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Cyber Security



SOC

Digital India



Transformation

NOC

Software Development



Safe & Smart City

IT Infrastructure



Cloud Computing

Analytics

Big Data

**ANNUAL
REPORT
2015-16**



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IT managed. Responsibly.

ANNUAL

REPORT

2015-16

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Corporate Information:

Board of Directors

Mr. Nitin . D. Shah

Chairman & Managing Director

Mr. Prakash .D. Shah

Executive Director-Commercial

Mr. Paresh .B. Shah

Executive Director & CEO

Prof. Venugopal .R. Iyengar

Independent Director

Dr. Shrikant .N. Parikh

Independent Director

Dr. Roopkishan .S. Dave

Independent Director

Ms. Shubhada Jahagirdar

Director CSR

Chief Financial Officer

Mr. Gopal Tiwari

Company Secretary & Compliance Officer

Mr. Ravindra Joshi

Auditors

Shah & Taparia

Banker

State Bank of India
Barclays Bank.

Registered office

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

CIN: L72200MH1995PLC085488

Tel : 022 6681 6400 Fax : 022 2206 4170 Email:

investors@allieddigital.net,

Website: www.allieddigital.net

Registrar and Transfer Agent

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

Tel: 022-25963838 Fax: 022-25946969

Website: www.linkintime.co.in



Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 22nd Annual General Meeting of your company.

Allied Digital – the name itself is most relevant in today's environment where entire country is moving towards Digital. This is being substantiated by our Government of India initiatives by creating Digital India. We are at the forefront of the Safe and smart city movement and to provide ecommerce, e-governance, e-education, e-healthcare solutions to our clients.

This digital revolution was envisioned by us from inception and your company is completely geared to ride this digital wave. As stated earlier, we have done major transformation in business and are now ready to take future challenge on emerging technologies. The success of our Pune Safe City surveillance project is a classic example of our transformation to position us as a market leader in the sphere. Innovation and transformation are the 2 major forces bringing about digital transformation of our clients.

Last year has been challenging and exciting both as by executing this path breaking and iconic Pune City surveillance project – the 1st of its kind in the country has resulted into several awards being given to your company within the country and in APAC region (see details on page 10 & 11)

Government of India has come out with a list of 20 cities to be made Smart cities initially out of the total plan of 100 cities by 2020 and approx. budgetary allocation for it is ₹ 100,000

crores. Total spending on digital revolution in 5 years is expected to reach \$ 50 Billion.

With this large outlay planned by the government your company is poised for rapid growth to tap such opportunities however our approach would be cautious and risk averse. During the last 2 years we have built a robust and strong proposal center to respond quickly to opportunities.

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

This world class practice is now offered to many international clients in USA, UK and 45 other countries. Our Shared services approach in Cloud environment is helping us to provide cost effective services and position us as major player in IMS.

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

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

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

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

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

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

With warm regards,

Nitin Shah
Chairman and Managing Director.



We are just past another eventful year. A year marked with consolidation of our position in the Digital IT Infrastructure domain. Journey which began thirty years back with nano steps transformed into giant achievements. Accolades raining, recognitions in the form of flood of Awards for producing digital technological marvels are now almost a routine affair for this company. It is not a matter of luck nor any magic wand to achieve these milestone achievements. Sheer hard work with pursuit for excellence creating this enviable situation. The top notch IT players turn their head in awe and great respect and acknowledge the tireless appetite of our Company for excellence. Whatever the company pursues it strives itself to establish as lead player with par excellence. Trust me, this is the beginning only and all those who have been holding their unstinted faith in the company have learnt to make the winning, a habit. The Company do not believe in living on its past laurels. Continuous In house research, analysis and development, weighing all the major developments on technical platform Worldwide, blended with original innovative flavour of the company has more pleasant surprises in store in near future. Frequent forays in the unexplored terrain both in the domestic and international arenas have helped us in consolidation of our hard earned position and still counting. The company has emerged winners in generating revenues in the IT services sector. The company has carved a respectable niche for itself among its peers with the smart delivery of Pune City Surveillance Project (PCS), which opened the vista of imagination as how to safeguard the precious life and business interest of its citizens, in the wake of the rise of

terrorism activities globally, through the entire gamut of Hi tech Surveillance system.

Demography of India is poised to experience the tag of being most populous country in the World by 2030. It is believed that a sizeable section of the rural population set to migrate to Urban areas, which is definite to cause huge strain on the available infrastructure on all the modern cities emphasising the need to cope up with the increased pressure on all the segments of the infrastructural arrangements currently available. With this idea in mind, Govt. of India, with a plan allocation of ₹ 70.6 billion (Budget 2014-15), has announced to build 99 more Smart cities, across the length and breadth of the country, solely based on "Digital India". Surveillance, inter alia, assumes a very important place to form the backbone of all the future Smart Cities. Post PCS project, our Company has gloriously placed itself to an enviable position, as an architecture of the Modern Digital Surveillance in India. Valuable Business queries, soliciting the participation of the Company towards making of future "Smart Cities", to ensure real value additions, are pouring in.

Riding on the crest of the success and the rare acknowledgement of its expertise, the Company is receiving many prestigious business offers, both from India and Abroad, which is highly profitable. The Company has made successful forays beyond the shores of India to many foreign countries, including USA and UK. Winning chariot of the company is simply not riding but flying high with the deluge of offers from the valuable foreign business connections. Popular brands across the World are approaching us to provide latest technological support for their ambitious robust business growth. We feel immensely proud that very few Indian entities are fortunate to receive such recognitions. Such proud moments are also enriching us in terms of earning more revenues strengthening our top lines and consolidating our space in the IT Infrastructure domain. Revenues earned are invested in R&D platform towards the relentless effort of the Company to create and recreate technological marvels, which may prove clincher to maintain the winning position.

I wish to reiterate that trust reposed by our valued shareholders, employees, well wishers will be fully honoured. The Company will grow stronger and maintain its winning streak in many more years to come to emerge as a very successful brand to make everybody associated with it feel proud.

With Best Wishes

Prakash Shah
Executive Director



Dear Shareholders,

We had a good year, and the signs are, we may even have a better year going forward. A year full of recognition both at domestic as well as global level. Today, Allied Digital is at peak of its recognition as India's Most trusted IT Services brand, Best IT infrastructure company of the year, the Best Smart City project implementation or the Best Global Architecture award.

For the IT industry as such, the year globally has been volatile as expected. The Indian economy has been very cautious. However, with good rains this year, looks inclined for growth and so the IT demand in the last two quarters. Also, there is lot of decision making between outsourcing v/s insourcing. The financial situation in many corporate businesses in India is dismal. It has affected IT industry as demands have been dry. The US economy is on a high and due to election year, it can have some turbulence. In the Europe, the Brexit may not have any big impact this financial year at least.

On the IT perspective, globally, there is more demand on transformative solutions. Corporates across the globe are actively adopting new technologies. Outsourcing for IT services is seeing good traction in our infrastructure space, but less in application and BPO space. In India, government has made the IT industry very active in terms of smart city initiative, transportation infrastructure and e-governance services. "Digital Business" and "Digital Governance" are continuing to be the interest areas. Analytics, mobile applications and cloud adoption have now become part of every corporate initiative.

Your company has been very sensitive to the changes in IT landscape and decision making. Your company has been actively involved in provisioning both Transformative solutions as well as "lights on" operations. It has developed good solution blue-prints for IT services in coming years to be at par with customer demand and robust partnerships.

Our previous fiscal Year

Your company strived hard to perform to top expectations for the Pune Safe City operations. The SLAs have been extremely challenging and appear unreasonable, yet it has matched the requirements. It has been challenging to get full funds in time from Government but efforts are underway to improve the cash flow. Meanwhile, your company has made significant progress in reducing project and corporate loans. There are still pressures on finance required for new projects, we are hopeful, our financial strategy is making the right moves.

