversion date and likely impact on equity** : NIL
- xii. **Plant Location** : Not Applicable.
- xiii. **Address for Correspondence** : ALLIED DIGITAL SERVICES LIMITED
81, Harchandrai House,
Maharshi Karve Road,
Marine Lines, Mumbai - 400020, India
Tel.: (022) 6681 6681
Fax: (022) 2206 4170
Email: investors@allieddigital.net
Website: www.allieddigital.net

xiv. E-mail Id for Investors' Grievances:

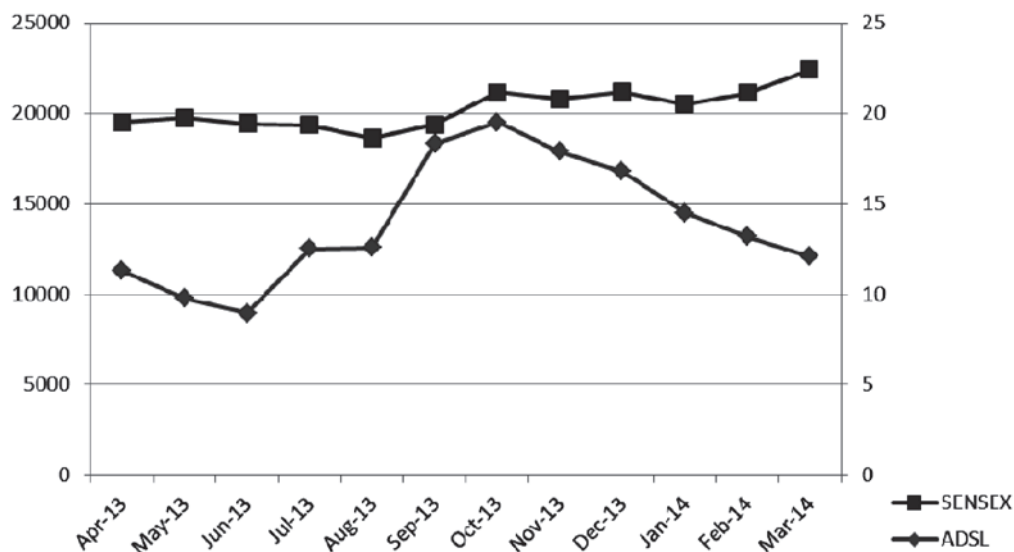
The Company has designated separate Email Id for the investor grievance and to improve the quality of the services to the investor. The e-mail address for investor grievance is investors@allieddigital.net

xv. Market information:

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

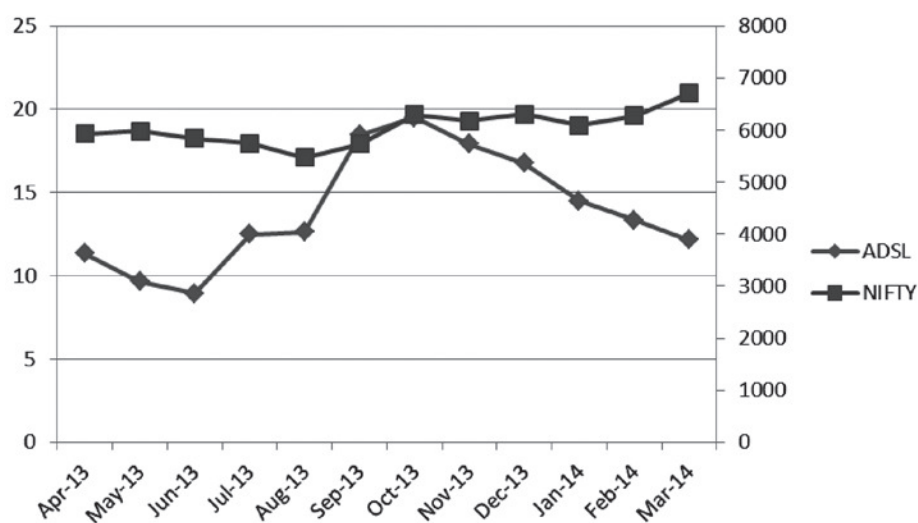
BSE HIGH AND LOW PRICE AS ON APRIL'2013 - MARCH'2014								BSE SENSEX			
MONTH	OPEN	HIGH	LOW	CLOSE	NO OF SHARES	NO OF TRADES	TOTAL T/O	OPEN	HIGH	LOW	CLOSE
APR'2013	11.2	14.75	10.5	11.3	311218	2213	3899013	18890.81	19622.68	18144.22	19504.18
MAY'2013	11.36	11.74	9.76	9.78	152773	582	1613317	19459.33	20443.62	19451.26	19760.3
JUNE'2013	9.3	11.48	7.4	8.96	390027	1893	3565409	19859.22	19860.19	18467.16	19395.81
JULY'2013	9	15.79	8.9	12.51	587457	2720	8137153	19352.48	20351.06	19126.82	19345.7
AUG'2013	12.01	15.4	10.39	12.59	301662	1645	3957814	19443.29	19569.2	17448.71	18619.72
SEP'2013	13.19	23.1	13.19	18.32	1406782	8768	27691261	18691.83	20739.69	18166.17	19379.77
OCT'2013	18.1	22.2	18.1	19.5	279481	2032	5726657	19452.05	21205.44	19264.72	21164.52
NOV'2013	19.25	21.25	16.1	17.9	359198	2330	6789219	21158.81	21321.53	20137.67	20791.93
DEC'2013	18.4	19.95	16.1	16.8	355803	3967	6265874	20771.27	21483.74	20568.7	21170.68
JAN'2014	17.15	18.35	14.3	14.5	343211	3062	5644632	21222.19	21409.66	20343.78	20513.85
FEB'2014	14.5	14.9	12.31	13.2	288242	2297	3807207	20479.03	21140.51	19963.12	21120.12
MAR'2014	12.85	13.5	11	12.08	507126	2840	6083986	21079.27	22467.21	20920.98	22386.27

Month	Apr 13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec- 13	Jan- 14	Feb-14	Mar-14
Share Price	11.92	10.55	9.13	12.21	12.91	18.75	20.07	18.71	17.11	16.27	13.25	12.30
Sensex	19504.18	19760.3	19395.81	19345.7	18619.72	19379.77	21164.52	20791.93	21170.68	20513.85	21120.12	22386.27



NSE HIGH AND LOW PRICE AS ON APRIL'2013 - MARCH'2014							NSE NIFTY			
MONTH	OPEN	HIGH	LOW	CLOSE	NO OF TRADES	TOTAL T/O IN LAKHS	OPEN	HIGH	LOW	CLOSE
APR'2013	18.3	14.3	10.5	11.35	530371	66.29	5697.35	5930.2	5962.3	5477.2
MAY'2013	15	12.3	11.75	9.65	296064	31.12	5911.4	5985.95	6229.45	5910.95
JUNE'2013	13.7	11	9.65	8.95	392351	34.68	5997.35	5842.2	6011	5566.25
JULY'2013	15.25	10.4	8.85	12.5	491840	63.34	5834.1	5742	6093.35	5675.75
AUG'2013	11.75	9.65	13	12.65	332511	44.26	5776.9	5471.8	5808.5	5118.85
SEP'2013	11	7.35	13.2	18.45	1770854	343.14	5480.25	5735.3	6142.5	5318.9
OCT'2013	15.4	8.85	18.5	19.5	292146	59.44	5756.1	6299.15	6309.05	5700.95
NOV'2013	15.4	10.6	19.1	17.9	386487	73.06	6289.75	6176.1	6342.95	5972.45
DEC'2013	23.15	13	18	16.75	496763	86.85	6171.15	6304	6415.25	6129.95
JAN'2014	22.4	18.45	16.8	14.5	595588	99.87	6323.8	6089.5	6358.3	6027.25
FEB'2014	21.2	16.25	13.15	13.35	332494	44.19	6058.8	6276.95	6282.7	5933.3
MAR'2014	19.65	16	13.25	12.15	524192	63.45	6264.35	6704.2	6730.05	6212.25

Month	Apr 13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec- 13	Jan- 14	Feb-14	Mar-14
Share Price	11.85	10.58	9.00	12.05	12.89	18.76	19.96	18.63	17.12	16.28	13.23	12.33
Sensex	5930.2	5985.95	5842.2	5742	5471.8	5735.3	6299.15	6176.1	6304	6089.5	6276.95	6704.2



xvi. Secretarial Audit Report:

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

MANAGEMENT CERTIFICATION

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

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

For Allied Digital Services Limited,

sd / -

Prakash Shah

Executive Director – Commercial

For Allied Digital Services Limited,

sd / -

Nitin Shah

Chairman & Managing Director

Place: Mumbai.

Date: August 14th, 2014

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To The Members of Allied Digital Services Limited,

We have examined the compliance of conditions of Corporate Governance by Allied Digital Services Limited for the Year ended March 31st, 2014 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievances Committee.

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

For K. M. Kapadia & associates,
Chartered Accountants

Sd / -

Kamlesh Kapadia
Membership No.: 039707

Date: May 30th, 2014.

Place: Mumbai

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31st, 2014.

sd / -

Nitin Shah
Chairman & Managing Director

Place: Mumbai.

Date: August 14th, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Environment and Industry outlook

Worldwide IT spending is projected to total \$ 3.7 trillion in 2013, a 2 percent increase from 2012 spending of \$ 3.6 trillion, according to Gartner.

Global growth is projected to strengthen from 3 percent in 2013 to 3.6 percent in 2014 and 3.9 percent in 2015, broadly unchanged from October 2013 outlook. In advanced economies, growth is expected to increase to about 2¼ percent in 2014-2015, an improvement of about 1 percent point compared with 2013.

Global activity has broadly strengthened and is expected to improve further in 2014–15, with much of the impetus coming from advanced economies. Inflation in these economies, however, has undershot projections, reflecting still-large output gaps and recent commodity price declines. Activity in many emerging market economies has disappointed in a less favorable external financial environment, although they continue to contribute more than two-thirds of global growth. Their output growth is expected to be lifted by stronger exports to advanced economies. In this setting, downside risks identified in previous World Economic Outlook reports have diminished somewhat. There are three caveats: emerging market risks have increased, there are risks to activity from lower-than-expected inflation in advanced economies, and geopolitical risks have resurfaced. Overall, the balance of risks, while improved, remains on the downside.

IT leaders convey a tone of cautious optimism as we look forward to 2014. Hot IT trends, such as Big Data, mobility and cloud are front and center in IT leaders' minds. Meanwhile, factors, such as slow economic growth, healthcare reform and global turmoil, while still of concern, are no longer pushing implementation decisions to the sidelines. Increase in global technology spending and opportunities created through adoption of disruptive technologies are expected to propel growth in FY2014. With the governmental policies directly impacting the revenue estimate, the software industry is closely following the policy moves which will herald the future outlook of the sector and help in strengthening the IT eco-system in India.

The Indian IT-BPM industry has demonstrated resilience and agility in the past year. Technology has today become an integral enabler for growth across all sectors and the industry is continuously evolving and innovating to emerge as a strategic partner to its customers. India's IT-BPM industry, with revenues estimated to reach USD 118 billion in 2014 and an overall growth of 13 per cent, continues to be a major driver of the country's GDP. With a 55 per cent share of the global sourcing market, the sector has also helped the nation to maintain its position as a leading offshoring destination. Over the years, the industry has remained a net hirer, adding 1.66 lakh jobs in 2014 alone and strengthening India's credentials as a hub of sought after, advanced and cutting-edge skills. the industry will continue to address a global sourcing market that is currently growing at twice the rate of global IT-BPM spend (pegged at USD 2 trillion at the end of 2013). While IT-BPM exports are expected to grow by 13-15 per cent and the domestic market revenues by 9-12 per cent in 2015, the overall revenues of the industry are set to reach USD 130 billion.

The global Infrastructure Outsourcing (IO) market—measured at ~US\$165 billion in 2013—is experiencing unprecedented disruption as new information technology models leave enterprises and service providers alike searching for solid strategic direction. Though cloud services tend to capture the majority of the headlines, a real disruption is brewing due to the still nascent concept of software-defined infrastructure. Enterprise buyers and service providers will need to rethink their infrastructure consumption models, which, in turn, will impact people, processes, and technology. An interesting challenge will be the “deskilling” and “upskilling” of people. A third major shift in the industry is the rise of Service Integration and Management (SIAM) services as buyers seek partners to manage and mitigate the delivery risks of employing multiple service providers within the infrastructure portfolio. -

2014 Outlook

Industry exports expected to reach USD 84-87 bn - growth rate of 12-14 per cent. Domestic revenues to grow by 13-15 per cent and will reach INR 1180-1200. SMAC (Social media, Mobility, Analytics, and Cloud) technologies will fuel more growth. Future of IT industry will be a complete blend of services, products, solutions and platforms. The goal of the sector in 2015 will be to help clients go digital, understand and acquire new customers and help them grow their businesses.

Our Company; Our readiness for the change:

Allied Digital has always remained ahead of the curve as far as changing trends in and paradigm shifts in the industry is concerned. Our advanced prediction on the growth of infrastructure management services has enabled us to lead this domain from the front while our competitors are still struggling to build this capability today. Similarly, we spotted many more changes ahead of time and the strategies that we have put together will continue to help us stay ahead of the curve.

Our geographic market: With 144 locations spread across India and 52 locations in US and further expanded our presence in UK, we are well poised to service all kinds of client segments. Not many organizations can scale to this level easily, which is essential for infrastructure services business. Besides, we have diversified into newer territories and are aggressively building our capabilities in South East Asia, Australia and European markets.

Our client segment: We are industry segment agnostic and our core strategy is to remain 'customer-centric'. Our client base cuts across a wide range of industries/sectors and categories and includes both large enterprises to small and medium sized businesses. Our focus is to enhance our client relationships and create value by strengthening our delivery capabilities and augmenting our dedicated account management best practices. This has made us ready for the future and an extremely strong force to compete in the marketplace.

Technology and infrastructure: We truly believe that the investments that we have made in the last few years to build world class infrastructure and expertise in the space of Network Operating Center (NOC), Security Operating Centre (SOC) and Cloud are going to put us ahead of our competition. We have a world-class facility at Rancho (USA) to assemble, test and deploy machines in large quantities. Similarly our enhanced capacity at our Global Command Center (NOC and SOC) can take on the additional businesses, which we expect in the space of Remote Infrastructure Management Services (RIMS) and Managed Security Services (MSS). We have already demonstrated our cutting-edge Mobility Solutions to one of the leading players in the industry and it has been extremely well received and deployed. The mass adoption of cloud, virtualization, mobility etc. will place our organization in a much positive and profitable position in the near future.

FACTORS THAT MAY AFFECT RESULTS OF THE OPERATION

General economic conditions: General economic slowdown may compel our clients to postpone their decisions to acquire newer technology and reduce their IT operations cost. In turn such scenario may affect our revenue and profitability.

Foreign currency fluctuation: Primarily our foreign currency earnings are in US dollars. The exchange rate between the Indian rupee and US dollar has fluctuated significantly in recent past and the same may continue fluctuating in future. Currency fluctuation some time may turn out highly unfavorable to us and may adversely affect our revenue and gross margins.

We are not technology originator: Our Enterprise Computing Team gives various technology solutions to customer. These solutions are usually conceived using building blocks of different range of IT products namely computing, storage, networking, security and software products. Very often this range of IT products belongs to different OEMs and functioning of final solutions highly depends on integration of all products.

Pricing Pressure: The Indian IT market (domestic) has been viewed as a highly emerging market compared to other markets, hence it has become a focused market for several large Indian IT firms & various global IT giants. Though the Company is comfortably placed because of its rich experience and vast geographical presence in the market place. But highly competitive scenario creates pricing pressure on the Company, which may affect its gross margin in the long run.

Human Resources: Our services business is a highly Human resource intensive. An increased demand of IT professionals may result in increased attrition which may affect our business in the short term

DISCUSSION ON RESULTS OF OPERATIONS

The financial statements are prepared in compliance with the Companies Act, 1956 and generally accepted accounting principles in India.

The following table sets forth certain financial information from the standalone financial statement as well as these items as a percentage of our revenue for the periods indicated:

(₹ In Lacs)		
Particulars	For the year ended March 31 st , 2014	For the year ended March 31 st , 2013
Income		
Operational Income	14,938.06	23,625.54
Services	4,465.90	7,087.662
Solution	10,472.16	16,537.88
Others	-	-
Other Income	3,250.95	544.34
Total Income	18,189.01	24,169.88
Expenditure		
Cost of sales	9,043.33	17,405.76
% of Operational Income	61%	74%
Cost of Employees	2,639.66	2485.09
% of Operational Income	18%	11%
Administrative, selling and other expenses	1,809.10	891.06
% of Operational Income	12%	4%
Total Expenditure	13,492.09	20781.91
Profit before Interest, Depreciation, Amortization, Tax & Exceptional Items	4,696.92	3,387.97
% of Total Income	26%	14%
Exceptional Items	-	576.44
Profit before Interest, Depreciation, Amortization, Tax	4,696.92	2,811.53
Interest and Finance Charges	1,437.98	1355.92
Depreciation and Amortization	2,325.24	2,132.41
Profit/(Loss) before Tax	933.70	(676.80)
Provision for Taxation (Net)	(347.48)	341.01
Profit/(Loss) after Tax	1,281.18	(1017.81)

TOTAL INCOME:

The Total Operating Income of the Company has decreased from ₹ 23,625.54 Lacs in F.Y. 2012-13 to ₹ 14,938.06 Lacs in F.Y. 2013-14 showing a y-o-y decline of 37%. The company during the year underwent a restructuring of its business focusing on core profitable business and letting go of non-profitable business. This along with the competitive environment impacted the performance of the company. The key segments of our business namely 'Infrastructure Management based Solutions' and 'Enterprise Computing based Solutions' contributed 30% and 70% to revenues respectively in F.Y. 2013-14.

COST OF SALES:

The Company's cost of sales is predominantly related to its 'Enterprise Computing based Solutions' business & mainly consist of procurement of hardware, software and other related cost for execution of solutions orders. A portion of the same also contributes to the Company's 'Management based Solutions' business whereby Company consumes spares, software tools & utilities etc. for its comprehensive services contracts. The cost of sales for the year ended March 2014 was 61% of the Operational income as compared to 74% during last fiscal. The reason for decline in cost of sales is mainly because of increased pricing pressure whereby selling prices needs to be frequently compromised due to highly competitive business scenario.

EMPLOYEE COSTS:

The employee cost declined on a Y-o-Y basis by 7%. However as a percentage of sales it went up from 11% in FY2012-13 to 18% in FY2013-2014 due to efforts of the company to control costs.

In terms of absolute numbers it appears that employee cost during the year has reduced as compared to the last fiscal year. However, the employee cost as a percentage of operational income has increased/decreased as compared to FY 2013 – 14 due to increase in employee cost for inflation. However during the year Company has adopted all possible measures to keep its employee cost under control and reduced it wherever possible. This reduction is not visible in terms of percentage as the same was wiped out by the increase in employee cost in other areas where it was not controllable.

INTEREST AND FINANCE CHARGES:

Interest and finance charges for the current year were ₹ 1,437.98 Lacs as compared to ₹ 1,355.92 Lacs during last fiscal. Increased working capital requirement and increase in cost of borrowings have attributed to increase in interest cost during the year.

DEPRECIATION:

Depreciation & Amortization for the Current Year was ₹ 2,325.24 Lacs as compared to ₹ 2,132.41 Lacs for the financial year 2012 – 13. The increase is mainly attributable to increased 'capital expenditure' for additional capacity creation during the period under review.

EARNINGS BEFORE INTEREST DEPRECIATION, TAXES & AMORTISATION (EBIDTA):

EBIDTA of the Company has increased from ₹ 3,387.97 Lacs in 2012 – 13 to 4,696.92 Lacs in 2013 – 14. The EBIDTA as a percentage of total Income has increased to 26% in FY 2013-14 from 14% in FY 2012-13. The increase in EBIDTA level is mainly due to decrease in 'Cost of Sale'.

MAT CREDIT ENTITLEMENT:

Current year the Company had carried MAT credit entitlement of ₹ 23.67Lacs. Last year the Company not avail the credit of this entitlement.

LOAN:

Secured loan as at March 31st, 2014 was ₹ 9,379.67 Lacs (previous year: ₹ 9,284.64 Lacs). This increase was on account of bank borrowings to meet the working capital requirement of the Company.

DEFERRED TAX LIABILITY:

The Company has provided a Deferred Tax Liability of ₹ 1,479.54 Lacs (Previous Year: ₹ 2,021.83 Lacs). The provision was mainly on account of excess depreciation under the IT Act as compared to depreciation under the Companies Act.

FIXED ASSETS:

During the year the Company has capitalized ₹ 1,702.33 Lacs in its Gross Block of assets (₹ 3,636.20 Lacs for fiscal year 2013). Capital Work in Progress pending capitalization as on March 31st, 2014 was ₹ 3,769.10 Lacs. The major heads under which fixed assets were acquired during the year are for 'Intangible Assets'.

DEBTORS TURNOVER RATIO:

(₹ in Lacs)		
Particulars	March 31 st , 2014	March 31 st , 2013
Outstanding Debtors at the end of the Period	23,321.91	22,081.74
Debtors less than 180 Days as a % of total debtors	32%	76%
Debtors more than 180 Days as a % of total debtors	68%	24%
No. of Days outstanding Debtors (Days) on an Average	570	341

Increase in debtors ageing is mainly due to increased credit period demanded and enjoyed by most of the large customers. Considering the increase in the rate of interest on working capital loans, increase in debtors ageing is adversely affecting the profitability of the Company. The Company's customer profile consists of large and blue chip corporates and hence these customers go by their corporate payment terms which Company has to accept to acquire new business and new customers. Due to constrained liquidity scenario at customers' end, in many transactions 'delivery to cash cycle' gets prolonged even beyond the agreed 'payment terms'. However the Company has been taking measures to improve the payment terms with existing customers and improve its delivery to cash cycle to bring overall receivables position down.

CASH FLOW:

(₹ in Lacs)		
Particulars	March 31 st , 2014	March 31 st , 2013
Cash generated from Operating Activities	1,117.69	2,900.70
Net Cash flow from / (used in) investing activities	634.05	(2,149.60)
Net Cash flow from / (used in) financing activities	(1,389.59)	(1,833.19)
Cash and cash equivalents at the beginning of the year	1,056.97	2,139.07
Cash and cash equivalents at the end of the year	1,419.12	1,056.97

The Company has generated cash from operating activities of ₹ 1,117.69 Lacs (Previous Year: ₹ 2,900.70 Lacs). During the year Company has paid taxes of ₹ 318.00 Lacs (Previous Year: ₹ 576.44 Lacs). However Company had carried a MAT credit entitlement in the current financial year. During the year, the Company has added assets worth ₹ 1,702.33 Lacs into its gross block. This was mainly financed by liquidating investments in various mutual funds.

As at March 31st, 2014 the cash and cash equivalent was ₹ 1,419.12 Lacs (previous year : ₹ 1,056.97 Lacs).

HUMAN RESOURCES:

The company's HR has been focusing to strengthen the present initiatives (ERA) to maintain continuity while also strive to bring in a new dynamism, value based initiatives and speed to make the company more stronger with excellent value add for all our employees at large. It is in this very spirit that we renewed our identity in the form of our new logo ; refreshed our Newsletter to serve the changing times with erudite; We recognized the need and launched 'Younify' a full-fledged employee engagement website which has brought a vibrant force in the system ; We architected entire employee information on SAP HR & through the newly created Learning centre the company has imparted knowledge across technical competencies to a large number of employees of the Company.

The company's HR endeavor this year would be to bring in the concept of "Shared Leadership" approach and build a climate of best HR practices as we move forward this year .For an organization like ours, which thrives on technology and manpower, the process to appoint the new leadership team, which is both dynamic and sensitive towards the requirements of the employees and stakeholders, has far reaching and strategic consequences. Keeping this in mind, we followed a consultative process to evolve many options and then deliberated on the strengths of each before arriving at a final view of the new leadership team.

The company seek all stakeholders' support and cooperation in helping the Company further enriching employee value enhancement proposition for the year ahead thereby building a stronger, bigger and better employee base , based on the principles of 'Caring, Sharing and Leading'.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply government regulations and taxation natural calamities and so on over which the Company does not have any direct control.

INDEPENDENT AUDITOR'S REPORT

To the Members of

M/S Allied Digital Services Limited
Report on the financial Statements

We have audited the accompanying financial statements of M/S Allied Digital Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements to be read with the Notes to Accounts thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the legal & regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations, subject to the points mentioned in the Notes to Accounts which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report and read with the Notes to Accounts thereon are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement read with the Notes to Accounts thereon comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **K M Kapadia & Associates.**
FRN: 104777W

Sd/-
CA.Kamlesh Kapadia
Membership No. :039707

Place:Mumbai
Date: May 30th, 2014

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF ALLIED DIGITAL SERVICES LIMITED

As required by the Companies (Auditors Report) Order, 2003 issued by the department of Company Affairs, Government of India in terms of Section 227(4A) of the Companies Act 1956 and on the basis of such checks of Books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we further state that:

- I (a) The Company has maintained the Fixed Assets Register as required to be maintained.
- (b) We are informed that the Company does not have a written policy for physical verification of Fixed Assets. The Company, as explained to us follows a standard policy for Capitalization of Fixed Assets resulting into a uniformity and proper classification between capital and revenue expenditure. However the reconciliation between the records maintained by the Company and the Stores Register could not be carried out. As explained to us there is no material discrepancies noticed by the management during the year under review.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company, and such disposal has, in our opinion, not affected the going concern status of the Company.
- II (a) The Stock of Goods have been physically verified by the management during the year at reasonable intervals.
- (b) As explained to us the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining reasonable records of inventory. However due to complexities of business we have been unable to verify the same . The management has informed us that the discrepancies noticed on verification between the physical stock and book records were not material.
- III In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956;
- (a) The Company has granted loans secured / unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken interest free / interest bearing loans, secured / unsecured in the earlier years from various parties and the balance outstanding as on March 31, 2014 is ₹ 147.59 Lacs. The maximum amount involved during the year was ₹ 193.34 Lacs.
- (c) The registers required to be maintained u/s 301 of the Companies Act 1956 have been maintained in the prescribed format by the Company.
- (d) In our opinion and according to the information given to us all the transactions entered into by the Company with related parties in pursuance to Section 301 of the Companies Act have been done with fair amount of reasonability vis-à-vis the prevailing market prices at the relevant time.
- (e) In our opinion and according to the information and explanation given to us, the rate of interest in case of loan taken, wherever applicable and other terms and conditions are not prima- facie prejudicial to the interest of the Company.
- (f) In respect of the loans taken by the Company, certain delays have been reported at the time of repayment of the principal as well as interest by the Company.
- (g) There is no over due amount in respect of the loans taken by the Company.
- IV The Company has not appointed any outside agencies as Internal Auditors but as explained to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of the business, for the purchase of the inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness in internal controls were either reported or noticed.

- V During the year under review the Company has accepted Loan or Deposits from its Directors & Shareholders. Apart from the same the Company has also accepted Deposits from public during the year after obtaining the approvals from all the regulatory authorities .
- VI No Cost Records have been prescribed by the Central Govt. under Clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956.
- VII (a) According to the records of the Company, the Company has, due to paucity of funds, not been regular in depositing with appropriate authorities the undisputed statutory dues such as Provident Fund, Employees State Insurance, VAT, CST, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- (b) According to the information and explanation given to us, an amount of ₹ 2,380.87 Lacs is dues from the Company on account of tax dispute with the concerned authorities.
- VIII The Company does not have accumulated losses for any of the financial years.
- IX As per the explanation and information given to us, there have been some delays in repayment of dues to any Financial Institution or Banks.
- X The Company has not granted loans and advances on the basis of security by way of pledge of Shares, debentures or other securities.
- XI In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of said order are not applicable to the Company.
- XII In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provision of clause (xiv) of the said are not applicable to the Company.
- XIII According to the information and explanation given to us, the Company has not given any guarantee for the loans taken by others from Banks and Financial Institutions. Accordingly, clause 4(xv) of the said order is not applicable.
- XIV According to the information and explanations given to us by the Company, term loans taken have been applied for the purpose for which they were obtained.
- XV In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that fund raised on short term basis have not been used for long term investment.
- XVI During the year, the Company has not made any preferential allotment of shares to the parties and the Company covered in the register maintained under section 301 of the Act.
- XVII In our opinion and according to the information and explanation given to us, the Company has not issued any debentures during the period covered by our report. Accordingly, clause 4 (xix) of the said order is not applicable.
- XVIII During the period covered by our reports, the Company has not raised any amount of money by way of the Initial Public Offer (IPO).
- XIX According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K M Kapadia & Associates.**
FRN: 104777W

Sd/-
CA.Kamlesh Kapadia
Membership No. :039707

Place:Mumbai
Date: May 30th, 2014

BALANCE SHEET AS AT MARCH 31, 2014

(₹ In Lacs)			
Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	2,309.34	2,309.34
Reserves and Surplus	2	66,692.60	65,411.43
Non-Current Liabilities			
Other Long term liabilities	3	437.21	127.78
Deferred tax liabilities (Net)	4	1,479.54	2,021.83
Long term provisions	5	153.98	161.87
Current Liabilities			
Short term borrowings	6	9,551.38	9,502.98
Trade Payables	7	1,535.64	1,847.17
Other Current Liabilities	8	425.07	1,063.29
Short term provisions	9	281.02	138.00
Total		82,865.79	82,583.69
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	20,095.31	21,247.27
Intangible assets	10	4,297.76	3,768.73
Capital work-in-progress	10	3,769.10	4,492.79
Non current investments	11	15,246.22	15,192.76
Long term loans and advances	12	5,412.73	5,068.62
Current Assets			
Current Investments	13	-	-
Inventories	14	3,867.65	3,800.90
Trade receivables	15	23,321.91	22,081.74
Cash and cash equivalents	16	1,419.12	1,056.97
Short-term loans and advances	17	4,963.59	5,192.73
Other current assets	18	472.39	681.17
Total		82,865.79	82,583.69
Contingent Liabilities	25	5,600.17	3,616.45
Significant Accounting Policies	26		

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates
Chartered Accountants
F. No. 104777W

sd/-
Nitin Shah
Chairman &
Managing Director

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Kamlesh Kapadia
M. No. 039707

sd/-
Ravindra Joshi
Company Secretary

Place: Mumbai
Date: May 30th, 2014

Statement of Profit and Loss for the year ended March 31, 2014

(₹ In Lacs)			
Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from operations	19	14,938.06	23,625.54
Other Income	20	3,250.95	544.34
Total Revenue		18,189.01	24,169.88
EXPENSES:			
Purchases for Traded Goods & Service Spares	21.a	9,110.01	17,496.01
Changes in inventories of stock-in-trade	21.b	(66.68)	(90.25)
Employee benefits expense	22	2,639.66	2,485.09
Finance costs	23	1,437.98	1,355.92
Depreciation and amortisation expense	10	2,325.24	2,132.41
Other expenses	24	1,809.10	891.06
Total Expenses		17,255.32	24,270.24
Profit before tax before Exceptional items		933.69	(100.35)
Exceptional Items		-	576.44
Profit before tax		933.69	(676.79)
Tax expenses:			
Tax expense for current year		194.80	-
MAT credit		-	-
Net current tax expense		194.80	-
Deferred Tax		(542.28)	341.01
Total Tax Expenses		(347.48)	341.01
Profit/(Loss) for the year		1,281.18	(1,017.80)
Earning per equity share:			
Equity Shares of par value ₹ 5/- each		2.77	(2.20)
Basic		2.77	(2.20)
Diluted			
Significant Accounting Policies	26		

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates

Chartered Accountants

F. No. 104777W

sd/-

Nitin Shah

Chairman &
Managing Director

sd/-

Prakash Shah

Executive Director Commercial

sd/-

Kamlesh Kapadia

M. No. 039707

sd/-

Ravindra Joshi

Company Secretary

Place: Mumbai

Date: May 30th, 2014

Cash Flow Statement for the year ended March 31, 2014

Sr. No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
I	CASH INFLOWS		
(1)	From Operating activities		
(a)	Profit/Loss as per Profit & Loss Account after Tax	1,281.17	(676.79)
	Adjustments:	-	-
	Depreciation and amortization	2,325.24	2,132.41
	Gratuity Exp	-	-
	Income from Investing Activities	(2,010.24)	(271.83)
	Deferred Tax	(542.28)	-
	Finance Cost	1,437.98	1,355.92
	Other Provisions	-	-
		1,210.71	3,216.50
(b)	Working capital changes:		
	Decrease in inventories	-	-
	Decrease in trade receivables	3,173.15	-
	Decrease in short-term loans and advances	474.21	-
	Decrease in other current assets	208.79	75.19
	Increase in trade payables	-	91.21
	Increase in trade payables (related party)	3,417.48	-
	Increase in Long term liabilities	309.43	106.78
	Increase in other current liabilities	-	520.32
	Increase in long term provisions	-	70.79
	Increase in short term provisions	143.02	-
	Total of (1)	10,217.95	3,404.00
(2)	From Investing activities		
	Income from sale of fixed assets	-	-
	Income from sale of investments	1,891.27	750.00
	Realisation of long-term loans and advances from subsidiaries/ associates/ business ventures	-	1,262.53
	Decrease in other long-term loans and advances	-	-
	Decrease in other non-current investment	-	-
	Decrease in other non-current investment(related party)	-	-
	Dividend received	35.63	41.00
	Interest received	83.34	67.43
	Other income	-	-
		2,010.24	163.40
	Total of (2)	2,010.24	2,284.36
(3)	From Financing activities		
	Proceeds from issue of share capital	-	-
	Share application money pending allotment	-	-
	Proceeds from long-term borrowings	-	-
	Proceeds from short-term borrowings	122.63	-
	Total of (3)	122.63	-
	Total cash inflows(1+2+3)	12,350.82	5,688.36

Cash Flow Statement for the year ended March 31, 2014

Sr. No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
II	CASH OUTFLOWS		
(1)	From Operating activities		
(a)	Profit/Loss from operating activities	-	-
	Adjustments:	-	-
	Depreciation and amortization	-	-
	Share Compensation expenses (Loss)/Gain on sale of fixed assets	-	-
	Assets written off	-	-
	(Provision)/Reversal for doubtful debts and advances	-	-
	Other income	-	-
(b)	Working capital changes:		
	Increase in inventories	66.75	90.25
	Increase in trade receivables		
	Increase in trade receivables(related party)	4,413.33	396.05
	Increase in long-term loans and advances	-	-
	Increase in short-term loans and advances	245.07	-
	Increase in other current assets	-	-
	Decrease in trade payables	3,729.00	-
	Decrease in Long term liabilities	-	-
	Decrease in other current liabilities	638.22	-
	Decrease in long term provisions	7.89	
	Decrease in short term provisions	-	17.00
	Direct taxes paid/(Refund) (Net of refunds)	-	-
	Total of (1)	9,100.27	503.30
(2)	From Investing activities		
	Purchase of tangible assets/capital work-in-progress	868.13	-
	Purchase of intangible assets/assets under development	110.50	3,635.49
	Purchase of investments	-	696.53
	Investment in subsidiaries/associates/business ventures	-	-
	Payment of long-term loans and advances to subsidiaries/associates/business ventures	-	101.94
	Increase in other long-term loans and advances	337.96	-
	Increase in other long-term loans and advances (related party)	6.15	
	Increase in other non-current investment	53.45	-
	Total of (2)	1,376.19	4,433.96
(3)	From Financing activities		
	Repayment of long-term borrowings	-	-
	Repayment of short-term borrowings	-	477.27
	Repayment of short-term borrowings (related party)	74.24	
	Dividends paid (including distribution tax)	-	-
	Interest and other finance costs	1,437.98	1,355.92
	Outflow on account of Share Buyback	-	1,833.19
	Total of (3)	1,512.22	1,833.19
	Total cash outflows (1+2+3)	11,988.67	6,770.46

Cash Flow Statement for the year ended March 31, 2014

Sr. No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
III	Net (decrease)/increase in cash and cash equivalents		
	From Operating activities	1,117.69	2,900.70
	From Investing activities	634.05	(2,149.60)
	From Financing activities	(1,389.59)	(1,833.19)
	Total (A)	362.15	(1,082.10)
	Add: Cash and cash equivalents at the beginning of the period (B)	1,056.97	2,139.07
	Cash and cash equivalents at the end of the period (A+B)	1,419.12	1,056.97

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates

Chartered Accountants

F. No. 104777W

sd/-

Nitin Shah

Chairman &
Managing Director

sd/-

Prakash Shah

Executive Director Commercial

sd/-

Kamlesh Kapadia

M. No. 039707

sd/-

Ravindra Joshi

Company Secretary

Place: Mumbai

Date: May 30th, 2014

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 1: Share Capital

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

(₹ In Lacs)

Share Capital	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 5 each with voting rights	60,000,000	3,000.00	60,000,000	3,000.00
Issued				
Equity shares of ₹ 5 each with voting rights	46,186,727	2,309.34	46,186,727	2,309.34
Subscribed & Paid up				
Equity shares of ₹ 5 each with voting rights	46,186,727	2,309.34	46,186,727	2,309.34

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

(₹ In Lacs)

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

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

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

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

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights				
Nitin Dhanji Shah	12,476,954	27.01	12,476,954	27.01
Prakash Dhanji Shah	6,346,214	13.74	6,346,214	13.74

The Company has Stock Options Plans which is summarized as under:

(i) **Stock Option Scheme (2010)**

The Company by a Special Resolution passed at Annual General Meeting held on September 29th, 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 4,27,500 options have been granted during the year.