Outside India, your company has delivered a successful 40 country global outsourcing project for over a year. It has become now a significant player in delivering IT services across the globe. It has added over 15 customers small and large, and in midst of closing significant global contracts this year. While it has been active in Saudi Arabia, it has opened up new global opportunities in Africa and Middle East too. The UK operations is going strong with new renewal contracts in place.

Your company has made significant progress in establishing its position to work on large global contracts and also have completed several transformative projects this year such as data center transformation, retail center of excellence, managed security service enhancements and new product version of Aditaas. In the lot space, the company has developed IT health management tools which are already implemented in the Pune Safe City Project.

To summarize performance segment wise, your company has continued to excel in their flagship offering of "Global Service Desk". Globally, close to couple of million calls were attended. Our Global field services offering made a significant mark by completing a successful year with award winning performance. The outlook looks extremely good. Our remote managed services added few large accounts that depicts a solid offering, well poised for further growth but with some profitability challenge. Our Pune Safe City Project as expected will continue to yield healthy revenues for next 4 years and our leadership assures more business in this sector.

There has been a considerable improvement in achieving better delivery standards by reaching new benchmarks in project management.

Current Industry Scenario

The IT industry will experience good growth in IT infrastructure services and new transformative solutions in Analytics, IoT and increased Cloud adoption. One important area, that is being seen to be a big opportunity is "Cyber-Security". As more and more businesses are getting significantly online and digital, there is ever increasing challenge on ensuring proactive IT security. Your company is rapidly making strides to improve its

cyber security solutions to be ready to deliver to the customer needs. Our remote managed services is under cost pressure and automation though we have added significant business this year.

In India, the CCTV business is in high demand, both at government as well as corporate perspective. We are actively involved in smart city initiatives across India.

Your company has also extended the ADiTaaS platform with broader integration capabilities and attractive new look to excite new customers. There are already projects underway for further automation in our remote managed services and improved analytics. This year, we are going to focus on bringing a lot of value-added offerings in ADiTaaS, Service Desk and Remote Managed Services. This will get us re-energized for the next three years.

Due to increased global presence, our partnerships have become more imperative and we are increasingly investing into building stronger relationships with our partners to optimally deliver our global IT services. Your company is balancing well in generating new business both with partnerships as well as direct clientele and looks like this strategy is working well.

This year, your company also will focus on re-skilling people, re-creating team structures and improving our processes to plan for the next 3 years of growth as well as orienting ourselves to more profitable business areas. Also with some new opportunities in India, you will see a significant improvement in

India delivery model in coming months. Though the economic parameters in India have yet to improve, we are agile in fixing our cash flow this year too.

Allied Digital Positioning

We have proved our mettle, by delivering a successful large safe city project and running its operations at top service levels. We are working on top challenges in finance in spite of local IT industry remaining on dismal growth. Globally, we have spread our operations and strengthened our partnerships.

Our motto of “Passion”, “Teamwork” and “Innovation” with the assurance of “Commitment” of top service delivery to our customers is keeping us focused and agile. To summarize, we are going to focus more on business-ready solutions and services to support a shorter sales cycle, IT analytics and value-added services.

While our revenues are seeing some growth overall and we are continuously introspecting. We are quite confident that the steps and positioning we take in today’s economy are in right direction, to keep your company focused and agile. Once again, your support is highly appreciated.

With warm regards,

Paresh Shah

Chief Executive Officer



CEO (ISG)

Mr. Jawahar Ali

The portfolio of Integrated Solution Group that includes Safe City, Smart City, Intelligent Traffic Management System and Solutions in IOT that also consists of applications in manufacturing environment to increase productivity is now witnessing strong traction for these solutions based on emerging technology in the market.

Allied Digital's capability and core competency to provide these solutions have been demonstrated through its successful commissioning of enterprise class projects covering stock exchange, Pharma Manufacturing facilities, Super speciality Hospitals and Safe City Project.

Allied Digital's successful commissioning of the Pune City Surveillance (PCS) Project that was inaugurated by the Honourable Chief Minister of Maharashtra - Shri Devendra Fadnavis in August 2015 set the bench mark as a first comprehensive safe city project in the country. This project has significantly aided the police force in enforcing law and order and also in crime investigation.

Over 15,000 traffic violations have been captured and fines totalling to several lacs recovered from violators. Furthermore, several hundred video clips have been used for detection and investigation of crime and submission as evidence in court of law.

Allied Digital has won several awards for the Pune City Surveillance Project that is listed on our website.

Since, Safe City forms an essential and very important component of the Smart City initiative, the PCS experience qualifies Allied Digital as a serious contender for the Smart City projects that has been announced for the first twenty cities by the Government. Each Smart City project will be funded by the Government of India and the State Government totalling to ₹ 1,000 crores for 5 years.

This year Allied Digital is strongly positioned to leverage on the Smart City opportunities for which tenders are scheduled to be floated. Since, Smart City encompasses a range of intelligent subsystems such as waste management, smart lighting, parking management and Safe City that are integrated to be managed from Command and Control centres, it requires a collaborative approach to deliver the project where bidders having relevant domain expertise form a consortium or a Joint Venture to bid for such opportunities.

Allied Digital will be participating in Smart City Project individually as well as in consortium as the size of these projects are significantly high with multiple domain expertise.

Allied Digital has also deployed its team in Saudi Arabia to work in partnership with a local organization where projects related to Safe City, Railway Infrastructure and protection of Critical Infrastructure including holy places are currently being tendered.

This financial year has a great potential for Allied Digital to acquire major projects in Integrated Solution with significant value as it is one of the few Master Systems Integrator who qualify for such projects.

With warm regards,

Jawahar Ali

Chief Executive Officer - ISG.



CFO

Mr. Gopal Tiwari

Dear Shareholders,

To put things in perspective prior to commenting on the financial performance of the company during the previous year under consideration, would like to highlight certain facts about overall economic scenario of our country in recent times - as per Central statistics organization (CSO) and international Monetary Fund (IMF), India has emerged as the fastest growing major economy in the world and as per the Economic Survey in the year 2015-16, its economy will continue to grow in the range of between 7% - 7.75% in the current fiscal i.e., 2016-17 as well, despite the uncertainty in the overall global market. As mentioned by the CEO of the company in his speech, globally the IT industry has been volatile, however due to good monsoon this year, looks like overall improved scenario and so the IT demand in the last two quarters.

Your company completed the first of its kind project, Pune City Surveillance (PCS), during the previous year and received Go-Live Certificate from Government of Maharashtra in October 2015. However, the company had to pass through the severe

fund crunch in order to complete the said project with its own and loan funds, as there being no mobilization advance or milestone payments during implementation of the project. In the bargain, we had to defer some of the statutory dues, which are now being cleared in phased manner on priority. We have also delivered successfully global outsourcing projects outside India and positioned us as a significant player for delivering IT related services worldwide.

During the year 2015-16, company achieved a consolidated total revenue of ₹242.60 Crores as against ₹244.60 Crores for last financial year with a marginal decrease. The management has decided to focus more on service revenue with higher margin rather than on sales which has minimum margin and higher working capital requirements. By focusing more on service revenue, company achieved a much better bottom line with PBT of ₹8.95 crores as against only ₹1.33 Crores for last financial year, despite having a lower level of revenue volume.

During the year, multiple steps were taken by the management to reduce the overall operating expenses wherever possible, including the finance cost by reducing the overall debt exposure of the company during the year. A significant saving in the finance cost shall be visible in the current financial year 2016-17. Apart from that, in a major strategic move company has written-off old outstanding debtors, adjusting the same against the surplus in Profit & Loss Account carried forward from earlier years, which will improve the current financial ratios and also return on equity.

In the coming years, management strives to achieve better performance, financial discipline and corporate governance across the organization.

With Warm Regards,

Gopal Tiwari
Chief Financial Officer

Prestigious awards won by Allied Digital

Sr. No.	Award Name	Awardee	Awarded by	Place
1.	Pune City Surveillance recognition award	Allied Digital	Government of Maharashtra	Mumbai
2.	Pride of India Award	Nitin Shah (CMD)	Institute of Economic Studies	Dubai
3.	International Excellence Award	Nitin Shah (CMD)	Institute of Economic Studies	Bangkok
4.	Smart City Award	Allied Digital	Bhopal Municipal Corporation	Bhopal
5.	Smart City Award	Allied Digital	Elets	Delhi
6.	India's Most Trusted Brand 2015	Allied Digital	India's Most Trusted Brand Awards Council	Mumbai
7.	Brand Excellence Award in IT/ITES	Allied Digital	ABP	Mumbai
8.	Entrepreneur of the year in Service Industry	Nitin Shah (CMD)	Franchise India	Delhi
9.	Express IT Infrastructure Gold Award 2015	Allied Digital	Express IT Awards	Bengaluru
10.	Chairman of the Year	Nitin Shah (CMD)	24 MRC IBN	Delhi
11.	Excellence & Leadership in Outsourcing	Allied Digital	Asia Outsourcing	Mumbai
12.	India's No.1 Brand 2016	Allied Digital	International Brand Consulting Corporation	Delhi
13.	Smart Cities India Awards 2016	Allied Digital	Exhibitions India Group	Delhi
14.	The Golden Globe Tigers Award 2016	Allied Digital	CIO Excellence and Leadership	Kuala Lumpur
15.	Lifetime Achievement Award	Nitin Shah (CMD)	Brand Impact	Delhi
16.	Indian ISV Awards 2016	Allied Digital	Techplus Media	Bangalore
17.	Asia Smart Cities Awards	Allied Digital	CMO Asia	Singapore
18.	Lifetime Achievement Award	Nitin Shah (CMD)	24MRC IBN	Mumbai
19.	India's Greatest Brands and Leaders 2015-16	Nitin Shah (CMD)	URS Media	Mumbai
20.	Smart City Enterprise Architecture Award	Allied Digital	Architecture World Summit	Bangalore

The prestigious awards Allied Digital won over the past year

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



Pune City Surveillance Recognition Award
by 'Govt. of Maharashtra',
Mumbai.



LIFETIME ACHIEVEMENT AWARD
to Mr. Nitin Shah (Chairman & MD)
by 'Brand Impact', New Delhi.



Express IT Infrastructure Gold Award 2015
by 'Express IT Awards',
Bengaluru.



The Golden Globe Tigers Award 2016 for Use of IT
for Social Cause, Kuala Lumpur.



ENTREPRENEUR OF THE YEAR
IN SERVICE INDUSTRY
to Mr. Nitin Shah (Chairman & MD)
by 'Franchise India', New Delhi.



India's Most Trusted Brand 2015 by India's
Most Trusted Brand
Awards Council, Mumbai.



GOLD MEDAL
by 'Institute of
Economics
Studies', Dubai.



**CHAIRMAN
OF THE YEAR**
to Mr. Nitin Shah
(Chairman & MD)
by '24 MRC / IBN',
New Delhi.



GOLD MEDAL
by 'Institute of
Economics
Studies', Bangkok.



Smart Cities India Awards 2016 for
'Pune Safe City' by Exhibitions
India Group, New Delhi.



Best Implementation Awards 2016 for 'Pune City Surveillance System' by PC Quest, Hyderabad.



Asia Smart City Award 2016,
by CMO Asia,
Singapore



Brand Excellence Award
in IT/ITES Sector
by 'ABP', Mumbai.



India's No.1 Brand 2016
by International Brand
Consulting Corporation, USA.

NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SECOND ANNUAL GENERAL MEETING OF SHAREHOLDERS OF ALLIED DIGITAL SERVICES LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 26, 2016, AT WALCHAND HIRACHAND HALL, 4TH FLOOR, IMC BUILDING, INDIAN MERCHANT CHAMBER MARG, CHURCHGATE, MUMBAI – 400020, AT 04.00 P.M., TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements, including the consolidated financial statements of the Company for the financial year ended 31st March, 2016, and the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Paresh Shah (DIN:05117129), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;
3. To ratify the appointment of the M/s. Shah & Taparia, bearing firm registration number 109463W, as Statutory Auditor of the Company.

SPECIAL BUSINESS:

4. Re-appointment of Mr. Nitin Shah (DIN: 00189903) as Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to Articles of Association of the Company and as approved by the members of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company hereby approves the re-appointment of Mr. Nitin Shah (DIN: 00189903), as Managing Director of the Company with effect from 1st April, 2016 on terms and conditions including remuneration as set out in Clause A to F below:

- A. Period of Appointment: 1st April, 2016 to 31st March, 2021
- B. Salary: ₹ 4,875,000/- (Forty Eight Lakhs Seventy Five Thousand Indian Rupees only) per annum and increment as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors
- C. Perquisites: The basket of allowances/perquisites forms part of the salary as mentioned above, for the period commencing from 1st April, 2016 to 31st March 2021 and increment per annum as may be recommended by the Members of the Nomination and Remuneration Committee and approved by the Board which will include reimbursement of expenditure or allowances in respect of rent-free furnished accommodation owned, leased or rented by the Company or House Rent Allowances in lieu thereof, repairs and maintenance of accommodation including furniture, fixtures and furnishings and provision of gas, electricity and water, medical reimbursement, health insurance premium, group personal accident insurance, telephone facility at residence, mobile phone, leave travel concession, for himself and his family, education of self and family, fees for two clubs, fees for two credit cards, Company's car with a driver and maintenance, and any other reimbursements, allowances or perquisites in terms of the Company's Rules.

“Family” mentioned above means the spouse, dependent parent and dependent children of the Managing Director, as mentioned in the applicable Rules or Schemes.

The following shall not be included for the purpose of computation of the Managing Director's remuneration or perquisites as aforesaid:

- (i) Company's contribution to Provident Fund and Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 and pursuant to the provisions of the Companies Act, 2013 read with the relevant rules made thereunder;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service pursuant to the provisions of the Companies Act, 2013 read with the relevant rules made thereunder;
- (iii) Encashment of leave at the end of tenure as per the Rules of the Company.

Perquisites shall be evaluated as per the applicable provisions of the Income Tax Act along with its relevant rules.

- D. Commission: Such amount for each financial year as may be recommended by the Nomination and Remuneration Committee and approved by the Board.
- E. Minimum Remuneration: Wherein any financial year, during his tenure as a Managing Director, the Company is required to obtain the approval of Central Government or any other authorities, under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Nitin Shah, under the provisions of Section 196, 197 (and other relevant Sections) of the Companies Act, 2013 or the maximum limit as may be notified from time to time be paid till the receipt of such approval.
- F. Termination: The appointment is liable for termination by either party giving 6 months' notice in writing to the other.

RESOLVED FURTHER THAT wherein any financial year during his tenure as a Managing Director, the Company is required to obtain the Central Government approval under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Nitin Shah under the provisions of Section 196, 197 and 203 (and other relevant Sections) of the Companies Act, 2013 to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government the amount of remuneration on the terms as approved by the Central Government as reduced by the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Nitin Shah, Managing Director in lump sum and that after the date of the approval, Mr. Nitin Shah be paid the remuneration as per the terms and conditions approved by the Central Government.

RESOLVED FURTHER THAT the terms and conditions of the re-appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Nomination and Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Section 197 of the Companies Act, 2013, other relevant provision of the Companies Act, 2013 and in accordance to statutory modification/amendments made under the relevant provisions of the Companies Act, 2013 and Schedule(s) thereof and as agreed between the Board of Directors and Mr. Nitin Shah.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Members of the Nomination and Remuneration Committee subject to the approval of the Board, any Director of the Company, be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required under the Companies Act, 2013 or such other limits as may be prescribed by Central Government from time to time."