Notes Forming Part of the Balance Sheet as at March 31, 2014

Particular	2013-2014	2012-2013
Opening Outstanding option	2,512,500	2,572,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	60,000
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	-	-
Closing Outstanding option	2,512,500	2,512,500

(e) Issue of Shares other than Cash

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

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

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

(f) Buy- Back of Equity Shares

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

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

Disclosure pursuant to Note No. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956

Unpaid Calls	
By Directors	-
By Officers	-

Note Disclosure pursuant to Note No. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year (Aggregate No. of Shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	200,000.00	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	595,000.00	-	-
Preference Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 2: Reserves and Surplus

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
(a) Capital Reserves		
Subscription amount received on Equity Warrants		
Opening Balance	-	-
(-) Transferred on account of conversion of Equity Warrants into Equity Shares	-	-
Closing Balance	-	-
(b) Capital Redemption Reserve		
Opening Balance	29.85	29.85
(+) Current Year Transfer	-	-
Closing Balance	29.85	29.85
(c) Securities Premium Account		
Opening Balance	36,617.46	36,617.46
(+) Securities premium credited on allotment of equity shares	-	-
(-) Utilised during the year for:		
Closing Balance	36,617.46	36,617.46
(d) General Reserves		
Opening Balance	1,337.77	1,337.77
Closing Balance	1,337.77	1,337.77
(e) Surplus		
Opening balance	27,426.36	28,444.16
(+) Net Profit/(Net Loss) For the current year	1,281.18	(1,017.80)
(+) Excess Provision made for Proposed Dividend	-	-
(+) Excess Provision made for Dividend Distribution Tax	-	-
(-) Dividends proposed to be distributed to equity shareholders	-	-
(-) Corporate Dividend Tax	-	-
(-) Short Provision of Tax of earlier years (Net)	-	-
Closing Balance	28,707.54	27,426.36
Total Reserves and Surplus	66,692.62	65,411.44

Note 3: Long Term Borrowings

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
a Others		
Security deposit for rented property	28.50	28.50
Fixed Deposit	408.71	99.28
Total Other Long Term Liabilities	437.21	127.78

During the year under consideration the Company has after obtaining due approvals from the required Regulating Authorities borrowed money from the Public. The Balance of such Fixed Deposits outstanding as on the Date of the Balance Sheet is ₹ 408.71 Lacs.

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 4: Deferred tax liabilities

The net deferred tax asset as at March 31, 2014, comprises of the following components:

(₹ In Lacs)			
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
Deferred Tax Asset			
	On account of Deferred Revenue Expenses (IPO Exp)	-	183.33
	Provision for Duties and Taxes	17.16	-
	Provision for employee benefits - Gratuity	-	-
	Provision for doubtful debts	4.74	-
	Total Deffered Tax Asset	21.90	183.33
Deferred Tax Liability			
	On timing difference of depriciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,501.44	2,182.19
	Provision for employee benefits	-	-
	Gratuity	-	22.97
	Total Deffered Tax Liability	1,501.44	2,205.16
	Net Deffered Tax Asset / (Liability)	(1,479.54)	(2,021.83)

The management has decided not to recognize the net deferred tax asset on carried forward losses on the grounds of prudence.

Note 5 : Other Long Term Provisions

(₹ In Lacs)			
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Provision for employee benefits:		
	Provision for gratuity	153.98	161.87
	Total Other Long Term Provisions	153.98	161.87

The detailed Report from the Acctury to ascertain the Provision of Gratuity required as on the date of this Balance Sheet has not been provided by the Company.

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 6: Short Term Borrowings

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Secured		
(a)	Loans repayable on demand (Refer Note (a))	9,379.67	9,284.64
(b)	Inter Corporate Deposits	-	-
		<u>9,379.67</u>	<u>9,284.64</u>
	Unsecured		
(a)	Loans repayable on demand	147.59	193.34
(b)	Loans and advances from related parties	24.11	25.00
		<u>171.70</u>	<u>218.34</u>
	Total Short Term Borrowings	<u>9,551.37</u>	<u>9,502.98</u>

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

(₹ In Lacs)			
Particulars	Nature of security	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand from banks:			
Barclays Bank Foreign Currency Loan	Refer Note (i)	1,780.83	2,140.83
Working Capital Facility From ICICI Bank	Fixed Deposit of ₹ 5,143,420.00	26.65	19.91
ICICI Bank Marine lines	-	64.89	-
Working Capital Facility From State Bank of India	Refer Note (i)	5,990.44	5,985.27
Working Capital Facility From Standard Chartered Bank	Refer Note (i)	1,516.86	1,138.63
Loans repayable on demand from banks		9,379.67	9,284.64

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

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

- Mortgage of Gala no 4, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 3, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 301,302,305,306,307,308, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 7, Bldg No 3, Plot No MBP 2, Mahape, Navi Mumbai
- Hypothecation Charge on Movable assets except Vehicles
- Hypothecation Charge on Current Assets
- Fixed Deposit with State Bank of India of ₹ 132,921,634 (including accrued Interest)
- Personal Guarantee of directors Mr. Prakash D Shah and Mr. Nitin D Shah
- Mortgage of Building No. 4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai
- Mortgage of Earnest House, 13th Floor, Nariman Point, Mumbai

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 7: Trade Payables

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
(a) Trade payables		
Sundry Creditors		
- Acceptances	68.40	551.25
- Other than Acceptances	1,467.24	1,295.92
Total Trade Payables	1,535.64	1,847.17

Note 8: Other Current Liabilities

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
(a) Income received in advance	-	39.39
(b) Duties & Taxes	301.88	998.72
(c) Fixed Deposit	123.19	25.18
Total Other Current Liabilities	425.07	1,063.29

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

Note 9: Short Term Provisions

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
a Provision for employee benefits		
(i) Contribution to PF	83.41	98.75
(ii) Contribution to ESIC	5.40	6.53
(iii) Professional Tax	8.56	13.53
(iv) LTA Payable	12.52	19.20
(v) Others	-	-
b Others		
(i) Provision for Tax (AY 14-15)	171.13	-
Total Other Current Liabilities	281.02	138.01

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

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 10: Fixed Assets

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	For the year	Deductions	As at March 31, 2014	As at March 31, 2013
Tangible Assets									
Leasehold Premises	8,465.44	-	-	8,465.44	343.52	137.99	-	7,983.93	8,121.92
Leasehold Land	2,640.87	-	-	2,640.87	73.75	43.05	-	2,524.07	2,567.12
Freehold Premises	1,135.62	-	-	1,135.62	45.44	18.51	-	1,071.67	1,090.18
Civil and Plumbing Work	1,317.84	500.26	-	1,818.10	53.85	23.49	-	1,740.76	1,263.99
Furniture and Fixtures	2,988.96	223.44	-	3,212.40	547.20	192.68	-	2,472.52	2,441.76
Office Equipments	900.08	1.07	-	901.15	119.00	42.58	-	739.57	781.08
Motor Vehicles	131.18	-	-	131.18	76.73	12.46	-	41.99	54.45
Computers and IT Equipments	9,569.13	17.06	-	9,586.19	4,642.36	1,423.02	-	3,520.81	4,926.77
Computers (Given on lease)	155.98	-	-	155.98	155.98	-	-	-	-
Total Tangible Assets	27,305.10	741.83	-	28,046.93	6,057.83	1,893.78	-	20,095.32	21,247.27
Intangible Assets									
Computer Software Licenses	76.35	-	-	76.35	52.10	9.14	-	15.11	24.25
Intellectual Property Rights	3,951.45	960.50	-	4,911.95	206.96	422.33	-	4,282.66	3,744.49
Total Intangible Assets	4,027.80	960.50	-	4,988.30	259.06	431.47	-	4,297.77	3,768.74
Capital Work in Progress									
Capital Work in Progress	4,492.79	-	-	3,769.10	-	-	-	3,769.10	4,492.79
Total Capital Work in Progress	4,492.79	-	-	3,769.10	-	-	-	3,769.10	4,492.79
TOTAL	35,825.69	1,702.33	723.69	36,804.33	6,316.89	2,325.25	-	8,642.14	29,508.80
Previous year	32,191.75	3,636.20	2.26	35,825.68	4,186.03	2,132.41	1.56	6,316.89	28,005.72

Note 1: Disclosure pursuant to Note No.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure should be made for each class of asset as required

Particulars	Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
	₹	₹	₹	₹	₹
Asset details:					
Balance as at 1 April	-	-	-	-	-
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31 March	-	-	-	-	-

Notes Forming Part of the Balance Sheet as at March 31, 2014

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

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

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

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

The Management has represented that these IPRs have been developed in house for which the Company has deployed various personnel on salary basis. As these salaries have been paid to the employees exclusively working for the development of these IPRs all these salary expenses and their related other overheads have been attributed to the development cost of these IPRs. Hence the amount of ₹ 4,911.95 Lacs has been ascertained by the management attributable to these IPRs. However the allocation of these expenses have not been verified by us due to the absence of the relevant records and documents with the company.

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

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 11: Non Current Investments

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Non- Quoted, long term, Trade: (at cost)		
(a)	Investment in Subsidiaries		
(i)	Allied Digital Services LLC (USA) 306017 (Previous year: 306017) Equity shares of USD 10 each, fully paid up	7,530.79	7,530.79
(ii)	Digicomp Complete Solutions Limited 3,250 Pref. Shares of ₹ 100/- each (Previous year: 23,580 equity shares) of ₹ 100/- each fully paid up.	3.25	652.12
(iii)	Allied Digital Inc (USA) 10000 (Previous year: 10000) equity shares of USD 0.0001/- each fully paid up (Refer Note)	7,074.83	6,361.20
(iv)	En Pointe Technologies India Private Limited 1000 (Previous year: 1000) equity shares of ₹ 100/- each fully paid up	-	-
(v)	Allied Digital Singapore Pte Limited 100 (Previous year: 100) shares of SGD 1 each, fully paid up (Refer Note)	6.47	3.21
(vi)	Allied Digital Asia Pacific Pty Limited (Australia) 100 (Previous year: 100) shares of AUD 1 each, fully paid up (Refer Note)	127.84	127.84
(vii)	E-Cop Surveillance India Pvt. Ltd 86010 (Previous year: 86010) equity shares of ₹ 10/- each fully paid up	1.01	1.01
(viii)	Allied Digital Services (UK) Ltd. 900 (Previous year: Nil) shares fully paid up	1.01	-
	Total Investment in Subsidiaries	14,745.20	14,676.17
(b)	Investment in Mutual Funds		
(i)	HDFC Cash Management Fund Treasury Advantage Plan - Weekly Dividend NIL (Previous year: 91,545.7294) units of ₹ 10.0469 each	-	9.20
(ii)	Kotak Floater Long Term - Daily Dividend NIL (Previous year: 98,746.1420) units of ₹ NIL each	-	-
(iii)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 0.181 (Previous year: 0.181) units of ₹ 1002.9282 each	-	-
(iv)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend NIL (Previous year: 11.3410) units of ₹ 105.5127 each	-	0.01
(v)	ICICI Prudential Income Opportunities Fund Institutional Growth NIL (Previous year: 48,500.014) units of ₹ 11.2806 each	-	5.47
(vi)	Birla Sun Life Dynamic Bond Fund - Retail - Quarterly Dividend NIL (Previous year: 2,01,331.4700) units of ₹ NIL each	-	-
(vii)	BSL Floating Rate Fund - Long Term - INSTL - Weekly Dividend -Reinvestment 20.1880 (Previous year: 18.821) units of ₹ 100.1625 each	0.02	0.02

Notes Forming Part of the Balance Sheet as at March 31, 2014

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(viii)	DSP Black Rock Income Opportunities Fund - Institutional Plan - Daily Dividend 3.6440 (Previous year: 3.4850) units of ₹ 997.1460 each	0.04	0.04
(ix)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend NIL (Previous year: 9.4510) units of ₹ 10.0497 each	-	-
(x)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend NIL (Previous year: 0.1180) units of ₹ 1244.6610 each	-	-
(xi)	Canara Robeco Income Growth Fund 4,578.4592 (Previous year: 4,578.4592) units of ₹ 19.9025 each	0.93	0.91
(xii)	Canara Robeco Short Term Institutional Growth Fund NIL (Previous year: 124.2276) units of ₹ 10.8064 each	-	0.01
(xiii)	Templeton India Short Term Income Retail Plan NIL (Previous year: 1,693.8252) units of ₹ NIL each	-	-
(xiv)	Templeton India Income opportunities fund - Dividend reinvestment NIL (Previous year: 8491.1100) units of ₹ 10.4874 each	-	0.89
(xv)	IL & FS Milestone Fund II B 50,000 (Previous year: 50,000) units of ₹ 1,000 each	500.00	500.00
(xvi)	SBI-SHF-Ultra Short Term Fund - Institutional Plan - Daily Dividend 2.5020 (Previous year: 2.5020) units of ₹ 1000.2718 each	0.03	0.03
(xvii)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend NIL (Previous year: 0.0440) units of ₹ 963.4091 each	-	-
Total Investment in Mutual Funds		501.02	516.58
Total Non Current Investments		15,246.22	15,192.75
Aggregate amount of quoted investments		501.01	516.58
Aggregate market value of quoted investments		518.17	518.17

- Note 1** Amounts extended to wholly owned subsidiaries Company has been shown under the head investment as the same is long term in nature, though there is no issue of shares to the Company on account of these advances.
- Note 2** Investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.
- Note 3** The Company has advanced Loans to Allied Digital Inc. (USA), its wholly owned Subsidiary, on regular basis. The same being in the nature of Contribution towards Working Capital of the Subsidiary should have been classified under the head of Loans & Advances but has been classified as Investments. No Shares have been issued against this contribution.
- Note 4** Company was holding 52.63% shares in M/s Digicomp Complete Solutions Limited as at the beginning of the year under review. During the year under review the shres held by the Company were sold for a total Consideration of ₹ 4,200.00 Lacs. Out of the said the Company has received ₹ 2,736.76 Lacs during the year under consideration and the balance amount shall be received by them after ₹ 1,463.24 Lacs on attaining certain targets pre-decided with the acquirer of these shares.

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 12: Long Term Loans and Advances

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Security Deposits		
	Unsecured, considered good	410.42	415.87
(b)	Loans and advances to related parties		
	Unsecured, considered good	347.56	341.41
(c)	Advance given to a Suppliers		
	Unsecured, considered good	3,468.68	3,467.86
(d)	Others		
	Advance income tax of prior years receivable	1,186.08	841.73
	Other Loans and Advances	-	1.75
	Total Others	1,186.08	843.48
	Total Long Term Loans and Advances	5,412.74	5,068.62

Note 1 Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Directors*	-	-
	Other officers of the Company*	-	-
	Firm in which Directors is a partner*	-	-
	Private Company in which Director is a Member	-	-
	Other Company*	-	-
		-	-

* Either severally or jointly

Note 2 In respect of confirmation for Loans and Advances as at March 31, 2014, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the management of the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Note 13: Current Investments

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Non- Quoted, Short term, Non - Trade: (at cost)		
	Investment in Mutual Funds		
(a)	ICICI Prudential Fixed Maturity Plan-Series 56-1 Year Plan F Growth NIL (Previous year: 25,00,000) units of ₹ NIL each	-	-
(b)	IDFC Fixed Maturity Plan - Eighteen Month Series 7 - Growth NIL (Previous year: 5,000,000.00) units of ₹ NIL each	-	-
	Total - Current investments	-	-
	Aggregate amount of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.		

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 14: Inventories

Particulars	(₹ In Lacs)	
	As at March 31, 2014	As at March 31, 2013
Stock in Trade (for Trading)	3,589.97	3,505.32
Stock in Trade (for Service)	277.68	295.58
Total Inventories	3,867.65	3,800.90

- (i) Inventories are valued at lower of cost and net realizable value
- (ii) The value of the Inventory as on March 31, 2014 includes certain slow moving items which has not been provided for during the valuation of the same.
- (iii) The valuation of the Inventory is as certified by the management.