- 5. Re-appointment of Mr. Prakash Shah (DIN: 00189842) as as Whole-Time Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to Articles of Association of the Company and as approved by the members of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company hereby approves the re-appointment of Mr. Prakash Shah (DIN: 00189842), as Whole-Time Director of the Company with effect from 1st April, 2016 on terms and conditions including remuneration as set out in Clause A to F below:

- A. Period of Appointment: 1st April, 2016 to 31st March, 2021
- B. Salary: ₹2,937,504/- (Twenty Nine Lakhs Thirty Seven Thousand Five hundred and Four Indian Rupees only) per annum and increment as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors
- C. Perquisites: The basket of allowances/perquisites forms part of the salary as mentioned above, for the period commencing from 1st April, 2016 to 31st March 2021 and increment per annum as may be recommended by the Members of the Nomination and Remuneration Committee and approved by the Board which will include reimbursement of expenditure or allowances in respect of rent-free furnished accommodation owned, leased or rented by the Company or House Rent Allowances in lieu thereof, repairs and maintenance of accommodation including furniture, fixtures and furnishings and provision of gas, electricity and water, medical reimbursement, health insurance premium, group personal accident insurance, telephone facility at residence, mobile phone, leave travel concession, for himself and his family, education of self and family, fees for two clubs, fees for two credit

cards, Company's car with a driver and maintenance, and any other reimbursements, allowances or perquisites in terms of the Company's Rules.

"Family" mentioned above means the spouse, dependent parent and dependent children of the Managing Director, as mentioned in the applicable Rules or Schemes.

The following shall not be included for the purpose of computation of the Managing Director's remuneration or perquisites as aforesaid:

- (i) Company's contribution to Provident Fund and Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 and pursuant to the provisions of the Companies Act, 2013 read with the relevant rules made thereunder;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service pursuant to the provisions of the Companies Act, 2013 read with the relevant rules made thereunder;
- (iii) Encashment of leave at the end of tenure as per the Rules of the Company.

Perquisites shall be evaluated as per the applicable provisions of the Income Tax Act along with its relevant rules.

- D. Commission: Such amount for each financial year as may be recommended by the Nomination and Remuneration Committee and approved by the Board.
- E. Minimum Remuneration: Wherein any financial year during his tenure as a Whole-Time Director, the Company is required to obtain the approval of Central Government or any other authorities, under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Prakash Shah under the provisions of Section 196, 197 (and other relevant Sections) of the Companies Act, 2013 or the maximum limit as may be notified from time to time be paid till the receipt of such approval.
- F. Termination: The appointment is liable for termination by either party giving 6 months' notice in writing to the other.

RESOLVED FURTHER THAT wherein any financial year during his tenure as a Whole-time Director, the Company is required to obtain the Central Government approval under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Prakash Shah under the provisions of Section 196, 197 and 203 (and other relevant Sections) of the Companies Act, 2013 to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government the amount of remuneration on the terms as approved by the Central Government as reduced by the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Prakash Shah, Whole-time Director in lumpsum and that after the date of the approval, Mr. Prakash Shah be paid the remuneration as per the terms and conditions approved by the Central Government.

RESOLVED FURTHER THAT the terms and conditions of the re-appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Nomination and Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Whole-Time Director in accordance with Section 197 of the Companies Act, 2013, other relevant provision of the Companies Act, 2013 and in accordance to statutory modification/amendments made under the relevant provisions of the Companies Act, 2013 and Schedule(s) thereof and as agreed between the Board of Directors and Mr. Prakash Shah.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Members of the Nomination and Remuneration Committee subject to the approval of the Board, any Director of the Company, be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of the Companies Act, 2013 or such other limits as may be prescribed by Central Government from time to time."

6. To make application to the Central Government for waiver of excess Managerial remuneration paid to Mr. Nitin Shah, Managing Director and Mr. Prakash Shah Whole-time Director and to Mr. Paresh Shah, Whole-time Director of the Company for the F.Y. 2012-13, F.Y. 2014-15 and F.Y. 2015-16 in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 197 of the Companies Act, 2013 (“the Act”) and including the provisions of previous companies law and Rules made there under to the extent applicable and subject to the approval of the Central Government, the approval of the members of the Company be and is hereby accorded to waive the recovery of refundable managerial remuneration of ₹198.08 lakhs paid to Mr. Nitin Shah, Managing Director and Mr. Prakash Shah Whole-time Director for the F.Y. 2014-15 & F.Y. 2015-16 and Mr. Paresh Shah, Whole-time Director of the Company for the F.Y. 2012-13, F.Y. 2014-15 and F.Y. 2015-16.

RESOLVED FURTHER THAT the Company to make application to the Central Government for approval and accept any amendment, alteration, addition, deletion or modification to any of the terms and conditions relating to the waiver of excess remuneration paid to Mr. Nitin Shah, Managing Director and Mr. Prakash Shah, Whole-time Director for the F.Y. 2014-15 & F.Y. 2015-16 and Mr. Paresh Shah, Whole-time Director of the Company for the F.Y. 2012-13, F.Y. 2014-15 and F.Y. 2015-16, as may be suggested or advised or directed by the Central Government and acceptable to Mr. Nitin Shah, Managing Directors and Mr. Prakash Shah, and Mr. Paresh Shah, Whole-time Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard and to appear, represent the company before the appropriate authority and to sign, verify, execute, submit, collect, amend on behalf of the company any document, application, affidavit, undertaking, power of attorney and other papers as may be required in this regard and to authorize, appoint, nominate any advocate, practicing Company Secretary or any other person to represent the company and to do all such acts, things, deeds, as may be incidental and necessary thereto”.

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

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

Place: Mumbai

Date: 1st September, 2016

Registered Office:

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

CIN: L72200MH1995PLC085488

Website: www.allieddigital.net

Email: investor@allieddigital.net

Tel: 022- 6681 6400

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. Under the Companies Act, 2013, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least ₹ 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
- 2) A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder;
- 3) The Register of Members will be closed from 19th September, 2016 to 26th September, 2016, both days inclusive for the purpose of Annual General meeting of the Company;
- 4) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company

and the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Private Limited;

- 5) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s. Link IntimeIndiaPrivate Limited for assistance in this regard;
- 6) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or M/s. Link Intime India Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon;
- 7) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote;
- 8) Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF): Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956 and section 123 of Companies Act, 2013 all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2015, nor shall any payment be made in respect of such claim;
- 9) In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice;
- 10) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting;
- 11) Members/Proxies should fill the attendance slip for attending the meeting and bring their attendance slip along with their copy of Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting;
- 12) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such a representative to attend and vote on their behalf at the meeting;
- 13) All documents referred to in the notice are open for inspection at the registered office of the Company between Business hours on all working days up to the date of the Meeting;
- 14) Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Link Intime India Private Limited, Address: C-13 Pannalal Silk Mills Compound L B S Marg, Bhandup-West, Mumbai - 400 078. Tel. No.: +91-22-25963838. Fax No.: +91-22 -25946969;
- 15) Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Ravindra Joshi, Company Secretary and Compliance Officer at the Company's registered office. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, be transferred to the Investor Education and Protection Fund as per Section 205C of the Companies Act, 1956;
- 16) The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the Central Government, which remain unpaid:

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

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

- 17) Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended March 31, 2016 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

Sr. No.	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund	Date of transfer to Investor Education & Protection Fund
1	F.Y. 2006-07	₹ 412,300	15 th October, 2015

- 18) 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;
- 19) 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;
- 20) The requirements of the Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the profile of the Director to be re-appointed is enclosed as **Annexure I**;
- 21) **E- voting:**

In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company is pleased to provide its Shareholders with facility to exercise their right to vote on resolution proposed at the 22nd 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 facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper

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

The remote e-voting period commences on Friday, 23rd September, 2016 at 9:00 AM and ends on Sunday, 25th September, 2016 at 5:00 PM. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 19th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

- v. Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account / folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the Name in CAPITAL letter. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>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.</p> <p># 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.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p>