Note 15: Trade Receivables

Sr. Particulars No.	(₹ In Lacs)	
	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	7,504.99	17,366.56
Less: Provision for doubtful debts		
	7,504.99	17,366.56
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	16,585.92	5,484.18
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	(769.00)	(769.00)
	15,816.92	4,715.18
Total Trade Receivable	23,321.91	22,081.74

Trade Receivable stated above include debts due by:

Sr. Particulars No.	(₹ In Lacs)	
	As at March 31, 2014	As at March 31, 2013
Directors	0.18	0.45
Private Company in which director is a member	625.92	585.31
	626.10	585.76

Note (i) Whereas the Company has produced before us the Confirmation from Plainburgh Ltd. which amounts to ₹ 9,571.88 Lacs out of the Total Receivables of ₹ 23,321.91 Lacs, The subsidiary of the Company has however written off as Bad Debts the amount receivable from the same party as on March 31, 2014. In respect of confirmation for Sundry Debtors for the balance amount, the Company has not produced the same from any of these other parties till the signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the management of the company. However, the management is of the opinion that all the Sundry Debtors, as appearing in the Balance Sheet are good and recoverable.

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 16: Cash and Cash Equivalents:

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Balances with Banks		
(i)	In fixed deposit accounts (pledge with bank against LC margin/ guarantees given by bank)	44.45	44.45
(ii)	In fixed deposit accounts (pledge with banks as security for borrowings)	1,345.64	911.94
(iii)	In Current Account	18.66	98.38
(b)	Cash on hand	10.37	2.20
Total Cash and Cash Equivalents		1,419.12	1,056.97

Note 17: Short-term loans and advances:

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
a	Loans and advances to related parties		
	Subsidiaries & Associates	465.68	628.48
b	Loans and advances (others)		
	Unsecured, considered good		
(i)	Security Deposit	143.10	134.78
(ii)	Loans and advances to employees	343.60	348.75
(iii)	Inter Corporate Deposits	2,915.18	3,016.98
(iv)	Advance recoverable in cash or kind for value to be received	75.00	-
(v)	Intererest Accrued	75.06	55.05
(vi)	MAT Credit Entitlement	690.10	713.77
(vii)	Current year TDS Receivable	255.88	294.92
		4,497.92	4,564.25
Total Short-term loans and advances		4,963.60	5,192.73

Short-term Loans and advances due by directors or other officers of the company:

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Directors	2.43	2.43
Total		2.43	2.43

Note 1 In respect of confirmation for Loans and Advances as at March 31, 2014, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the management of the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Note 18: Other Current Assets

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(i)	Unbilled revenue	28.33	172.53
(ii)	Prepaid expenses	444.06	508.64
Total Other Current Assets		472.39	681.17

- (i) Unbilled Revenue of ₹ 28.33 Lacs has been considered as certified and represented by the Management.
- (ii) In the opinion of the board, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

Notes Forming Part of the Profit and Loss account for the year ended March 31, 2014

Note 19 : Operating Income

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Services, Solutions and Sales	14,809.34	23,523.99
Lease Rent	76.99	70.71
Other operating revenues	51.72	30.84
Total Operating Income	14,938.05	23,625.54

Note 20 : Other Income

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income (Refer Note 20.a)	83.34	67.43
Dividend Income from Mutual Funds	35.63	41.00
Net gain on sale of Mutual Funds	-	89.98
Net gain on foreign currency transactions	721.70	272.52
Other non-operating income (Refer Note 20.b)	2,410.28	73.42
Total Other Income	3,250.95	544.35

Note 20.a

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income comprises:		
Interest on deposits from banks	83.34	64.18
Interest on loans and advances	-	3.25
Interest income from current investments in subsidiaries	-	-
Total - Interest income	83.34	67.43

Note 20.b

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Other non-operating income comprises:		
Income from Office Rent	511.36	57.95
Miscellaneous income	1,898.92	15.48
Total - Other non-operating income	2,410.28	73.43

Note 21 a Purchase of Traded Goods

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Traded Goods and Services	9,095.59	17,472.68
Other Direct Cost	14.48	23.39
Total Purchase of Traded Goods	9,110.07	17,496.07

Notes Forming Part of the Profit and Loss account for the year ended March 31, 2014

Note 21.b Changes in inventories of Stock-in-Trade

Sr. Particulars No	(₹ In Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Closing Stock	3,867.58	3,800.90
Less : Opening Stock	3,800.90	3,710.65
Net (increase) / decrease	<u>(66.68)</u>	<u>(90.25)</u>

- (i) Inventories are valued at lower of cost and net realizable value
- (ii) The value of the Inventory as on March 31, 2014 includes certain slow moving items which has not been provided for during the valuation of the same. The valuation of the Inventory is as certified by the management.

Note 22 : Employee Benefits Expenses

Sr. Particulars No	(₹ In Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Salaries and wages (Including Directors' Remuneration) (Refer note (22a))	2,351.85	2,131.00
(b) Contributions to Provident Fund	201.49	157.12
(c) Contributions to ESIC	58.43	71.62
(d) Contributions to Labour Welfare Fund	0.51	0.48
(e) Contributions to Gratuity	-	70.79
(f) Staff welfare expenses	27.38	54.08
Total Employee Benefit Expenses	<u>2,639.66</u>	<u>2,485.09</u>

- 1 The Company recognised ₹ 123.82 Lacs as their contribution towards Employers Contribution to provident fund and Administration Charges thereon and further deducted ₹ 110.06 Lacs from the salaries of the Employees as Employees Contribution towards this fund during the year under consideration. However, due to paucity of funds, out of the total amount payable to the Provident Fund contribution of ₹ 233.88 Lacs as stated above, the company has been able to deposit only ₹ 71.62 Lacs with the appropriate authorities till the date of this report. Hence an amount of ₹ 162.26 lacs towards the Provident Fund Contribution (Employers Contribution and Employees Contribution) is payable as on the date of this report.

The Company has also recognised ₹ 58.50 Lacs as their contribution towards Employees State Insurance Contribution (ESIC) and further deducted ₹ 21.62 Lacs from the salaries of the Employees as Employees Contribution towards this fund during the year. However, due to paucity of funds, out of the total amount payable to the ESIC contribution of ₹ 80.12 Lacs as stated above, the company has been able to deposit only ₹ 68.20 Lacs with the appropriate authorities till the date of this report. Hence an amount of ₹ 11.92 lacs towards ESIC Contribution is payable as on the date of this report.

The contributions payable to this plan by the Company are at rates specified in the rules of the scheme and the same are charged to the Profit and Loss Account of the Company.

- 2 The Company has deducted ₹ 26.99 Lacs for Profession Tax during the year under consideration under the various Profession Tax Act of different states.. However due to paucity of funds the company has been able to deposit only ₹ 24.44 Lacs amount with the appropriate authorities till the date of this report.
- 3 The contributions payable to this plan by the Company are at rates specified in the rules of the scheme and the same are charged to the Profit and Loss Account of the Company.
- 4 Earned Leave Encashment expenses have not been provided for during the year under consideration. The Detailed Actuarial valuation for the same has also not been made and hence the financials reported here above are as per the details provided by the Management.

Notes Forming Part of the Profit and Loss account for the year ended March 31, 2014

(22a) Details of Managerial Remuneration:

Sr. Particulars No	(₹ In Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries	116.50	123.53
Total	116.50	123.53

Note 23 : Finance costs

Sr. Particulars No	(₹ In Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Interest expense on:		
(i) Borrowings	1,142.11	1,167.67
(ii) Trade payables	2.91	2.91
(b) Other borrowing costs	52.99	54.95
(c) Net (gain) / loss on foreign currency transactions and translation	239.97	130.40
Total Finance costs	1,437.98	1,355.93

Note 24 Other expenses

Sr. Particulars No	(₹ In Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Rent including lease rentals	130.35	92.23
Repairs and maintenance	69.04	48.39
Insurance	45.45	6.82
Rates and taxes	-	-
Communication	127.17	102.03
Travelling and conveyance	86.74	119.51
Electricity Expenses	83.31	104.74
Freight and forwarding	70.03	114.38
Advertisement Expenses	92.93	62.45
Legal and professional	201.74	161.42
Payments to auditors (Refer Note (24a) below)	6.00	6.92
Bad trade and other receivables, loans and advances written off	705.14	-
Net loss on foreign currency transactions and translation (other than considered as finance cost)	-	-
Provision for doubtful trade and other receivables, loans and advances	-	-
Miscellaneous expenses	191.19	72.17
Total Other expenses	1,809.09	891.06

24a Details of Auditors' Remuneration:

Sr. Particulars No	(₹ In Lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Payments to the auditors		
(a) For statutory audit	5.00	5.00
(b) For taxation matters	1.00	1.00
(c) For other services	-	0.92
Total	6.00	6.92

Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 25 Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956

(₹ In Lacs)

Contingent liabilities and commitments (to the extent not provided for)	As at March 31, 2014	As at March 31, 2013
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	2,475.56	2,463.84
(b) Guarantees	3,056.70	1,152.61
(c) Letter of Credit	67.91	-
(d) Other money for which the company is contingently liable		-
	5,600.17	3,616.45
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		-
(b) Uncalled liability on shares and other investments partly paid		-
(c) Other commitments (specify nature)		-
	5,600.17	3,616.45

Note 1 As per the Certificate issued by the banks, value of bank guarantees outstanding as on March 31, 2014 amounts to ₹ 3,056.70 Lacs (Previous Year ₹ 1,152.61 Lacs) and the value of Letter of Credit Outstanding as on March 31, 2014 amounts to ₹ 67.91 Lacs (Previous Year ₹ Nil Lacs).

Note 2 Claim against the Company not acknowledged as debts ₹ 94.69 Lacs (Previous Year ₹ 19.63 Lacs).

Note 3 During the year ended March 31, 2012 the Company was subject to Audit from the Service Tax Department. The said audit has been concluded and the intimation from the Service Tax Department is awaited as on the date signing of this Balance Sheet.

Note 4 There is a delay in payment of statutory dues and filing of Return of Service Tax, Provident Fund, ESIC, Profession Tax, TDS and VAT due to which an additional liability of these taxes on account of Interest on delay in payment of these taxes as well as penalty on delay in filing the returns shall accrue for the year under consideration as well as the earlier years.

Note 5 The Income tax Authorities carried out a search operation at certain locations of the Company on 4th February 2011. The Company extended its full co-operation to the tax authorities and various statements were recorded during the course of search. The search operation got concluded on the same business day. The Company was thereafter asked to file the Revised Return of Income from A.Y. 2005-06 to 2011-12 which was duly complied with. Thereafter the Income Tax Department completed the Assessments of the Company till 2011-12 and the details of the same are as under:

(₹ in Lacs)

Asst. Year	Income Tax Demanded as per revied Order of the A.O. (incl Interest)	Payment made during the year	Actual Tax Payable as per the Company (incl. Interest upto 31/03/2014)
2005-06	3.94	-	3.94
2006-07	27.94	-	27.94
2007-08	37.47	-	37.47
2008-09	13.81	-	13.81
2009-10	211.97	-	211.97
2010-11	467.59	-	467.59
2011-12	252.55	75.00	177.55

The additional Income Tax Liability of ₹ 1,015.26 Lacs is on account of some additions made by the Income Tax Department. Out of which company has paid ₹ 75.00 Lacs. Against the said order company has filed an appeal with Appellant authority with Income Tax department. The Company expects major reliefs from this demand once these appeals are decided.

Note 6 The company has received the Assessment Orders from Maharashtra Value Added Tax Department (MVAT), Investigation Branch A, Mumbai for the year 2005-06 and 2008-09 wherein a demand of ₹ 541.04 Lacs & ₹ 899.57 Lacs respectively has been raised on the company. This demand is on account of total disallowance of Input Credit availed by the Company. As the said Order is bad in law and on facts the company is filed an appeal with the Dy. Comm of Sales Tax Appeal V. The Company expects major reliefs from this demand once these appeals are decided. This liability has not been recognized in the Books of Accounts of the Company.

Note '26' – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1) Corporate information

Allied Digital Services Limited (referred to as “ADSL” or the “Company”) is renowned as a leading Global IT Transformation Architect, having its operations pan India, USA, Australia, Europe and Middle0east Asia with an impeccable track record for designing, developing, deploying and delivering end-to-end IT infrastructure services. It provides wide range of information technology and consultancy services including Infrastructure Services, End user IT Support, IT asset life cycle, enterprise applications and integrated solutions.

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

2) Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with the Generally Accounting Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply with the in all material aspects with the accounting standards under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred to complete software development and the useful lives of depreciable fixed assets.

c) Tangible fixed assets

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

d) Intangible assets

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

e) Depreciation and amortization

Depreciation other than on capital work-in-progress is charged so as to write-off the cost of assets, on the following basis:

Type of Asset	Method	Rate
Leasehold Land	Straight line	1.63%
Freehold & Leasehold Buildings	Straight line	1.63%
Furniture and Fixtures	Straight line	6.33%
Computers and IT Equipment's	Straight line	16.21%
Motor Vehicles	Straight line	9.5%
Office Equipment's	Straight line	4.75%
Civil and Plumbing Work	Straight line	1.63%

Depreciation is charged only from the date the asset concerned is put to use by the Company. Fixed Assets individually costing ₹ 5,000/- or less have been fully depreciated in the year of purchase.

Intangible assets are amortize over the estimate useful life.

f) Leases

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

g) Impairment

At each Balance Sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is re-estimated in order to determine the extent of impairment loss. Any deviation in the value of such asset is recognized in the Profit and Loss Account. Recoverable amount is the higher of an asset's net selling price and value in use.

h) Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.

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

i) Employee benefits

(i) Post-retirement benefit plans

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

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

(ii) Employees defined contribution plans

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

j) Revenue recognition

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

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

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

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

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

Interest income is accounted on accrual basis. Dividends income is accounted when the right to receive it is established.

k) Taxation

Current income tax expense comprises taxes on income from operations in India.

Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in the subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws prevailing as on the date of the Balance Sheet.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised to the extent that there is virtual certainty that sufficient taxable income will be available in future to realise such assets.

Provisions for income taxes are presented in the balance sheet after offsetting Advance Taxes paid and TDS deductions for the respective assessment years.

The Company offsets deferred tax assets and deferred tax liabilities, if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

MAT credit is recognized as an asset only when and to the extent there are adequate and satisfying reasons that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent that there is no satisfying reason to the effect that the Company will pay normal income tax during the specified period.

l) Foreign Currency Transactions

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

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

m) Employee Stock Option Scheme

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the Company is following the Intrinsic Value Method of ESOP cost whereby the excess of Fair Market Value of the

shares of the Company one day prior to the date of issue of the shares over the price at which they are issued is recognised as employee compensation cost. This cost is amortized on straight-line basis over the period of vesting of the Option.

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

n) Inventories

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

B) Notes on Accounts

1) Employee Benefits

Gratuity Plan

- (i) An amount of ₹ 153.98 Lacs has been recognised towards the Employees Gratuity Fund against the liability of ₹ 153.98 Lacs as per the Actuarial Valuation for Gratuity as on March 31, 2014. The Company has its Employees Gratuity Fund managed by Birla Sun Life Insurance Company.

Particulars	Valuation Date March 31, 2014	Valuation Date March 31, 2013
I Assumptions		
Mortality	IALM(2006-08)Ult	LIC(1994-96)Ult
Discount Rate	9.10%	8.50%
Rate of increase in compensation	5%	5%
Rate of return (expected) on plan assets		
Withdrawal rates	1 to 6 %	45 and above : 6% 29 to 44 : 3% Upto 29 : 1%
II Changes in present value of obligations		
PVO at beginning of period	N.A.	12,675,299
Interest cost	N.A.	N.A.
Current Service Cost	N.A.	N.A.
Benefits Paid	N.A.	N.A.
Actuarial (gain)/loss on obligation	N.A.	N.A.
PVO at end of period	N.A.	N.A.
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	N.A.	3,567,467
Adjustment to Opening Fair Value of Plan Assets	N.A.	N.A.
Expected Return on Plan Assets	N.A.	N.A.
Contributions	N.A.	N.A.
Benefit Paid	N.A.	N.A.
Actuarial gain/(loss) on plan assets	N.A.	N.A.
Fair Value of Plan Assets at end of period	N.A.	N.A.
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	N.A.	N.A.

Particulars	Valuation Date March 31, 2014	Valuation Date March 31, 2013
Adjustment to Opening Fair Value of Plan Assets	N.A.	N.A.
Actual Return on Plan Assets	N.A.	N.A.
Contributions	N.A.	N.A.
Benefit Paid	N.A.	N.A.
Fair Value of Plan Assets at end of period	N.A.	N.A.
Funded Status	N.A.	N.A.
Excess of actual over estimated return on Plan Assets	N.A.	N.A.
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	N.A.	N.A.
Actuarial Gain/(Loss) for the period (Plan Assets)	N.A.	N.A.
Total Gain/(Loss) for the period	N.A.	N.A.
Actuarial Gain/(Loss) recognized for the period	N.A.	N.A.
Unrecognized Actuarial Gain/(Loss) at end of period	N.A.	N.A.
VI Amounts to be recognized in the Balance Sheet and statement of Profit & Loss Account		
PVO at end of period	N.A.	N.A.
Fair Value of Plan Assets at end of period	N.A.	N.A.
Funded Status	N.A.	N.A.
Unrecognized Actuarial Gain/(Loss)	N.A.	N.A.
Net Asset/(Liability) recognized in the balance sheet	N.A.	N.A.
VII Expense recognized in the statement of P & L A/C		
Current Service Cost	N.A.	N.A.
Interest cost	N.A.	N.A.
Expected Return on Plan Assets	N.A.	N.A.
Net Actuarial (Gain)/Loss recognized for the period	N.A.	N.A.
Expense recognized in the statement of P & L A/C	N.A.	N.A.
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	N.A.	9,107,832
Adjustment to Opening Fair Value of Plan Assets	N.A.	N.A.
Expenses as above	N.A.	N.A.
Contribution paid	N.A.	N.A.
Closing Net Liability	N.A.	N.A.