- vi. After entering these details appropriately, click on “**SUBMIT**” tab;
- vii. 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;
- viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- ix. Click on the **EVS**N for the relevant <Company Name> on which you choose to vote;
- x. On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- xi. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolutions;
- xii. After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote;
- xiii. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote;
- xiv. You can also take out print of the voting done by you by clicking on “**CLICK HERE TO PRINT**” option on the Voting page;
- xv. If Demat account holder has forgotten the changed password then Enter the User ID and Image verification code and click on Forgot Password & enter the details as prompted by the system;
- xvi. 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;
- xvii. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. evoting@csdlindia.com;
- xviii. 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;

- xix. The list of accounts should be mailed to helpdesk.evoting@cdsi.com and on approval of the accounts they would be able to cast their vote;
- xx. 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:

- 22) Please follow all steps from sr.no. (i) to sr.no (xxi) above to caste vote.
- 23) 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@cdsiindia.com;
- 24) Mr. Pramod Shah, Partner of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries (Membership No. FCS 334), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2(two) witness not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company;
- 25) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website www.allieddigital.net and on the website of CDSL immediately after the result is declared by the Chairman

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

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

Place: Mumbai

Date: 1st September, 2016

Registered Office:

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

CIN: L72200MH1995PLC085488

Website: www.allieddigital.net

Email: investor@allieddigital.net

Tel: 022- 6681 6400

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

Item No. 4 & 5:

At the Nomination and Remuneration Committee Meeting and Meeting of the Board of Directors held on 1st September, 2016, the directors of the Company approved the ratification of the reappointment of Mr. Nitin Shah as Managing Director and Mr. Parkash Shah as Whole-Time Director of the Company for the period of five years i.e from 1st April, 2016 to 31st March, 2021.

The Nomination and Remuneration Committee of the Company along with the Board of Directors reviewed the remuneration packages of the Managing Director and Whole-time Directors of the Company.

The Nomination and Remuneration Committee decided to keep the terms and conditions of the re-appointment of the Managing Director and the Whole-time Director same as that of previous financial years. The principal terms are as follows:

Sr. No.	Particulars	Remuneration (Amount in ₹)
Mr. Nitin Shah Chairman and Managing Director		
1.	Salary	4,875,000 per annum
2.	Perquisite	Forms part of salary
3.	Commission	Amount of Commission for each financial year will be the amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board.
4.	Limits	The total Remuneration including Salary, allowances, perquisites and Commission shall be as per the provisions of Section 196, 197 and 203 and other applicable provisions of the of Companies Act, subject to the approval of shareholders by passing a special resolution and Central Government.
Mr. Prakash Shah, Whole-Time Director		
1.	Salary	2,937,504 per annum
2.	Perquisite	Forms part of salary
3.	Commission	Amount of Commission for each financial year will be the amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board.
4.	Limits	The total Remuneration including Salary, allowances, perquisites and Commission shall be as per the provisions of Section 196, 197 and 203 and other applicable provisions of the of Companies Act, subject to the approval of shareholders by passing a special resolution and Central Government.

The Nomination and Remuneration Committee comprising of Independent Directors namely Dr. Shrikant Parikh (Chairman), Prof. Venugopal Iyengar (Member) and Dr. Rookishan Dave (Member) approved and recommended the remuneration as set out in the body of the resolution which the Board has agreed to offer by its resolution dated 1st September, 2016.

The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by the Members of the Nomination and Remuneration Committee and Board of Directors and subject to the approval of Shareholders of the Company by way of the Special Resolution in the forthcoming AGM and approval of the Central Government.

As per Section 197 of the Companies Act, 2013, the re-appointment of Mr. Nitin Shah, Managing Director & Mr. Prakash Shah, Whole-Time Director, on the aforesaid terms as set out in the body of resolution in the Clause A to F of the respective resolutions in the accompanying Notice shall be paid with the approval of the shareholders in the forthcoming Annual General Meeting and approval of the Central Government.

The aforesaid terms of re-appointment of Mr. Nitin Shah, Managing Director & Mr. Prakash Shah, Whole-Time Director, presently requires the approval of the Shareholders pursuant to Section 197 of the Companies Act, 2013. The Board accordingly recommends the resolutions to be passed as special resolution, set out at item no. 4 & 5 of the accompanying notice. Your approval is sought for the same.

Mr. Nitin Shah and Mr. Prakash Shah are interested in the resolutions as it pertains to their re-appointment as Managing Director and Whole-time Director respectively at item no. 4 & 5 and remuneration payable to them. Mr. Prakash Shah, being brother of Mr. Nitin Shah is deemed to be concerned or interested in the resolution at item no. 4.

Mr. Nitin Shah, being brother of Mr. Prakash Shah is deemed to be concerned or interested in the resolution at item no. 5.

None of the other Directors of the Company are in any way concerned or interested in this resolution.

This explanation together with the notice is and should be treated as abstract of the terms of re-appointment of Mr. Nitin Shah as Managing Director of the Company and Mr. Prakash Shah as Whole-time Director of the Company respectively and a Memorandum as to the nature of the concern or interest of the Directors in the said re-appointments, as required under Section 190 of the Companies Act, 2013.

Item No. 6:

The Company has paid remuneration to Mr. Nitin Shah, Managing Director and Mr. Prakash Shah Whole-time Director for the F.Y. 2014-15 & F.Y. 2015-16 and Mr. Paresh Shah, Whole-time Director of the Company for the F.Y. 2012-13, F.Y. 2014-15 and F.Y. 2015-16 as per the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors and shareholders of the Company. However, during the financial year F.Y. 2012-13, F.Y. 2014-15 and F.Y. 2015-16 the Company has paid remuneration to the aforementioned Directors over and above the statutory limits mentioned in the Companies Act, 2013 (Companies Act, 1956 earlier) without the approval of the Central Government.

Hence, as recommended by the Nomination and Remuneration Committee Meeting and approved by the Board of Directors at their meeting held on 1st September, 2016, the directors of the Company has given its approval to make application to the Central Government for waiver of excess Managerial Remuneration paid to the aforementioned Directors of ₹198.08 lakhs

The Board accordingly recommends the resolutions to be passed as special resolution, set out at item no. 6 of the accompanying notice. Your approval is sought for the same.

Mr. Nitin Shah and Mr. Prakash Shah and Mr. Paresh Shah are interested in the resolutions as it pertains to the waiver of excess managerial remuneration paid to them as at item no. 6

None of the other Directors of the Company are in any way concerned or interested in this resolution.

This explanation together with the notice is and should be treated as abstract of the resolution as mentioned in item no. 6 and a Memorandum as to the nature of the concern or interest of the Directors, as required under Section 190 of the Companies Act, 2013.

ANNEXURE I

DISCLOSURES REGARDING APPOINTMENT OR REAPPOINTMENT OF DIRECTORS AS REQUIRED UNDER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Details Regarding Directors seeking appointment/ reappointment at the Twenty Second Annual General Meeting to be held on Monday, 26th September, 2016			
Name of the Director and DIN	Mr. Nitin Shah DIN: 00189903	Mr. Prakash Shah DIN: 00189842	Mr. Paresh Shah DIN: 05117129
Resolution Item No.	4	5	2
Date of Birth	05/09/1954	18/04/1962	03/01/1967
Age	61 years	54 years	49 years
Qualification	Electrical Engineering, Post Graduate Diploma in Computer Management	Bachelors Degree in Commerce, Diploma in Computer Management	PGD in Business, MBA : Business Dynamics, MS Computer Science, BE (Hon) Electronics Engineering
Nature of Expertise in specific functional area	Proven Expertise in the field of Information Technology and over 35+ years' experience in the same field	Expertise in the field of Finance, Taxation and Accounts	Rich Experience in Information Technology, Expertise in Technology Consultancy
Justification for choosing the appointee (s) for appointment as Independent Director (s)	NA	NA	NA
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Brother of Mr. Prakash Shah	Brother of Mr. Nitin Shah	NA
Other Directorship	1. En Pointe Technologies Private Limited 2. Assetlite Equipment India Private Limited 3. Allied CNT Solutions Private Limited 4. Allied E-cop Surveillance Priavte Limited	1. En Pointe Technologies Private Limited 2. Assetlite Equipment India Private Limited 3. Allied CNT Solutions Private Limited 4. Allied E-cop Surveillance Priavte Limited	Nil
Chairman/Member of Committees of the Board of Directors of other Companies in which he is a Director	Nil	The Director is a Member of Audit Committee and Shareholders Grievance Committee in the Company	Nil
No. of Equity Shares held in the Company	1,47,83,031 Shares	81,78,348 Shares	Nil

* (only Audit Committee and Shareholders/Investors' Grievance Committee)

** (Excluding directorship in allied Digital Services Limite)

DIRECTORS' REPORT

To,
The Members
Allied Digital Services Limited

Your Directors take great pleasure in presenting the **Twenty Second Annual Report** of Allied Digital Services Limited on the business and operations of your Company and audited financial statements for the financial year ended 31st March, 2016.

The State of the Company's Affairs:

1. KEY FINANCIAL HIGHLIGHTS:

a. Financial Results

The Company's performance for the year ended 31st March, 2016 as compared to the previous financial year, is summarized below:

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
Total Operational Income	10,340.70	12,549.52	23,705.85	23,375.54
Other Income	553.59	1075.61	554.35	1,125.55
Total Income	10,894.29	13,625.13	24,260.20	24,501.09
Less: Operating Expenditure	7,187.93	9,395.47	19,357.49	19,964.37
Profit before Interest, Depreciation, Amortization Tax & Exceptional Item	3706.36	4229.66	4,902.71	4,536.72
Less: Depreciation	1,596.65	2,394.88	2,175.41	2,770.15
Less: Interest	1,787.83	1,618.87	1,832.03	1,652.56
Profit before Tax and Exceptional Item	321.88	215.91	895.27	114.01
Exceptional Item	-	-	-	(19.21)
Profit before Tax	321.88	215.91	895.27	133.22
Less: Provision for Taxation	55.00	40.00	204.13	(28.93)
Less: Deferred Tax Liability	58.31	174.10	58.31	175.32
Net Profit for the year	208.57	41.81	632.83	(31.03)
Add: Balance brought forward from the Previous Year	27,015.31	28,707.51	25,831.12	27,565.99
Less: Adjustment for Depreciation	-	1,734.01	0.38	1,734.39
Less: Adjustments	(22,942.05)	-	(22,942.05)	-
Add: Minority interest	-	-	(78.8)	30.57
Amount Available for Appropriation	4,281.82	27,015.31	3,442.71	25,831.12
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	4,281.82	27,015.31	3,442.71	25,831.12

b. Operating Performance, ongoing projects & state of affairs:

Despite the challenging environment of the global as well as the Indian economy, the Company demonstrated the resilience of its business model. The highlights of the Company's performance are as under:

The Company has achieved a turnover of ₹10,340.70 lakhs (on consolidated basis ₹ 23,705.85 Lakhs) Revenue from Operating Income decreased by ₹2,208.82 lakhs i.e. by 17.60% as compared to the previous year. The Company has earned a Profit after Tax (PAT) of ₹ 208.56 Lakhs (on consolidated basis ₹ 632.83 Lakhs) as against previous year's Profit of ₹ 41.81 Lakhs (on consolidated basis ₹ -31.03 Lakhs).

c. Consolidated Financial Statements:

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

d. Revision of Financial Statement:

There was no revision of the financial statements for the year under review.

e. Disclosure of Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

2. RECENT DEVELOPMENTS:

The Company has proved mettle, by delivering a successful large safe city project and running its operations at top service levels. Company face top challenges in finance in spite of local IT industry remaining on dismal growth. Globally, the company has also spread our operations and strengthened the partnerships. The IT industry is also going through transformation. New disruptive technologies are taking big market share. Large companies are facing challenges on margins and the need to innovate fast. New technologies such as robotics, analytics and IoT are getting main stream. The company will continue to focus on building strong skills in each areas of offering, as there is continued potential for growth. The company will also restructure its resources, focus on stronger partnerships and broaden international business. The company is keen to drive new technologies such as IoT (Internet of Things) as well as grow the business in IT security.

3. OUTLOOK:

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.

The motto of "Passion", "Teamwork" and "Innovation" with the assurance of "Commitment" of top service delivery to our customers is keeping us focused and agile and to summarize The Company is going to focus more on business-ready solutions and services to support a shorter sales cycle, IT analytics and value-added services.

4. DIVIDEND:

In recognition of the fact that the economy is recovering and in view of the Company's performance the Directors do not recommend any Dividend for the Financial Year 2015-2016.

5. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year, the Board of Directors reviewed the affairs of the Subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we have prepared consolidated Financial Statements of the Company, which forms part of this Annual Report. Further, a Statement of containing the salient features of the financial of our Subsidiaries in the prescribed format AOC-1 is appended as **Annexure I** to the Board's Report. The Statement also provides the details of performance and financial positions of each of the Subsidiaries of the Company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website i.e. www.allieddigital.net. These documents will also be available for inspection during business hours at our registered office in Mumbai, India.

None of the Company's Subsidiaries ceased to be a subsidiary and no other company has become subsidiary of the Company during the year under review.

Additional information on Subsidiary Companies:

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

6. TRANSFER TO RESERVES:

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

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

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

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

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc., are as follows:

A. Rule 8 Sub rule 3(A) pertaining to Conservation of Energy

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

B. Sub-rule 3 (b) pertaining to Technology Absorption

The sub rule is not applicable to the Company.

C. Rule 8 sub-rule 3 (c) pertaining to Foreign Exchange Earnings and Outgo

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

(₹ in Lakhs)

Particulars	2015-16	2014-15
Earnings	2,874.17	1,343.17
Outflow (including Capital imports)	717.37	738.14
Net Foreign Exchange Earnings (NFE)	2156.81	605.03
NFE / Earnings (%)	75%	45%

9. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming a part of this Annual Report.

10. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2016 made under the provisions of Section 92(3) of the Act is attached as **Annexure II** which forms part of this Report.

11. FIXED DEPOSITS:

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

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

(₹ in Lakhs)

Particulars	2015-16	2014-15
Deposits accepted during the year	---	---
Deposits unpaid or unclaimed at the end of the year	445.78	477.52
Default in repayment of deposits or payment of interest	212.70	10.66

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

(₹ in Lakhs)

Particulars	At the beginning of the year	Maximum during the year	At the end of the year
Total amount involved	10.66	212.70	212.70

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

There are no deposits which are not in compliance with the requirement of the aforementioned rules as on 31st March, 2016.

12. BOARD MEETINGS:

The Board of Directors (hereinafter called as "the Board") met for Four (4) times during the year under review:

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1	14.05.2015	Venue: Premises No.13A, 13 th Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021. Time: 04.30 P.M.	1) Mr. Prakash Shah 2) Dr. Shrikant Parikh 3) Mr. Paresh Shah 4) Prof. Venugopal Iyengar 5) Ms. Shubhada Jahagirdar	1) Mr. Nitin Shah 2) Dr. Roop Kishan Dave
2	14.08.2015	Venue: Premises No.13A, 13 th Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021 Time: 5:00 P.M	1) Mr. Prakash Shah 2) Dr. Shrikant Parikh 3) Mr. Paresh Shah 4) Prof. Venugopal Iyengar 5) Ms. Shubhada Jahagirdar	1) Mr. Nitin Shah 2) Dr. Roop Kishan Dave

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
3	09.11.2015	Venue: Premises No.13A, 13 th Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021 Time: 4:00 P.M.	1) Ms. Shubhada Jahagirdar 2) Mr. Prakash Shah 3) Prof.Venugopal Iyengar 4) Dr.Roop Kishan Dave 5) Dr. Shrikant Parikh	1) Mr. Nitin Shah 2) Mr. Paresh Shah
4	12.02.2016	Venue: Premises No.13A, 13 th Floor, Earnest House, Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai – 400021 Time: 4:00 P.M.	1) Mr. Nitin Shah 2) Dr. Shrikant Parikh 3) Mr. Prakash Shah 4) Prof.Venugopal Iyengar 5) Dr. Roop Kishan Dave	1) Mr. Paresh Shah 2) Ms. Shubhada Jahagirdar

13. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Prakash Shah, resigned as Chief Financial Officer of the Company w.e.f. 14th August, 2015 on account of personal commitments and involvement in the business. The Board of Directors places on record its deep sense of appreciation for the invaluable contributions made by Mr. Prakash Shah during his tenure.