*N.A.= Not Available

The detailed Actuarial Valuation required to provide the above information is not readily available with the company for verification.

Due to the paucity of funds faced by the Company, certain delays have been reported in payment of Salaries as well as the other Statutory Employee Benefits payments till the signing on this Audit Report:

Provident Fund (Employer & Employee Contribution) : ₹ 162.26 Lacs Classified under Trade Payables

ESIC (Employer & Employee Contribution) : ₹ 11.92 Lacs Classified under Trade Payables

Profession Tax : ₹ 2.55 Lacs Classified under Trade Payables

{₹ 83.41 Lacs of PF, ₹ 5.40 Lacs of ESIC, ₹ 8.56 Lacs of PT & ₹ 12.52 Lacs of LTA Payable shown as Short Term Provisions to be included above}

The above figures are derived as per the working provided by the company but the same could not be verified from the records presented before us.

2) Current Assets, Loans and Advances

- (i) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated and are realisable in the ordinary course of business.
- (ii) Amounts extended to wholly or partially owned subsidiaries Company has been shown under the head of investment as the same is long term in nature.
- (iii) After obtaining the approvals from the concerned parties The Debit Balances of some Trade Receivables have been written off against the Credit Balances of the Trade Payables to the extent of ₹ 7,250.00 Lacs during the year under consideration. Hence the amount of Trade Receivables of ₹ 23,321.91 Lacs as on the date of this Balance Sheet is after reducing the said amount by ₹ 7,250.00 Lacs.

3) MAT Credit Entitlement

Considering the consistent profit over the years and also considering the future profit projections, the management believes that there are adequate and satisfying reasons with regards to the earning of future taxable income and payment of tax under normal tax within the specified period. Hence MAT credit entitlement of ₹ 690.10 Lacs pertaining upto F.Y. 2013-14 (Previous year ₹ 713.77 Lacs) has been recognized for the year ended March 31, 2014.

4) Current Liabilities and Provisions

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

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

After obtaining the approvals from the concerned parties the Credit Balances of some Trade Payables have been written off against the Debit Balances of the Trade Receivables to the extent of ₹ 7,250.00 Lacs during the year under consideration. Hence the amount of Trade Payable of ₹ 1,535.64 Lacs as on the date of this Balance Sheet is after reducing the said amount by ₹ 7,250.00 Lacs.

The company has not deposited ₹ 101.84 Lacs towards TDS deducted and also defaulted in filing of TDS Return for the period under review till the date of signing of the Audit Report.

Detail of non deposited TDS after deduction is given below:

		(₹ In Lacs)
Sr.No	Particulars	Amount
1	u/s 192	51.30
2	u/s 194 A	0.72
3	u/s 194 C	1.14
4	u/s 194 D	1.30
5	u/s 194 I	4.03
6	u/s 194 J	43.34
	Total	101.84

Due to the paucity of funds the company has not deposited ₹ 245.91Lacs towards Service Tax Liability and has not filed their return of Service Tax for the year under consideration till the date of signing of this Audit Report.

5) **Additional Information pursuant to the provisions of part II of the Schedule VI of the Companies Act 1956**

(₹ In Lacs)

	Particular	For the year ended March 31, 2014	For the year ended March 31, 2013
i	Income in Foreign Currency		
	Sales of Services and products	2,748.95	1,871.71
ii	Expenditure in Foreign Currency		
	(subject to deduction of tax where applicable)		
a	Professional & Consultation Fees	25.42	20.53
b	Travelling	2.82	11.69
c	Other Expenses	9.04	2.54
iii	Value of Imports calculated on C.I.F. basis		
a	Traded Goods	114.24	1,233.94

6) **Quantitative Information**

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

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

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

8) **Earning Per Share**

		For the year ended March 31, 2014	For the year ended March 31, 2013
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)	4,61,86,727	4,61,86,727
II	Number of Shares at the end of the year (Nos.) of ₹ 5/- each	4,61,86,727	4,61,86,727
III	ESOP outstanding to employees NIL (previous year 44,050 Eq. Shares) of ₹ 5/- each @ ₹ 47.50 per share	Nil	Nil
IV	Weighted average number of Equity Shares of ₹ 5/- each (Previous Year ₹ 5/- each) outstanding during the year (Nos) for Basic EPS	4,61,86,727	4,61,86,727
V	Weighted average number of Equity Shares of ₹ 5/- each (Previous Year ₹ 5/- each) outstanding during the year (Nos) for Dilutive EPS	4,61,86,727	4,61,86,727
B	Net Profit after tax available for equity shareholders (In ₹ Lacs)	1,281.18	(1,017.80)
C	Basic income per share (in rupees) [B/A (v)]	2.77	(2.20)
D	Diluted income per share (in rupees) [B/A (vi)]	2.77	(2.20)

9) **Taxes on Income**

- Provision for taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961.
- In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the Company has recognised Deferred Tax Liability amounting to ₹ 341.01 Lacs (Previous Year ₹ 884.56 Lacs) for the period ended March 31, 2014 in the Profit and Loss Account.

10) Related Party Disclosures

A) Related Parties and their Relationship

(i) Subsidiaries

1. Allied Digital Services LLC
2. Allied Digital INC
3. Allied Digital Singapore Pte Ltd
4. Allied Digital Asia Pacific Pty Ltd
5. Digicomp Complete Solutions Ltd.
6. En Pointe Technologies India Private Limited
7. Allied-eCop Surveillance Private Limited

(ii) Associates

1. Assetlite Equipment India Private Limited
2. Abhirati Properties Private Limited
3. The Gateways
4. Allied Digital Services (UK) Limited

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

Mr. Nitin Shah	Chairman & Managing Director
Mr. Prakash Shah	Executive Director - Commercial
Mr. Manoj Shah	Executive Director & CIO (Resigned on 28th Aug 2012)
Mr. Paresh Shah	Executive Director & CEO
Mrs. Tejal P. Shah	Wife of Mr. Prakash Shah
Mr. Nehal N. Shah	Son of Mr. Nitin Shah
Miss. Dhara N. Shah	Daughter of Mr. Nitin Shah
Mrs. Rita P Shah	Wife of Mr. Paresh Shah

B) Nature of transaction with the Related Parties

(₹ in Lacs)			
Year ended March 31, 2014	Subsidiaries	Associates	Key Management Personnel
Revenue	2,450.22	3,337.76	-
	865.82	6,996.76	-
Purchase of goods, services and facilities	46.07	3,115.24	-
	81.11	7,050.19	-
Loans and advances	803.30	6.66	-
	11.07	-	2.80
Investment	5.12	-	-
Reimbursement of Expenses	313.07	-	-

C) Balance with Related Parties

(₹ in Lacs)

As at March 31, 2014	Subsidiaries	Associates	Key Management Personnel
Sundry Debtors	1,902.95	3,281.22	0.45
	1,389.18	102.81	0.45
Sundry Creditors	1,876.76	2,995.43	-
	2,171.06	5.28	-
Loans and advances	465.68	810.84	70.28
	628.48	661.11	22.92
Short term borrowings	62.83	55.42	129.62
	64.79	202.97	125.20

The Company has not been able to produce the confirmation for Inter Company Balances with the Subsidiary/Associated Parties and reconciliations thereon as on March 31, 2014 and the earlier years at the time of signing of the balance sheet. Hence the balances of the subsidiaries and associated companies have been taken as per their respective books of accounts.

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

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

(₹ in Lacs)

Particular	Outstanding as at the end of the year	Maximum amount Outstanding during the year	Investments in shares of the Company
Subsidiaries			
Digicomp Complete Solutions Ltd.			
2013-14	-	-	3.25
2012-13	91.76	145.84	652.12
Allied Digital Services LLC			
2013-14	367.40	530.20	7,530.79
2012-13	530.20	1,355.65	7,058.17
Allied Digital INC			
2013-14	-	-	7,074.83
2012-13	-	-	6,361.20
En Pointe Technologies India Private Ltd.			
2013-14	-	-	-
2012-13	-	102.36	-
Allied Digital Singapore Pte Ltd.			
2013-14	6.52	6.52	6.47
2012-13	6.52	4.79	3.21
Allied Digital Asia Pacific Pty Ltd.			
2013-14	-	-	127.84
2012-13	-	-	127.84
Allied-eCop Surveillance India Pvt. Ltd			
2013-14	-	-	1.01
2012-13	-	-	1.01
Allied Digital Services (UK) Ltd.			
2013-14	-	-	1.01
2012-13	-	-	-
Associates			
Assetlite Equipment India Private Ltd.			
2013-14	-	-	-
2012-13	-	109.27	-
Abhirati Properties Private Limited			
2013-14	347.55	347.55	-
2012-13	341.41	550.63	-
The Gateways			
2013-14	-	-	-
2012-13	120.12	893.40	-

(iv) Remuneration to Key Management Personnel

(₹ In Lacs)

	Year Ended March 31, 2014	Year Ended March 31, 2013
(a) Managing Director and other Whole-time Directors		
Mr. Nitin Shah	50.00	50.00
Mr. Prakash Shah	30.00	30.00
Mr. Manoj Shah*	-	08.33
Mr. Paresh Shah	36.50	35.20
Total Remuneration	116.50	123.53

* Mr. Manoj Shah has resign with effect from 28/08/2012

(v) Computation of Net Profit in accordance with Section 198 and with Section 349 of the Companies Act, 1956

(₹In Lacs)

S r . No.	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
A	Net Profit as per Profit and Loss Account	1,281.16	(1,017.80)
	Add : Provision for Income tax (Net of MAT Credit)	194.80	-
	Provision for Deferred Tax	(542.28)	341.00
	Profit under Section 349 of the Companies Act, 1956	933.69	(676.80)
	Add : Managerial Remuneration	116.80	123.53
	Depreciation as per accounts	2,325.24	2,132.41
	Provision for bad and doubtful debts	-	-
	Less : Depreciation as per Section 350 of the Companies Act, 1956	2,325.24	2,132.41
	Profit under Section 198 of the Companies Act, 1956	1,050.19	(553.27)
B	Details of Managerial Remuneration under Section 198 of the Companies Act, 1956		
	Salaries, Remuneration and Allowances	116.50	123.53
	Total	116.50	123.53

11) Auditors' Remuneration

(₹ In Lacs)

	Year Ended March 31, 2014	Year Ended March 31, 2013
For services as Auditors, including quarterly audits	5.00*	5.00*
For Tax Audit	1.00*	1.00*
Others	-*	0.92*
Total	6.00	6.92

* excluding service tax

12) Lease Income

In accordance with the Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India, the Company has given Assets on Operational Lease on or after April 1, 2001. These assets have been Capitalized and consequently depreciation has also been provided on these assets. The minimum lease rent receivable as at March 31, 2014 are as follows:

(₹ In Lacs)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Lease Rent Receivable		
Not Later than One Year	35.11	35.11
Later than One Year but Not Later than Five Years	35.11	70.22

13) Segment Reporting

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

(₹ InLacs)

Sr. No.	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
1	Segment Revenue		
	Enterprise Computing based Solutions	10,420	16,517
	Infrastructure Management based Solutions	4,466	7,078
	Unallocated	3,303	575
	Net Segment Revenue	18,189	24,170
2	Profit before Interest, unallocable expenses & Tax		
	Enterprise Computing based Solutions	5,784	1,239
	Infrastructure Management based Solutions	3,362	4,949
		9,146	6,188
	Less : i) Interest	1,438	1,356
	ii) Un-allocable Expenses (net of un-allocable income)	6,774	5,508
	Total Profit Before Tax	934	(676)
3	Capital Employed		
	Un allocable	61,833	57,914
	Total Capital Employed	61,833	57,914

14) These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous year's figures have been recast / restated wherever necessary.

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

16) Previous year's figures are in italics.

Signature to Notes & Schedules "Schedules 1 to 26"

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates

Chartered Accountants

F. No. 104777W

sd/-

Nitin Shah

Chairman &
Managing Director

sd/-

Prakash Shah

Executive Director Commercial

sd/-

Kamlesh Kapadia

M. No. 039707

sd/-

Ravindra Joshi

Company Secretary

Place: Mumbai

Date: May 30th, 2014

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF ALLIED DIGITAL SERVICES LIMITED

1. We have audited the attached Consolidated Balance Sheet of ALLIED DIGITAL SERVICES LIMITED and its subsidiaries (collectively referred as "the ADSL Group") as at March 31, 2014 and the Consolidated Profit & Loss A/c and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) The financial statements of certain subsidiaries whose financial statements reflect total Net Worth of ₹ 2,765.20 Lacs as at March 31, 2014, total revenues of ₹ 12,179.80 Lacs and net operating cash In flows amounting to ₹ 702.80 Lacs for the year ended on that date have been audited by other auditors. The report of such other Auditor have been furnished to us and our opinion in so far as it related to the amounts included in respect of these subsidiary is based solely on the report of those auditors.
(b) The figures used for this consolidation of some financial statements of certain insignificant subsidiaries having Net Worth of ₹ 1210.68 Lacs as at March 31, 2014, total revenue of ₹ 13.74 Lacs are based on the management's estimates and are not audited by the Auditors.

We report that the consolidated financial statement have been prepared by the ADSL Group's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial statements and Accounting Standards (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statement and on the financial statement of the component, and to the best of our information and according to the explanation given to us, we are of the opinion that, subject to our Notes of Accounts, the attached consolidated financial statements give a true and fair view in conformity with the accounting principle generally accepted in India:

- (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the ADSL Group as at March 31, 2014;
- (ii) In the case of Consolidated Profit and Loss A/c , of the profit on that date; and
- (iii) In the case of Consolidated Cash Flow Statements, of the cash flows for the year ended that date.

For **K. M. KAPADIA & ASSOCIATES**
Chartered Accountants
F. No.104777W

Sd/-
(KAMLESH KAPADIA)
M. No.: 039707

Place: Mumbai
Date: May 30th, 2014

Consolidated Balance Sheet as at March 31, 2014

(₹ In Lacs)			
Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	2,309.34	2,309.34
Reserves and Surplus	2	65,461.07	65,910.02
Minority Interest		552.51	1,372.53
Non-Current Liabilities			
Long-term borrowings	3	-	927.74
Other Long term liabilities	3	437.21	127.78
Deferred tax liabilities (Net)	4	1,266.95	2,010.84
Long term provisions	5	153.98	486.00
Current Liabilities			
Short term borrowings	6	9,645.03	10,034.91
Trade Payables	7	1,312.59	1,582.39
Other Current Liabilities	8	728.62	1,222.63
Short term provisions	9	754.82	605.66
Total		82,622.12	86,589.84
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	20,183.68	22,266.46
Intangible assets	10	5,070.95	4,591.14
Capital work-in-progress		3,769.10	4,735.86
Goodwill		9,622.45	11,208.01
Non current investments	11	502.03	516.58
Long term loans and advances	12	5,419.10	5,168.55
Current Assets			
Current Investments	13	-	-
Inventories	14	3,892.59	4,476.08
Trade receivables	15	26,515.10	25,864.20
Cash and cash equivalents	16	2,121.92	1,883.28
Short-term loans and advances	17	4,841.25	5,191.47
Other current assets	18	683.97	688.19
Total		82,622.12	86,589.84
Contingent Liability	25	5,600.17	3,718.26
Significant Accounting Policies	26		

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates

Chartered Accountants

F. No. 104777W

sd/-

Kamlesh Kapadia

M. No. 039707

Place: Mumbai

Date: May 30th, 2014

sd/-

Nitin Shah

Chairman &
Managing Director

sd/-

Prakash Shah

Executive Director Commercial

sd/-

Ravindra Joshi

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

(₹ In Lacs)			
Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from operations	19	26,559.40	41,673.46
Other Income	20	3,125.84	573.01
Total Revenue		29,685.24	42,246.47
EXPENSES			
Purchases for Traded Goods & Service Spares	21.a	15,335.13	28,200.13
Changes in inventories of stock-in-trade	21.b	(41.61)	(400.24)
Employee benefits expense	22	4,721.10	5,262.92
Finance costs	23	1,544.07	1,531.83
Depreciation and amortisation expense	10	2,627.72	2,496.92
Other expenses	24	4,805.68	4,037.42
Total Expenses		28,992.09	41,128.98
Profit before exceptional Items & tax		693.15	1,117.49
Exceptional Items		105.11	796.72
Profit before tax		588.04	320.77
Tax expenses:			
Tax expense for current year		203.88	224.15
MAT credit		-	-
Net current tax expense		203.88	224.15
Deferred Tax		(542.28)	281.74
Total Tax Expenses		(338.40)	505.89
Profit/(Loss) for the year		926.44	(185.12)
Minority Interest		(1.37)	(322.20)
Profit/(Loss) for the year		925.07	(507.32)
Earning per equity share:			
Equity Shares of par value ₹ 5/- each			
Basic		2.00	(1.10)
Diluted		2.00	(1.10)

Significant Accounting Policies

26

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates

Chartered Accountants

F. No. 104777W

sd/-

Nitin Shah

Chairman &
Managing Director

sd/-

Prakash Shah

Executive Director Commercial

sd/-

Kamlesh Kapadia

M. No. 039707

sd/-

Ravindra Joshi

Company Secretary

Place: Mumbai

Date: May 30th, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ In Lacs)