Mr. Gopal Tiwari was appointed as the Chief Financial Officer of the Company w.e.f. 14th August, 2015. The Board welcomed Mr. Gopal Tiwari on the Board and designated him as the Key Managerial Personnel of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Paresh Shah will retire by rotation at the ensuing Annual General Meeting of the Company. The Board recommends his re-appointment.

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

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

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

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

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

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

15. INTERNAL CONTROL SYSTEMS:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

16. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The familiarization programme aims to provide Independent Directors with the industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

The details of programme for familiarisation of Independent Directors are hosted on the website of the Company at the link: https://www.allieddigital.net/in/downloads/Inv_Policies/Familiarisation_Programme_Independent_Directors.pdf

17. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2016, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and there are no material departures;
- b. such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for that period;
- c. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18. COMMITTEES OF BOARD:

I. NOMINATION AND REMUNERATION COMMITTEE:

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

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

Composition of the Committee, terms of reference of the Committee, attendance at the Remuneration Committee Meetings, disclosure of Remuneration paid, details of remuneration paid to Directors during the accounting year ended March 31, 2016 are stated in Corporate Governance Report which forms part of this Annual Report.

Nomination and Remuneration Policy:

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

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is hosted on the Website of the Company. The Web-link of the same is as follows:

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

II. AUDIT COMMITTEE:

The 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.

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the SEBI Regulations. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

Composition of the Committee, terms of reference of the Committee, attendance at the Audit Committee Meetings, are stated in Corporate Governance Report which forms part of this Annual Report.

III. INVESTORS /SHAREHOLDER'S GRIEVANCE COMMITTEE:

The company has duly constituted comprising of Two (2) Non- Executive Independent Directors and One (1) Executive Directors. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

Composition of the Committee, terms of reference of the Committee, attendance at the Investors/ Shareholder's Grievance Committee Meetings, number of complaints received, all valid Share Transfers received during the year are stated in Corporate Governance Report which forms part of this Annual Report.

IV. COMPENSATION COMMITTEE:

Composition of the Committee, terms of reference of the Committee, attendance at the Compensation Committee Meetings are stated in Corporate Governance Report which forms part of this Annual Report.

V. MANAGEMENT COMMITTEE:

Composition of the Committee, terms of reference of the Committee, attendance at the Management Committee Meetings, are stated in Corporate Governance Report which forms part of this Annual Report.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

In accordance with Section 135 of the Companies Act, 2013 your Company has constituted a Corporate Social Responsibility Committee consisting of Three (3) Directors out of which Two (2) Directors are Non – Executive Independent Directors. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

During the year under review, the company has not made expenditure under CSR as during the financial year 2015-16, the Company had to execute Pune City Surveillance Project offered by Government of Maharashtra (GOM) without any mobilization advance and milestone Payments from GOM due to which Company is facing severe cash flow crises hence, Company could not spend CSR amount. Also, the Board of Directors are in the process of identifying, the valid avenues to spend the said CSR amount and shall be spending the said amount during the financial year 2016-2017.

Also, during the year under review, no meeting of CSR Committee was held. Further, the formulation of the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by your Company is under process and shall be recommended to the Board for their approval and uploaded on the website of the Company in due course.

Further, Composition of the Committee, terms of reference of the Committee, are stated in Corporate Governance Report which forms part of this Report.

Annual Report on CSR activities is attached as **Annexure III** to this report.

19. THE VIGIL MECHANISM:

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

The Board of Directors of the Company has established a Whistle Blower Policy & Vigil Mechanism in accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and

its Powers) Rules, 2014 and Listing Regulations for reporting the genuine concerns or grievances or concerns of actual or suspected, fraud or violation of the Company's code of conduct. The said Mechanism is established for directors and employees to report their concerns. The policy provides the procedure and other details required to be known for the purpose of reporting such grievances or concerns. The same has hosted on the website of the Company and the weblink for the same is as follows:

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

20. AUDITORS AND REPORTS:

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

a. Observations of Statutory Auditors on accounts for the year ended 31st March, 2016:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2016 read with the explanatory notes therein are self-explanatory, and therefore, do not call for any further explanation or comments from the Board except as mentioned below under Section 134(3) of the Companies Act, 2013.

The Board's Comments on such qualification as given below:

The Board's Comments on qualificatory remarks by the statutory Auditors pertaining to Bad Debt written off to the extent of ₹ 229.43 Crs. and the same being directly adjusted against the opening balance of Surplus (Profit & Loss A/c), as below:

The Company has written off old outstanding Debtors by utilizing the surplus in the Profit & Loss account as carried forward from earlier years. This has been done to make the provision for the impairment of the assets considering usefulness and realization of the said assets. This was also mandatory as per the IND AS. This will also improve the current financial ratios and return on Equity & Capital Employed. This way company is following the best corporate Governance practices.

b. Secretarial Audit Report for the year ended 31st March, 2016

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. Pramod S. Shah & Associates (Membership No. 334), Company Secretaries had been appointed to issue Secretarial Audit Report for the financial year 2015-16.

Secretarial Audit Report issued by M/s. Pramod S. Shah & Associates in form MR-3 for the financial year 2015-16 along with management response on the observation provided therein, forms part of this report and marked as Annexure IV.

c. Internal Audit Report for the financial year 2015-16:

M/s. Satya Prakash Natani & Co. (Firm Registration No. 115438W), Internal Auditors of the Company have carried out audit on various expense heads of the Company and site and inventory management. The findings of the Internal Auditors are discussed on an on-going basis in the meetings of the Audit Committee and corrective actions are taken as per the directions of the Audit Committee.

d. Ratification of Appointment of Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Shah & Taparia, Chartered Accountants, Mumbai having Firm Registration Number 109463W, had been appointed for a term of five years i.e from the conclusion of Twentieth Annual General Meeting until the Twenty Fifth Annual General Meeting of the Company. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Yours Directors recommend their re-appointment in the ensuing Annual General Meeting.

e. Appointment of Internal Auditor:

Pursuant to the provisions of Section 138 and 179(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Directors of the Company hereby appoint M/s. Satya Prakash Natani & Co. (Firm Registration No. 115438W), Mumbai as Internal Auditors of the Company for the financial year 2016-2017 on such remuneration as may be decided by the Board in consultation with the Internal Auditor.

f. Appointment of Secretarial Auditor of the Company

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 2016-2017 on such remuneration as may be decided by the Board in consultation with the Secretarial Auditor.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g. underwriting the subscription of any securities or derivatives thereof, of the company.
- h. Further, these transactions as mentioned above, with the related parties shall be entered only with the prior approval of the company by a special resolution if the same exceeds the limits prescribed under the aforementioned Rules.

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

The Policy on dealing with Related Party Transactions may be accessed on the Company's website at the link:

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

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

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

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

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

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

23. LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

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

24. ISSUE AND ALLOTMENT OF EQUITY SHARES:

CONVERSION OF 4,018,801 CONVERTIBLE WARRANTS INTO EQUITY SHARES, ALLOTMENT OF SUCH EQUITY SHARES AND APPLICATION FOR LISTING OF SHARES ON STOCK EXCHANGE:

The Company had allotted 5,433,732 convertible share warrants (the "Warrants"), on preferential basis to promoters with an option to convert the same into equal number of equity shares at a price of ₹15 per warrant, including premium of ₹ 10/- per share on face value of ₹5/- per share, within a period of 18 months from the date of allotment of warrants (i.e., August 14, 2014) as per terms and conditions approved in Annual general meeting held on September 25, 2013. The Company has also received In-principle approval from Bombay Stock Exchange Limited and National Stock Exchange of India Limited on October 25, 2013 and August 01, 2014 respectively.