Sr. No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
I	CASH INFLOWS		
(1)	From Operating activities		
(a)	Profit/Loss as per Profit & Loss Account before Tax	925.07	(507.38)
	Adjustments:	-	-
	Depreciation and amortization	2,627.72	2,496.92
	Profit on sale of Subsidiary shares to be consider separately	(1,891.27)	
	Assets written off		
	Deferred Tax	(650.11)	281.74
	Income from Investing Activities	(126.43)	(300.49)
	Finance Cost	1,544.07	1,531.83
	Other Provisions	-	-
		1,503.98	4,010.00
(b)	Working capital changes:		
	Decrease in inventories	-	-
	Decrease in trade receivables	-	-
	Decrease in short-term loans and advances	-	17.98
	Decrease in other current assets	-	68.17
	Increase in trade payables	181.50	245.24
	Increase in Long term liabilities	309.43	104.04
	Increase in other current liabilities	-	594.13
	Increase in long term provisions	-	345.74
	Increase in short term provisions	271.56	762.49
		-	-
	Total of (1)	3,191.56	4,877.92
(2)	From Investing activities		
	Proceeds from sale of fixed assets	43.61	-
	Proceeds from sale of investments	-	800.75
	Proceed from sale of Subsidiary	2,365.75	
	Realisation of long-term loans and advances from subsidiaries/ associates/ business ventures	-	-
	Decrease in other long-term loans and advances	-	2,409.36
		-	183.09
	Decrease in other non-current assets	-	-
	Dividend received	-	41.00
	Increase in FCTR	-	13.88
	Minority Interest	(820.05)	
	Increase in Goodwill	1,646.43	
	Rent		
	Interest received	90.80	72.37
	Dividend	35.63	952.81
		187.12	314.37
	Total of (2)	3,362.16	1,298.21

Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ In Lacs)

Sr. No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(3)	From Financing activities		
	Proceeds from issue of share capital	-	-
	Share application money pending allotment	-	-
	Proceeds from long-term borrowings	-	-
	Proceeds from short-term borrowings	69.75	398.27
	Total of (3)	69.75	398.27
	Total cash inflows(1+2+3)	6,623.47	6,574.39
II	CASH OUTFLOWS		
(1)	From Operating activities	-	-
(a)	Profit/Loss from operating activities	-	-
	Adjustments:	-	-
	Depreciation and amortization	-	-
	Share Compensation expenses (Loss)/Gain on sale of fixed assets	-	-
	Assets written off	-	-
	(Provision)/Reversal for doubtful debts and advances	-	-
	Other income	-	-
(b)	Working capital changes:	-	-
	Increase in inventories	45.36	414.20
	Increase in trade receivables	2,044.74	475.66
	Increase in long-term loans and advances	344.11	-
	Increase in short-term loans and advances	58.06	-
	Increase in other current assets	2.79	-
	Decrease in trade payables	-	-
	Decrease in Long term liabilities	-	-
	Decrease in other current liabilities	388.12	-
	Decrease in short term provisions	-	304.20
	Decrease in long term provisions	7.89	-
	Direct taxes paid/(Refund) (Net of refunds)	-	-
	Total of (1)	2,891.07	1,194.06
(2)	From Investing activities		
	Purchase of tangible assets/capital work-in-progress	-	1,567.58
	Purchase of intangible assets/assets under development	960.50	2,764.73
	Purchase of investments	-	-
	Investment in subsidiaries/associates/business ventures	-	-
	Reversal of opening reserve generated on account of digicom on the occasion of sale now reversed	-	-

Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ In Lacs)

Sr. No.	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	FCTR	355.75	
	Payment of long-term loans and advances to subsidiaries/associates/business ventures	-	-
	Increase in other long-term loans and advances	-	-
	Increase in other non-current assets	-	-
	Total of (2)	1,316.25	4,332.31
(3)	From Financing activities		
	Repayment of long-term borrowings	633.43	693.90
	Repayment of short-term borrowings	-	11.57
	Dividends paid (including distribution tax)	-	-
	Interest and other finance costs	1,544.07	1,531.83
	Minority Interest	-	-
	Outflow on account of Share Buyback	-	2,237.30
	Total of (3)	2,177.50	2,237.30
	Total cash outflows (1+2+3)	6,384.82	7,763.67
III	Net (decrease)/increase in cash and cash equivalents	-	-
	From Operating activities	300.48	3,683.86
	From Investing activities	2,045.91	(3,034.10)
	From Financing activities	(2,107.74)	(1,839.03)
	Total (A)	238.65	(1,189.27)
	Add: Cash and cash equivalents at the beginning of the period (B)	1,883.27	3,072.54
	Cash and cash equivalents at the end of the period (A+B)	2,121.92	1,883.27

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates
Chartered Accountants
F. No. 104777W

sd/-
Nitin Shah
Chairman &
Managing Director

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Kamlesh Kapadia
M. No. 039707

sd/-
Ravindra Joshi
Company Secretary

Place: Mumbai
Date: May 30th, 2014

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 1: Share Capital

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

(₹ In Lacs)

Share Capital	As at March 31, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 5 each with voting rights	60,000,000	3,000.00	60,000,000	3,000.00
Issued				
Equity shares of ₹ 5 each with voting rights	46,186,727	2,309.34	46,186,727	2,309.34
Subscribed & Paid up				
Equity shares of ₹ 5 each with voting rights	46,186,727	2,309.34	46,186,727	2,309.34

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

(₹ In Lacs)

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

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

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

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

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights				
Nitin Dhanji Shah	12,476,954	27.01	12,476,954	27.01
Prakash Dhanji Shah	6,346,214	13.74	6,346,214	13.74

The Company has Stock Options Plans which is summarized as under:

(i) Stock Option Scheme (2010)

The Company by a Special Resolution passed at Annual General Meeting held on September 29th, 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 4,27,500 options have been granted during the year.

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Particular	2013-2014	2012-2013
Opening Outstanding option	2,512,500	2,572,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	60,000
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	-	-
Closing Outstanding option	2,512,500	2,512,500

(e) Issue of Shares other than Cash

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

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

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

(f) Buy- Back of Equity Shares

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

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

Disclosure pursuant to Note No. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956

Unpaid Calls	
By Directors	-
By Officers	-

Note Disclosure pursuant to Note No. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year (Aggregate No. of Shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	200,000.00	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	595,000.00	-	-
Preference Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 2: Reserves and Surplus

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Capital Reserves		
	Subscription amount received on Equity Warrants		
	Opening Balance	-	-
(-)	Transferred on account of conversion of Equity Warrants into Equity Shares	-	-
	Closing Balance	-	-
(b)	Capital Redemption Reserve		
	Opening Balance	29.85	29.85
(+)	Current Year Transfer	-	-
	Closing Balance	29.85	29.85
(c)	Securities Premium Account		
	Opening Balance	36,617.46	36,617.46
(+)	Securities premium credited on allotment of equity shares	-	-
(-)	Utilised during the year for:		
	Closing Balance	36,617.46	36,617.46
(d)	General Reserves		
	Opening Balance	1,337.77	1,337.77
	Closing Balance	1,337.77	1,337.77
(e)	Surplus		
	Opening balance	27,734.93	28,242.25
(+)	Net Profit/(Net Loss) For the current year	925.07	(507.32)
(+)	Excess Provision made for Proposed Dividend	-	-
(+)	Excess Provision made for Dividend Distribution Tax	-	-
(-)	Dividends proposed to be distributed to equity shareholders	-	-
(-)	Corporate Dividend Tax	-	-
(-)	Short Provision of Tax of earlier years (Net)	-	-
(-)	Disposal of subsidiary	1,094.01	-
	Closing Balance	27,565.99	27,734.93
(f)	Foreign Currency Translation Reserve		
	Closing Balance	(90.00)	190.01
		(90.00)	190.01
	Total Reserves and Surplus	65,461.07	65,910.02

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 3: Long Term Borrowings

		(₹ In Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Secured		
a	Loans repayable on demand (Refer Note (i))	-	112.42
		-	112.42
	Unsecured		
a	Loans repayable on demand	-	725.19
	Loan from Related Parties	-	-
	Loans from directors	-	76.50
	Deposits- Franchises	-	13.63
		-	815.32
	Total Long Term Borrowings	-	927.74

Notes:

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

		(₹ in Lacs)	
Particulars	Nature of security	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand from banks:			
BOI TERM LOAN		-	41.87
Kotak Bank Term Loan		-	70.55
	Total	-	112.42

Note 3 Other Long Term Liabilities

		(₹ in Lacs)	
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
a	Others		
	Security deposit for rented property	28.50	28.50
	Fixed Deposit	408.71	99.28
	Total Other Long Term Liabilities	437.21	127.78

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 4: Deferred tax liabilities

The net deferred tax asset as at March 31, 2014, comprises of the following components:

(₹ In Lacs)			
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Deffered Tax Asset		
	On account of Deferred Revenue Expenses (IPO Exp)	-	183.33
	Provision for Duties and Taxes	17.16	-
	Provision for employee benefits - Gratuity	-	-
	Provision for doubtful debts	4.74	-
	Total Deffered Tax Asset	21.90	183.33
	Deffered Tax Liability		
	On timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,288.85	2,171.20
	Provision for employee benefits		
	Gratuity	-	22.97
	Total Deffered Tax Liability	1,288.85	2,194.17
	Net Deffered Tax Asset / (Liability)	(1,266.95)	(2,010.84)

The management has decided not to recognize the net deferred tax asset on carried forward losses on the grounds of prudence.

Note 5 : Other Long Term Provisions

(₹ In Lacs)			
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Provision for employee benefits:		
	Provision for gratuity	153.98	196.95
(b)	Provision - Leave encashment	-	18.99
(c)	Provision for Income Tax	-	270.06
	Total Other Long Term Provisions	153.98	486.00

Note 6: Short Term Borrowings

(₹ In Lacs)			
Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
	Secured		
(a)	Loans repayable on demand (Refer Note (a))	9,473.33	9,740.86
(b)	Inter Corporate Deposits	24.11	-
(c)	Other	-	-
		9,497.44	9,740.86
	Unsecured		
(a)	Loans repayable on demand	-	-
(b)	Loans and advances from related parties	147.59	265.64
(c)	Inter Corporate Deposits	-	25.00
	Deposits- Franchises	-	3.41
		147.59	294.05
	Total Short Term Borrowings	9,645.03	10,034.91

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

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

(₹ In Lacs)

Particulars	Nature of security	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand from banks:			
Barclays Bank Foreign Currency Loan	Refer Note (i)	1,780.83	2,140.83
Working Capital Facility From ICICI Bank	Fixed Deposit of ₹ 5,143,420.00	26.65	19.91
ICICI Bank Marine lines	-	64.89	-
Working Capital Facility From State Bank of India	Refer Note (i)	5,990.44	5,985.27
Working Capital Facility From Standard Chartered Bank	Refer Note (i)	1,516.86	1,138.63
Loans repayable on demand from banks		9,379.67	9,284.64

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

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

- Mortgage of Gala no 4, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 3, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 301,302,305,306.307,308, Bldg No 3, Sector III, MIDC Mahape, Navi Mumbai
- Mortgage of Gala no 7, Bldg No 3, Plot No MBP 2, Mahape, Navi Mumbai
- Hypothecation Charge on Movable assets except Vehicles
- Hypothecation Charge on Current Assets
- Fixed Deposit with State Bank of India of ₹ 132,921,634 (including accrued Interest)
- Personal Guarantee of directors Mr. Prakash D Shah and Mr. Nitin D Shah
- Mortgage of Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai
- Mortgage of Earnest House, 13th Floor, Nariman Point, Mumbai

Note 7: Trade Payables

(₹ In Lacs)

Sr. No.	Particulars	As at March 31, 2014	As at March 31, 2013
(a)	Trade payables		
	Sundry Creditors		
	- Acceptances	116.51	540.85
	- Other than Acceptances	985.24	(179.34)
(b)	Other Liabilities	210.84	1,220.89
	Total Trade Payables	1,312.59	1,582.40

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 8: Other Current Liabilities

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
(a) Income received in advance	282.03	87.86
(b) Duties & Taxes	323.40	1,037.29
(c) Fixed Deposit	123.19	25.18
(d) Advances Received from Debtors	-	17.51
(e) Others	-	54.78
Total Other Current Liabilities	728.62	1,222.62

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

Note 9: Short Term Provisions

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
a Provision for employee benefits		
(i) Provision for Salaries	299.96	307.64
(ii) Contribution to PF	83.41	110.03
(iii) Contribution to Gratuity	-	2.76
(ii) Contribution to ESIC	5.40	10.75
(iii) Professional Tax	8.56	13.53
(iv) LTA Payable	12.52	19.20
(v) Leave encashment	173.84	141.75
b Others		
(i) Provision for Tax (AY 14-15)	171.13	-
Total Short Term Provisions	754.82	605.66

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 10: Fixed Assets

(₹ In Lacs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2013	Additions	Deductions	Transaction Exchange Difference	As at March 31, 2014	For the year	Deductions	Transaction Exchange Difference	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Leasehold Premises	8,634.33	-	63.17	(16.67)	8,587.84	162.84	67.20	13.41	7,997.11	8,152.66
Leasehold Land	2,640.87	-	-	-	2,640.87	43.05	-	-	2,524.08	2,567.12
Freshhold Premises	1,135.63	-	-	-	1,135.63	18.51	-	-	1,071.65	1,090.16
Civil and Plumbing Work	1,317.84	500.26	-	-	1,818.10	23.49	-	-	1,740.75	1,263.98
Furniture and Fixtures	3,059.38	223.44	14.32	(6.89)	3,275.39	192.79	14.35	6.88	2,472.63	2,441.94
Office Equipments	996.31	25.49	140.64	(12.89)	894.04	42.68	91.69	10.61	704.42	768.29
Motor Vehicles	131.35	-	-	(0.02)	131.37	12.46	-	0.02	44.74	57.21
Computers and IT Equipments	10,443.64	173.97	341.21	(84.45)	10,360.85	1,589.01	248.53	64.61	3,628.30	5,116.17
Computers	155.98	-	-	-	155.98	-	-	-	-	-
(Given on lease)	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-	-
Total Tangible Assets	28,515.32	923.15	559.34	(120.92)	29,000.05	2,084.83	421.77	95.52	20,183.68	21,457.53
Intangible Assets										
Other Intangible Assets	904.79	-	-	(89.31)	994.10	111.42	-	8.96	773.19	804.26
Computer Software Licenses	76.46	-	-	-	76.46	9.14	-	-	15.11	24.25
Intellectual Property Rights	3,951.45	960.50	-	-	4,911.95	422.33	-	-	4,282.65	3,744.49
Total Intangible Assets	4,932.70	960.50	-	(89.31)	5,982.51	542.89	-	8.96	5,070.95	4,572.99
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	4,492.79	-	723.69	-	3,769.10	-	-	-	3,769.10	4,492.79
Total CWIP	4,492.79	-	723.69	-	3,769.10	-	-	-	3,769.10	4,492.79
Total	37,940.81	1,883.65	1,283.04	(210.23)	38,751.66	2,627.72	421.77	104.48	29,023.73	30,523.32
Previous year	35,083.26	4,362.94	102.71	(128.96)	39,472.45	2,516.77	19.85	56.88	31,593.46	29,758.07

Note 1: Disclosure pursuant to Note No.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure should be made for each class of asset as required

Particulars	Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
	₹	₹	₹	₹	₹
Asset details:					
Balance as at 1 April	-	-	-	-	-
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31 March	-	-	-	-	-

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 2: Addition to Lease Improvements have been made as represented and Certified by the Management. Intellectual Property Right (IPR) are in process of being developed further but as represented by the Management the amount capitalised by them during the year under consideration represents the product which can be sold to its customers. The management has informed that the active utility life of this IPR is 10 years.

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

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

ADITAS :- This is a large software product, now being extensively deployed to all our customers world wide. This is an ITSM (IT service Management) platform that orchestrates IT service management for all kinds of devices and applications within the enterprise. This platform competes with world leaders such as BMC Remedy, ServiceNow and IBM . Tivoli. It is available as on-premise as well as cloud model. This platform has mobile applications, dashboards and multiple integration points and scales to automation of business processes. This is a cornerstone of Allied now, and is the center of our offerings. It went through three phases of development in two years, and further roadmap is planned for one more year at minimum.

WOTS :- This is a work order tracking system. The solution provides end to end logistics management and discrete assembly of products in warehouses. This solution was developed for US customers, and now has great potential to sell for customers who are into warehousing and order fulfillment. It integrates seamlessly with SAP.

YOUNIFY :- Younify is developed as an intranet portal, one of the most unique kind of portal development capabilities that we have. It showcases our powerful content management and web site development capabilities. This intranet integrates all our internal HR processes and is used by all employees in India. We have extended the portal to community portals, which is one of the unique in the world, and adds great value to facility management products.

SFA :- This is a comprehensive sales force automation tool. Which starts from lead management to deal closure. It has mobile application too to track workforce and their day to day activities. The key feature is also that it integrates with voucher management, and timesheet to track sales force performance and their travel costs. Commission management is under development.

Mobile Workforce Management :- A unique workforce management application useful for field force across the globe. This application runs on android and can run also on apple devices. The application also has central command center with GPS tracking for tracking, interaction with field force and intelligent work scheduling.

AWS :- Automobile warranty system is one of kind application, which tracks all interaction between the end customer, dealer and the manufacturer. Two customers in the US are already using this application. Very few vendors have such a focused application on parts warranty management. This application can be easily leveraged for other parts management industry apart from automobile warranty.

The Management has represented that these IPR's have been developed in house for which the Company has deployed various personnel on salary basis. As these salaries have been paid to the employees exclusively working for the development of these IPR's all these salary expenses and their related other overheads have been attributed to the development cost of these IPR's. Hence the amount of ₹4,911.95 Lacs has been ascertained by the management attributable to these IPR's. However the allocation of these expenses have not been verified by us due to the absence of the relevant records and documents with the company.

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

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 11: Non Current Investments

Sr. No.	Particulars	(₹ In Lacs)	
		As at March 31, 2014	As at March 31, 2013
	Total Investment in Subsidiaries	1.01	-
(i)	HDFC Cash Management Fund Treasury Advantage Plan - Weekly Dividend NIL (Previous year: 91,545.7294) units of ₹ 10.0469 each	-	9.20
(ii)	Kotak Floater Long Term - Daily Dividend NIL (Previous year: 98,746.1420) units of ₹ NIL each	-	-
(iii)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 0.181 (Previous year: 0.181) units of ₹ 1002.9282 each	-	-
(iv)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend NIL (Previous year: 11.3410) units of ₹ 105.5127 each	-	0.01
(v)	ICICI Prudential Income Opportunities Fund Institutional Growth NIL (Previous year: 48,500.014) units of ₹ 11.2806 each	-	5.47
(xv)	Birla Sun life Dynamic Bond Fund - Retail - Quarterly Dividend NIL (Previous year: 2,01,331.4700) units of ₹ NIL each	-	-
(vii)	BSL Floating Rate Fund-Long Term-INSTL-Weekly Dividend-Reinvestment 20.1880 (Previous year: 18.821) units of ₹ 100.1625 each	0.02	0.02
(viii)	DSP Black Rock Income Opportunities Fund-Institutional Plan-Daily Dividend 3.6440 (Previous year: 3.4850) units of ₹ 997.1460 each	0.04	0.04
(ix)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend NIL (Previous year: 9.4510) units of ₹ 10.0497 each	-	-
(x)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend NIL (Previous year: 0.1180) units of ₹ 1244.6610 each	-	-
(xi)	Canara Robeco Income Growth Fund 4,578.4592 (Previous year: 4,578.4592) units of ₹ 19.9025 each	0.93	0.91
(xii)	Canara Robeco Short Term Institutional Growth Fund NIL (Previous year: 124.2276) units of ₹ 10.8064 each	-	0.01
(xiii)	Templeton India Short Term Income Retail Plan NIL (Previous year: 1,693.8252) units of ₹ NIL each	-	-
(xiv)	Templeton India Income opportunities fund - Dividend reinvestment NIL (Previous year: 8491.1100) units of ₹ 10.4874 each	-	0.89
(xv)	IL & FS Milestone Fund II B 50,000 (Previous year: 50,000) units of ₹ 1,000 each	500.00	500.00
(xvi)	SBI-SHF-Ultra Short Term Fund - Institutional Plan - Daily Dividend 2.5020 (Previous year: 2.5020) units of ₹ 1000.2718 each	0.03	0.03
(xvii)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend NIL (Previous year: 0.0440) units of ₹ 963.4091 each	-	-
	Total Non Current Investments	502.03	516.58
	Aggregate amount of quoted investments	502.03	516.58
	Aggregate market value of quoted investments	518.17	518.17

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

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

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 12: Long Term Loans and Advances

Sr. No.	Particulars	(₹ In Lacs)	
		As at March 31, 2014	As at March 31, 2013
(a)	Security Deposits		
	Unsecured, considered good	410.52	415.97
(b)	Loans and advances to related parties		
	Unsecured, considered good	347.56	341.41
(c)	Advance given to a Suppliers		
	Unsecured, considered good	3,468.68	3,467.86
(d)	Others		
	Advance income tax of prior years receivable	1,192.34	848.00
	Other Loans and Advances	-	95.31
	Total Others	1,192.34	943.31
	Total Long Term Loans and Advances	5,419.10	5,168.55

Note 1: In respect of confirmation for Loans and Advances as at March 31, 2014, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the Loans and Advances as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the Management of the Company.

However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Note 13: Current Investments

Sr. No.	Particulars	(₹ In Lacs)	
		As at March 31, 2014	As at March 31, 2013
	Non- Quoted, Short term, Non - Trade: (at cost)		
	Investment in Mutual Funds		
(a)	ICICI Prudential Fixed Maturity Plan-Series 56-1 Year Plan F Growth NIL (Previous year: 25,00,000) units of ₹ NIL each	-	-
(b)	IDFC Fixed Maturity Plan - Eighteen Month Series 7 - Growth NIL (Previous year: 5,000,000.00) units of ₹ NIL each	-	-
	Total - Current investments	-	-
	Aggregate amount of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.		

Note 14: Inventories

Particulars	(₹ In Lacs)	
	As at March 31, 2014	As at March 31, 2013
Stock in Trade (for Trading)	3,614.91	4,180.50
Stock in Trade (for Service)	277.68	295.58
Total Inventories	3,892.59	4,476.08

- (i) Inventories are valued at lower of cost and net realizable value
 - (ii) The value of the Inventory as on March 31, 2014 includes certain slow moving items which has not been provided or during the valuation of the same.
- The valuation of the Inventory is as certified by the management.

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 15: Trade Receivables

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	10,303.92	24,417.64
Less: Provision for doubtful debts		
	10,303.92	24,417.64
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	17,015.10	2,205.54
Unsecured, considered doubtful	30.76	51.36
Less: Provision for doubtful debts	(834.68)	(810.34)
	16,211.18	1,446.56
Total Trade Receivable	26,515.10	25,864.20

Trade Receivable stated above include debts due by:

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
Directors	0.18	0.18
	0.18	0.18

In respect of confirmation for Sundry Debtors as at March 31, 2014, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the Management of the Company.

However, the management is of the opinion that all the Sundry Debtors as appearing in the Balance Sheet are good and recoverable.

Note 16: Cash and Cash Equivalents:

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
(a) Balances with Banks		
(i) In fixed deposit accounts (pledge with bank against LC margin/ guarantees given by bank)	44.45	104.87
(ii) In fixed deposit accounts (pledge with banks as security for borrowings)	1,346.14	912.44
(iii) In Current Account	720.96	854.62
(b) Cash on hand	10.37	11.35
Total Cash and Cash Equivalents	2,121.92	1,883.28

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 17: Short-term loans and advances:

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
(i) Subsidiaries & Associates	315.50	101.79
(ii) Security Deposit	143.10	312.04
(iii) Loans and advances to employees	355.50	360.95
(iv) Inter Corporate Deposits	2,915.18	3,016.98
(v) Advance recoverable in cash or kind for value to be received	75.15	60.83
(vi) Intererest Accrued	75.16	55.10
(vii) MAT Credit Entitlement	696.34	720.02
(viii) Current year TDS Receivable	255.88	496.11
(ix) Other Current Assets	9.32	24.74
(x) Prepaid Expenses	0.12	42.91
Total Short-term loans and advances	4,841.25	5,191.47

Short-term Loans and advances due by directors or other officers of the company:

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
Directors	2.43	2.43
Total	2.43	2.43

In respect of confirmation for Sundry Debtors as at March 31, 2014, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. The ageing of the debtors as reported in the balance sheet could also not be verified by the Auditors and has been considered as certified by the Management of the Company.

However, the management is of the opinion that all the Sundry Debtors as appearing in the Balance Sheet are good and recoverable.

Note 18: Other Current Assets

(₹ In Lacs)		
Sr. Particulars No.	As at March 31, 2014	As at March 31, 2013
(i) Unbilled revenue	28.33	172.53
(ii) Prepaid expenses	655.64	515.66
Total Other Current Assets	683.97	688.19

- (i) In the opinion of the board, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

Consolidated Notes Forming Part of the Profit and Loss Account for the year ended March 31, 2014

Note 19 : Operating Income

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Services, Solutions and Sales	26,430.69	41,571.91
Lease Rent	76.99	70.71
Other operating revenues	51.72	30.84
Total Operating Income	26,559.40	41,673.46

Note 20 : Other Income

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income (Refer Note 20.a)	90.80	72.37
Dividend Income from Mutual Funds	35.63	41.00
Net gain on sale of Mutual Funds	-	89.98
Net gain on foreign currency transactions	721.70	272.52
Other non-operating income (Refer Note 20.b)	2,277.71	97.14
Total Other Income	3,125.84	573.01

Note 20.a

Interest Income comprises:

Interest on deposits from banks	90.80	60.15
Interest on loans and advances	-	3.25
Interest income from current investments in subsidiaries	-	8.97
Total - Interest income	90.80	72.37

Note 20.b

Other non-operating income comprises:

Income from Office Rent	511.36	57.95
Discount Received	-	-
Miscellaneous income	1,766.35	15.48
Total - Other non-operating income	2,277.71	73.43

Note 21 a Purchase of Traded Goods

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchase of Traded Goods and Services	15,320.65	27,833.56
Other Direct Cost	14.48	366.57
Total Purchase of Traded Goods	15,335.13	28,200.13

Consolidated Notes Forming Part of the Profit and Loss Account for the year ended March 31, 2014

Note 21.b Changes in inventories of Stock-in-Trade

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Closing Stock	4,471.36	4,429.75
Less : Opening Stock	4,429.75	4,029.51
Net (increase) / decrease	(41.61)	(400.24)

- (i) Inventories are valued at lower of cost and net realizable value
- (ii) The value of the Inventory as on March 31, 2014 includes certain slow moving items which has not been provided for during the valuation of the same. The valuation of the Inventory is as certified by the management.

Note 22 : Employee Benefits Expenses

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Salaries and wages (Including Directors' Remuneration) (Refer note (22a))	4,156.34	4,502.27
(b) Contributions to Provident Fund	201.49	220.08
(c) Contributions to ESIC	58.43	71.62
(d) Contributions to Labour Welfare Fund	0.51	0.60
(e) Contributions to Gratuity	-	78.18
(f) Staff welfare expenses	304.33	390.17
Total Employee Benefit Expenses	4,721.10	5,262.92

(22a) Details of Managerial Remuneration:

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries	116.50	123.53
Total	116.50	123.53

Note 23 : Finance costs

(₹ In Lacs)		
Sr. Particulars No	For the year ending March 31, 2014	For the year ending March 31, 2013
(a) Interest expense on:		
(i) Borrowings	1,239.16	1,319.06
(ii) Trade payables	-	2.91
(b) Other borrowing costs	64.94	79.46
(c) Net (gain) / loss on foreign currency transactions and translation	239.97	130.40
Total Finance costs	1,544.07	1,531.83

Consolidated Notes Forming Part of the Profit and Loss Account for the year ended March 31, 2014

Note 24 Other expenses

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Rent including lease rentals	204.12	490.06
Repairs and maintenance	381.12	417.85
Insurance	160.63	107.83
Rates and taxes	30.46	32.53
Communication	224.39	307.85
Travelling and conveyance	168.50	312.48
Electricity Expenses	86.54	177.72
Commission & Brokerage	390.17	845.34
Freight and forwarding	70.03	176.38
Advertisement Expenses	104.44	117.99
Legal and professional	653.12	792.74
Payments to auditors (Refer Note (24a) below)	13.33	16.57
Bad trade and other receivables, loans and advances written off	1,284.44	(116.89)
Net loss on foreign currency transactions and translation (other than considered as finance cost)	0.72	1.85
Provision for doubtful trade and other receivables, loans and advances	-	-
Miscellaneous expenses	1,033.68	357.14
Total Other expenses	4,805.68	4,037.42

24a Details of Auditors' Remuneration:

(₹ In Lacs)		
Sr. Particulars No	For the year ended March 31, 2014	For the year ended March 31, 2013
Payments to the auditors		
(a) For statutory audit	6.66	6.22
(b) For taxation matters	1.00	1.00
(c) For other services	5.67	9.35
Total	13.33	16.57

Consolidated Notes Forming Part of the Balance Sheet as at March 31, 2014

Note 25 Disclosure pursuant to Note No. 6 (T) of Part I of Schedule VI to the Companies Act, 1956

(₹ In Lacs)

Contingent liabilities and commitments (to the extent not provided for)		As at 31 March 2014	As at 31 March 2013
(i)	Contingent Liabilities		
	(a) Claims against the company not acknowledged as debt	2,475.56	2,517.73
	(b) Guarantees	3,056.70	1,200.53
	(c) Letter of Credit	67.91	-
	(d) Other money for which the company is contingently liable		
		5,600.17	3,718.26
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	(b) Uncalled liability on shares and other investments partly paid		
	(c) Other commitments (specify nature)		
		5,600.17	3,718.26

Note 1 As per the Certificate issued by the banks, value of bank guarantees outstanding as on March 31, 2014 amounts to ₹ 3,056.70 Lacs (Previous Year ₹ 1,200.53 Lacs) and the value of Letter of Credit Outstanding as on March 31, 2014 amounts to ₹ 67.91 Lacs (Previous Year ₹ Nil Lacs).

Note 2 Claim against the Company not acknowledged as debts ₹ 2475.56 Lacs (Previous Year ₹ 2517.73 Lacs). This figure includes the amount of disputed liability of Income Tax on the parent company for ₹ 940.26 Lacs. This amount further includes a disputed amount of demand raised by the Sales Tax Department for ₹ 1440.61 Lacs on Allied Digital Services Limited on account of disallowance of Input VAT Credit. The company has filed an appeal against both these orders and The Company expects major reliefs from this demand once these appeals are decided.

Note 3 During the year ended March 31 2012 the Company was subject to Audit from the Service Tax Department. The said audit has been concluded and the intimation from the Service Tax Department is awaited as on the date signing of this Balance Sheet.

Note 4 There is a delay in payment of statutory dues and filing of Return of Service Tax, Provident Fund, ESIC, Profession Tax, TDS and VAT due to which an additional liability of these taxes on account of Interest on delay in payment of these taxes as well as penalty on delay in filing the returns shall accrue for the year under consideration as well as the earlier years.

Note 5 The Income tax Authorities carried out a search operation at certain locations of the Company on 4th February 2011. The Company extended its full co-operation to the tax authorities and various statements were recorded during the course of search. The search operation got concluded on the same business day. The Company was thereafter asked to file the Revised Return of Income from A.Y. 2005-06 to 2011-12 which was duly complied with. Thereafter the Income Tax Department completed the Assessments of the Company till 2011-12 and the details of the same are as under:

(₹ in Lacs)

Asst. Year	Income Tax Demanded as per revised Order of the A.O. (incl Interest)	Payment made during the year	Actual Tax Payable as per the Company (incl. Interest upto 31/03/2014)
2005-06	3.94	-	3.94
2006-07	27.94	-	27.94
2007-08	37.47	-	37.47
2008-09	13.81	-	13.81
2009-10	211.97	-	211.97
2010-11	467.59	-	467.59
2011-12	252.55	75.00	177.55

The additional Income Tax Liability of Rs 1,015.26 Lacs is on account of some additions made by the Income Tax Department. Out of which company has paid ₹ 75.00 Lacs. Against the said order company has filed an appeal with Appellant authority with Income Tax department. The Company expects major reliefs from this demand once these appeals are decided.

Note 6 The company has received the Assessment Orders from Maharashtra Value Added Tax Department (MVAT), Investigation Branch A, Mumbai for the year 2005-06 and 2008-09 wherein a demand of ₹541.04 Lacs & ₹ 899.57 Lacs respectively has been raised on the company. This demand is on account of total disallowance of Input Credit availed by the Company. As the said Order is bad in law and on facts the company is filed an appeal with the Dy. Comm of Sales Tax Appeal V. The Company expects major reliefs from this demand once these appeals are decided. This liability has not been recognized in the Books of Accounts of the Company.

Note '26' – Significant Accounting Policies and Notes to Consolidated Accounts

1) Corporate information

Allied Digital Services Limited (referred to as “ADSL” or the “Company”) is renowned as a leading Global IT Transformation Architect, having its operations pan India, USA, Australia, Europe and Middle0east Asia with an impeccable track record for designing, developing, deploying and delivering end-to-end IT infrastructure services. It provides wide range of information technology and consultancy services including Infrastructure Services, End user IT Support, IT asset life cycle, enterprise applications and integrated solutions.

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

2) Significant Accounting Policies

1) Basis of Preparation

The Consolidated Financial Statements of Allied Digital Services Limited and its subsidiaries are prepared under the historical cost convention and as per the requirements of the Companies Act, 1956.

2) Principles of Consolidation

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

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

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

3) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred to complete software development and the useful lives of depreciable fixed assets.

4) Tangible Fixed Assets

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

5) Intangible assets

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

6) Depreciation and amortization

Depreciation other than on capital work-in-progress is charged so as to write-off the cost of assets, on the following basis:

Freehold & Leasehold Land & Buildings	Straight line	1.63%
Furniture and Fixtures	Straight line	6.33%
Computer Equipment (Own Use and Leased)	Straight line	16.21%
Motor Cars	Straight line	9.5%
Office Equipment	Straight line	4.75%
Civil and Plumbing Work	Straight line	1.63%

Depreciation is charged only from the date the concerned asset is put to use by the Company. Fixed Assets individually costing ₹ 5,000/- or less are fully depreciated in the year of acquisition itself. Intangible assets are amortized over the estimate useful life.

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

7) Leases

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

8) Impairment

At each Balance Sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is re-estimated in order to determine the extent of impairment loss. Any deviation in the value of such asset is recognized in the Profit and Loss Account. Recoverable amount is the higher of an asset's net selling price and value in use.

9) Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.

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

10) Employee Benefits

(i) Post Retirement Benefit Plans

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

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

(ii) Employees Defined Contribution Plans

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

11) Revenue Recognition

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

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

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

Service revenue is considered on acceptance of the contract and is accrued over the period of the contract and are recorded exclusive of local levies and other discounts and rebates

Dividends are recorded when the right to receive payment is established.

Interest income is recognized on time proportion basis.

12) Taxation

Current income tax expense comprises taxes on income from operations in India.

Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expenses relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in the subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws prevailing as on the date of the Balance Sheet.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized to the extent that there is virtual certainty that sufficient taxable income will be available in future to realise such assets.

Provisions for income taxes are presented in the balance sheet after offsetting Advance Taxes paid and TDS deductions for the respective assessment years.

The Company offsets deferred tax assets and deferred tax liabilities, if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

MAT credit is recognized as an asset only when and to the extent there are adequate and satisfying reasons that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent that there is no satisfying reason to the effect that the Company will pay normal income tax during the specified period.

13) Foreign Currency Transactions

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

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

For the purpose of consolidation, Income & expenses are translated at average rates and assets & liabilities are stated at closing rate. The net impact of such change is disclosed under foreign currency translation reserve.

14) Employee Stock Option Scheme

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

However during the year there were no Options vested below the fair market value of the Shares, and hence no expenses have been provided on account of Employee Stock Option cost (Previous year Rs: Nil).

15) Inventories

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

B) Notes on Accounts

1) Employee Benefits

The Company has recognized the cost of Employee Benefits like Gratuity, Leave Encashment, Provident Fund etc, at the rates specified in the rules of the scheme. However due to the paucity of funds they have been unable to contribute the whole amounts towards the above schemes.

2) Current Assets, Loans and Advances

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

- (i) Amounts extended to wholly owned subsidiaries Company has been shown under the head Investment as the same is long term in nature.

3) MAT Credit Entitlement

Considering the consistent profit over the years and also considering the future profit projections, the management believes that there are adequate and satisfying reasons with regards to the earning of future taxable income and payment of tax under normal tax within the specified period. Hence MAT credit entitlement of ₹ 696.34 Lacs (Previous year ₹ 720.02 Lacs) has been recognized as at the end of the year.

4) Current Liabilities and Provisions

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

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

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

The Company has made delayed the payments into the Government Treasury on account of deductions made for Tax Deduction at Source, Profession Tax etc.

5) Additional Information pursuant to the Provisions of Part II of the Schedule VI of the Companies Act 1956

(₹ In Lacs)

Sr. No.	Particular	Year ended March 31, 2014	Year ended March 31, 2013
i	Income in Foreign Currency		
	Sales of Services, Software & Solution	2,748.95	3,199.33
ii	Expenditure in Foreign Currency		
	(subject to deduction of tax where applicable)		
a.	Professional & Consultation Fees	25.42	20.53
b.	Travelling	2.82	14.62
c.	Other Expenses	9.04	2.54
iii	Value of Imports calculated on C.I.F. basis		
a.	Capital Goods	-	26.50
b.	Traded Goods	114.24	1,533.81

6) Quantitative Information

Considering the nature of business of the Company, it is not practically possible to give quantitative information in the absence of common expressible unit.

7) Dues to Micro, Small and Medium Enterprises

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

8) Earning Per Share

		Year ended March 31, 2014	Year ended March 31, 2013
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)	4,61,86,727	4,61,86,727
II	Number of at the end of the year (Nos. of ₹ 5/- each Previous Year of ₹5/- each)	4,61,86,727	4,61,86,727
III	ESOP outstanding to employees of 44,050 (previous year 1,75,900 of ₹5/- each)) Eq. Shares of ₹ 5/- @ ₹ 47.50 per share	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	4,61,86,727	4,61,86,727
V	Weighted average number of Equity Shares outstanding during the year (Nos of ₹ 5/- each) (Previous Year of ₹ 5/- each) for Dilutive EPS	4,61,86,727	4,61,86,727
B	Net Profit after tax available for equity shareholders (In ₹ Lacs)	925.07	(507.32)
C	Basic income per share (in rupees) [B/A (v)]	₹ 2.00	₹ (1.10)
D	Dilutive income per share (in rupees) [B/A (vi)]	₹ 2.00	₹ (1.10)

9) Taxes on Income

- (i) Provision for taxation for the year has been made in accordance with the provisions of the Income Tax Act, 1961.
- (iii) In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the Company has recognised Deferred Tax Liability amounting to ₹ Nil Lacs (Previous Year ₹ 281.74 Lacs) and Deferred Tax Assets ₹ 542.28 Lacs for the period ended March 31, 2014 in the Profit and Loss Account.

10) Related Party Disclosures

A) Related Parties and their Relationship

Associates

1. Assetlite Equipment India Private Limited
2. Abhirati Properties Private Limited
3. The Gateways
5. Allied Digital Services (UK) Limited

Key Management Personnel & their relatives (KMP)

Mr. Nitin Shah	Chairman & Managing Director
Mr. Prakash Shah	Director & Commercial
Mr. Manoj Shah	Executive Director & CIO (Resigned with effect from 28th Aug 2012)
Mr. Paresh Shah	Executive Director & CEO
Mrs. Tejal P. Shah	Wife of Mr. Prakash Shah
Mr. Nehal N. Shah	Son of Mr. Nitin Shah
Miss. Dhara N. Shah	Daughter of Mr. Nitin Shah
Mrs. Rita P Shah	Wife of Mr. Paresh Shah
Mr. Suresh K. S.	Managing Director
Mr. Pradeep P.	Wholetime Director
Mr. Kaleere Gowda	Co- Promoter
Mr. Ravikiran N.	Co- Promoter
Mr. Ranganath P.	Co- Promoter
Mr. Bob Din	Director

B) Nature of transaction with the Related Parties

(₹ in Lacs)

Year ended March 31, 2014	Associates	Key Management Personnel
Revenue	3,337.76 6,996.76	- -
Purchase of goods, services and facilities	3,115.24 7,050.19	- -
Loan and advances	6.66 -	- 2.80
Loan Liabilities	5.21 298.27	4.42 61.41

C) Balance with Related Parties

(₹ in Lacs)

As at March 31, 2014	Associates	Key Management Personnel
Sundry Debtors	3,281.22	0.45
	102.81	0.45
Sundry Creditors	2,995.43	-
	5.28	-
Loan and advances	810.84	70.28
	661.11	22.92
Short Term borrowings	55.42	129.62
	202.97	125.20

The Company's subsidiary Allied Digital Services LLC had sales, purchase and other related transaction with En Pointe Technologies Sales (Inc.), however the reporting of the same was not done by the statutory auditors of Allied Digital Services LLC as the same is not mandatory under the US GAAP.

The Company has not been able to produce the confirmation for Inter Company Balances with the Subsidiary/Associated Parties and reconciliations thereon as on March 31, 2014 and the earlier years at the time of signing of the balance sheet. Hence the balances of the subsidiaries and associated companies have been taken as per their respective books of accounts.

(iii) Remuneration to Key Management Personnel

(₹ In Lacs)

	Year Ended March 31, 2014	Year Ended March 31, 2013
(a) Managing Director and other Whole-time Directors		
Mr. Nitin Shah	50.00	50.00
Mr. Prakash Shah	30.00	30.00
Mr. Manoj Shah	-	08.33
Mr. Paresh Shah	36.50	35.20
Mr. Suresh K. S.	-	12.96
Mr. Pradeep P.	-	12.96
Total Remuneration	116.50	149.45

11) Auditors' Remuneration

(₹ In Lacs)

	Year Ended March 31, 2014	Year Ended March 31, 2013
For services as Auditors, including quarterly audits	6.22*	6.22*
For Tax Audit	1.00*	1.00*
Others	5.67*	9.35*
Total	13.33	16.57

* excluding service tax

12) Lease Income

In accordance with the Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India, the Company has given Assets on Operational Lease on or after 1st April 2001. These assets have been capitalised and consequently depreciation has also been provided on these assets. The minimum lease rent receivable as at March 31, 2014 are as follows:

(₹ In Lacs)

	Year Ended March 31, 2014	Year Ended March 31, 2013
Lease Rent Receivable		
Not Later than One Year	35.11	35.11
Later than One Year but Not Later than Five Years	35.11	70.22

13) Segment Reporting

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

(₹In Lacs)

Sr. No.	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
1	Segment Revenue		
	Enterprise Computing based Solutions	10,420	29,150
	Infrastructure Management based Solutions	16,087	12,493
	Unallocated	3,178	603
	Net Segment Revenue	29,685	42,246
2	Profit before Interest, unallocable expenses & Tax		
	Enterprise Computing based Solutions	5,784	2,188
	Infrastructure Management based Solutions	8,503	11,565
		14,287	13,753
	Less : i) Interest	1,544	1,532
	ii) Un-allocable Expenses (net of un-allocable income)	12,155	11,798
	Total Profit Before Tax	588	423
3	Capital Employed		
	Unallocable	65,714	63,297
	Total Capital Employed	65,714	63,297

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

15) Previous year's figures are in italics.

Signature to Notes & Schedules "Schedules 1 to 26"

As per our report of even date

For Allied Digital Services Ltd.

For K. M. Kapadia & Associates

Chartered Accountants

F. No. 104777W

sd/-

Nitin Shah

Chairman &
Managing Director

sd/-

Prakash Shah

Executive Director Commercial

sd/-

Kamlesh Kapadia

M. No. 039707

sd/-

Ravindra Joshi

Company Secretary

Place: Mumbai

Date: May 30th, 2014

SUMMARIZED STATEMENT OF FINANCIALS OF SUBSIDIARY COMPANIES PURSUANT TO APPROVAL UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956									
S r . No.	Particulars	Allied Digital Services LLC	Allied Digital Inc.	Digicom Complete Solutions Ltd.	En Pointe Technologies India Pvt. Ltd.	Allied-eCop Surveillance Pvt. Ltd.	Allied Digital Asia Pacific Pty Ltd.	(₹ in Lacs)	
	Reporting Currency	USD	USD	INR	INR	INR	AUD	SGD	
		2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	
1	Capital	3,585.48	-	-	1.00	10.75	0.06	-	-
2	Reserves	(820.28)	(859.55)	-	70.31	(13.77)	(407.84)	(11.63)	-
3	Loans	-	-	-	-	-	-	-	-
4	Total Assets	5,796.84	7,769.75	-	70.42	9.34	23.26	3.19	-
5	Total Liabilities	3,031.65	8,629.30	-	(0.89)	12.37	431.04	14.82	-
6	Investment Other than Investment in subsidiary	-	-	-	-	-	-	-	-
7	Turnover	12,179.80	-	2,184.18	0.05	13.74	-	-	-
8	Profit before tax	(205.53)	(21.23)	118.04	(1.73)	(3.18)	(74.06)	(3.52)	-
9	Provision for tax	(32.95)	-	42.03	-	-	-	-	-
10	Profit after tax	(172.59)	(21.23)	76.01	(1.73)	(3.18)	(74.06)	(3.52)	-
11	Proposed dividend	-	-	-	-	-	-	-	-
	Country	USA	USA	India	India	India	Australia	Singapore	
Note : The annual accounts of the above Subsidiary Companies are open for inspection by any investor at the Registered Office of the Company.									

ATTENDANCE SLIP

ALLIED DIGITAL SERVICES LIMITED

Registered Office: Premises No.13A, 13th Floor, Earnest House, Backbay Reclamation,
NCPA Road, Block III, Nariman Point, Mumbai - 400 021.
CIN : L72200MH1995PLC085488

Please complete this Attendance Slip and hand it over at the meeting hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will cause unnecessary inconvenience to you. Please write below

Name of the member:

Registered Folio No.:	
-----------------------	--

No. of Shares held:	
---------------------	--

Client ID No.:	
----------------	--

DP ID No.:	
------------	--

(Please write your name in BLOCK Letters)

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the Company scheduled to be held at IMC Building, IMC Marg, Churchgate, Mumbai - 400020, on Thursday, September 25th, 2014 at 3:00 P.M.

Member's/Proxy's name in block letters

Signature of Member/Proxy

(To be signed at the time of handing over this slip)

NOTES :

1. Members/Proxy holders are requested to bring their copy of the Annual Report with them at the meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

PROXY FORM

ALLIED DIGITAL SERVICES LIMITED

Registered Office: Premises No.13A, 13th Floor, Earnest House, Backbay Reclamation,
NCPA Road, Block III, Nariman Point, Mumbai - 400 021.
CIN : L72200MH1995PLC085488

Form No. MGT-11

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

Name of the Member (s):	
Registered Address:	
Email ID:	
Folio No. / Client ID:	
DP ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him/her
2. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him/her
3. Name: _____
Address: _____
E-mail ID: _____
Signature: _____.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual general meeting of the company, to be held on Thursday, 25th day of September, 2014 at 3:00 p.m. at IMC Building, IMC Marg, Churchgate, Mumbai - 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Statement of Profit & Loss, Balance Sheet, Report of Board of Directors and Auditors for year ended March 31st, 2014.
2. Re-appointment of Mr. Paresh Bipinchandra Shah as a Director of the Company.
3. Appointment of Auditors.

4. Appointment of Ms. Shubhada Jahgirdar as an Independent Director
5. Appointment of Prof. Venugopal Ramaswami Iyengar as an Independent Director
6. Appointment of Dr. Shrikant Navnitlal Parikh as an Independent Director
7. Appoitment of Dr. Roopkishan Sohanlal Dave as an Independent Director

Signed this _____ day of _____ 2014.

Affix ₹ 1
revenue
stamp

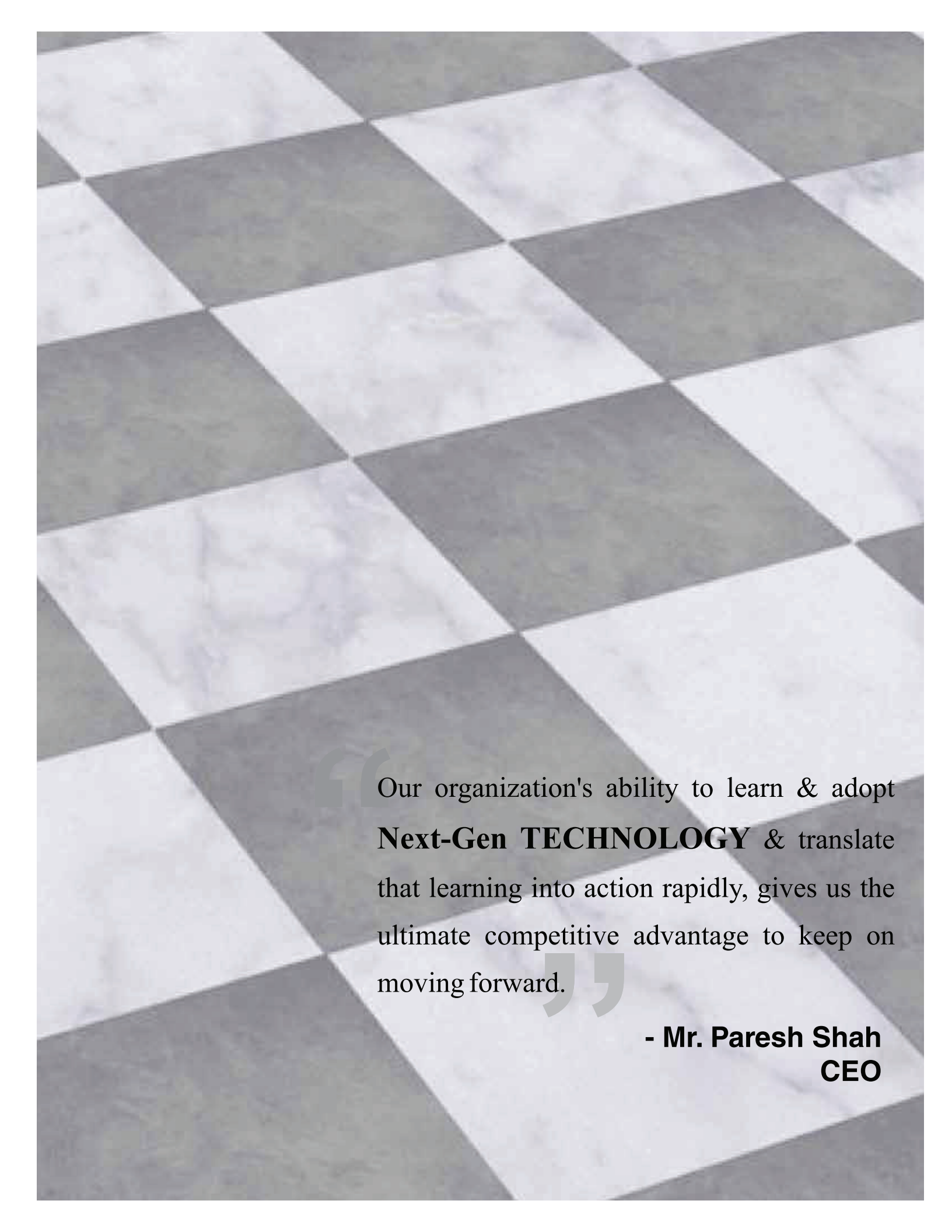
Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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“Our organization's ability to learn & adopt **Next-Gen TECHNOLOGY** & translate that learning into action rapidly, gives us the ultimate competitive advantage to keep on moving forward.”

- Mr. Paresh Shah
CEO



www.allieddigital.net

REGISTERED OFFICE

Premises No. 13A, 13 Floor,
Earnest House,
Backbay Reclamation,
NCPA Road, Block III,
Nariman Point, Mumbai - 400 021

CORPORATE OFFICE

Allied Digital Services Limited.
81, Harchandrai House 5th Floor,
Maharashi Karve Road,
Marine Lines, Mumbai - 400002

Boardline : +91 22 6681 6681
Fax: +91 22 22 06 4170,
For More Information contact us at:
investors@allieddigital.net



FORM A

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

1.	NAME OF THE COMPANY	Allied Digital Services Limited
2.	ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED	March 31 st , 2014
3.	TYPE OF AUDIT OBSERVATION	<p><u>Matter of Emphasis:</u></p> <p>(Refer point No. 4 of the Notes To Accounts on Page 79 of the Annual Report which states that some delays have been noticed in filing of the returns and payment of some of the statutory liabilities, due to which an additional liability of the taxes on account of Interest on delay in payment of these taxes as well as penalty on delay in filing the returns shall accrue for the year under consideration as well as the earlier years.</p>
4.	FREQUENCY OF OBSERVATION	The aforementioned matter of emphasis has been mentioned in the Annual Report for the year ended March 31 st 2012, March 31 st 2013 and March 31 st 2014.
5.	TO BE SIGNED BY:	<ul style="list-style-type: none"> • CEO/MANAGING DIRECTOR • CFO • AUDITOR OF THE COMPANY • AUDIT COMMITTEE CHAIRMAN