The Company received upfront payment of 25% of the warrants allotted at the time of subscription of the warrants, from the promoters to whom warrants were allotted. As per terms of issue of warrants, the warrant holders shall deposit the remaining portion of 75% for conversion of warrant into equity share while exercising right to subscribe for equity shares of the Company.

The Company further received 75% from the warrant holders belonging to the promoter group for exercise of 4,018,801 warrants into equity shares.

The details for the allotment are as follows:

4,018,801 share warrants converted into 4,018,801 equity shares of ₹ 15/- each fully paid up including ₹10/- premium per share be and are hereby allotted in pursuance of 1 (one) warrant converted into 1(one) equity shares of ₹ 15/- each fully paid as per terms approved by shareholders in Annual general meeting held on September 25, 2013 and SEBI Guidelines for Preferential Issue and the details of allotment of equity shares are as follows:

Sr.No.	Name of Allottees	Category	No. of Equity shares of ₹15/- each fully paid.
1	Mr. Prakash Dhanji Shah	Promoter	18,32,134
2	Mr. Nitin Dhanji Shah	Promoter	21,86,667
	Total		4,018,801

Further, the Company has made application to NSE and BSE for conversion of the aforesaid warrants and the approval for the same is waited from the Stock exchange.

25. 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 29, 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 31, 2016, No options were granted to employee of the Company or its Subsidiary. Each option entitles the holder thereof to apply for and be allotted Equity Shares of the Company upon payment of the exercise price during the exercise period.

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

PARTICULARS	ESOP 2010 GRANT
Total Options granted by the plan (no.)	502,500
Pricing formula on date of grant	Fair Market Value
Options granted during the year (no.)	Nil
Weighted average price per Option granted (₹)	N.A
Variation in terms of Options	N.A
Options exercised during the year (no.)	Nil
Money raised on exercise of Options (Lakhs)	Nil
Options forfeited and lapsed during the year (no.)	Nil
Total number of Options in force at the end of the year. (no.)	487,500
Grant to senior management	Nil
Employees receiving 5% or more of the total number of Options granted during the year	N.A
Employees granted Options equal to or exceeding 1% of the issued capital	Nil
Diluted EPS in accordance with [AS-20]	N.A

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

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

27. PARTICIPATION IN THE GREEN INITIATIVE:

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

28. CORPORATE GOVERNANCE CERTIFICATE:

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

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

Code of Conduct

Pursuant to SEBI Regulation, the declaration signed by the Managing Director affirming the compliance of Code of Conduct by the Directors and senior management personnel for the year under review is annexed to and forms part of the Corporate Governance Report.

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

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

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

During the year ended 31st March, 2016, no complaints have been received pertaining to sexual harassment.

30. GENERAL DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these matters during financial year 2015-16:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

31. ACKNOWLEDGEMENT:

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

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

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

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

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

Place: Mumbai
Date: 01.09.2016

ANNEXURE I
FORM AOC 1

PERFORMANCE OF SUBSIDIARIES AND JOINT VENTURE COMPANIES

(Information in respect of each subsidiary / Joint Venture Companies to be presented with amounts in Lakhs)

1	Name of the subsidiary/ Joint Venture/Associate Companies	Allied Digital Services, LLC (USA);	Allied Digital INC (USA)	Allied Digital Singapore Pte Ltd	Allied Digital Asia Pacific PTY LTD (Australia)	Allied Digital Services (UK) Ltd.	Allied-eCop Surveillance Pvt. Ltd.	En Pointe Technologies India Pvt. Ltd.
2	Nature of the Company	Subsidiary March 31, 2016	Subsidiary March 31, 2016	Subsidiary March 31, 2016	Subsidiary March 31, 2016	Subsidiary March 31, 2016	Subsidiary March 31, 2016	Subsidiary March 31, 2016
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period							
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD @ \$ 66.33/-	USD @ \$ 66.33/-	SGD @ \$ 49.132/-	AUD @ \$ 50.738/-	GBP @ 95.0882/-	₹	₹
5	Share capital	3,979.97	0.00	0.00	0.05	0.95	10.75	1.00
6	Reserves and Surplus	(676.83)	(954.13)	(7.31)	(375.98)	92.84	(13.62)	67.99
7	Total Assets	7,556.00	8,626.24	11.80	20.86	159.24	11.34	69.32
8	Total Liabilities	7,556.00	8,626.24	11.80	20.86	159.24	11.34	69.32
9	Investments	-	8,625.77	-	-	-	-	-
10	Turnover	14,964.69	-	0.62	-	477.20	-	-
11	Profit before taxation	538.03	-	(0.80)	(1.41)	37.57	-	-
12	Provision for taxation	141.62	-	-	-	7.51	-	-
13	Profit after taxation	396.41	-	(0.80)	(1.41)	30.06	-	-
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	51	100	100	100	95	80.01	100

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

Sd/-
Nitin Shah
Chairman Managing Director
DIN: 00189903

Sd/-
Prakash Shah
Executive Director-Commercial;
DIN: 00189842

Place: Mumbai
Date: 01.09.2016

Annexure II

EXTRACT OF ANNUAL RETURN- FORM MGT-9

As on financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L72200MH1995PLC085488
Registration Date	:	10/02/1995
Name of the Company	:	Allied Digital Services Limited
Category / Sub-Category of the Company	:	Company limited by Shares/Non-Government Company
Address of the Registered office and contact details	:	Premises No.13A,13thFloor,Earnest House, NCPA Road, Block III, Nariman Point Mumbai – 400021 Tel : 022 6681 6400 Fax : 022 2206 4170 Email: cs@allieddigital.net, Website: www.allieddigital.net
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited CIN: U67190MH1999PTC118368 C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078 Tel : 022-25963838 Fax : 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in; Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN/LLPIN	Holding / subsidiary / associate	% of shares held	Applicable section
1	Allied Digital Services, LLC (USA) Address:680 Knox St Ste 200 Torrance, CA, 90502 United States	-	Subsidiary	51	2(87)
2	Allied Digital INC (USA) Address: 3411, Sliverside Road, Rodney Building, Suite 104, Wilmington, DE 19801	-	Wholly-owned Subsidiary	100	2(87)
3	Allied Digital Singapore Pte Ltd Address: 28 Maxwell Road, #03-05, Reddot Traffic, Singapore (069120)	-	Wholly-owned Subsidiary	100	2(87)
4	Allied Digital Asia Pacific PTY LTD (Australia) Address: Level 19,2 Market Street, Sydney, NSW 2000 Australia	146 376 918	Wholly-owned Subsidiary	100	2(87)
5	Allied Digital Services (UK) Ltd. Address: 40 Draycott Avenue, Harrow, Middx, HA3 0BU, United Kingdom	-	Subsidiary	95	2(87)
6	Allied-eCop Surveillance Pvt. Ltd. Address: Millennium Business Park, Building No. 3, Unit No. 4, Sector No. 3, Mahape Village, M.I.D.C. Navi Mumbai, Mumbai – 400 701	U74999MH2007PTC172890	Subsidiary	80.01	2(87)
7	En Pointe Technologies India Pvt. Ltd. Address: Prestige Meridian II, 801 & 802, 8 th Floor, M.G. Road, Bangalore Karnataka – 560 001	U72200KA2006FTC041333	Wholly-owned Subsidiary	100	2(87)
8	Assetlite Equipment India Private Limited* Address: Premises No. 13A,13 th floor, Earnest House, NCPA Road, Block 111, Nariman Point, Mumbai Mumbai – 400 021	U52392MH2007PTC174580	Associate Company	NIL	2(6)

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

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

i. Category-wise Share Holding as on 31st March, 2016:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	20120078	500	20120578	43.56	20120067	4019301	24139368	48.08	10.38
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	187150	-	187150	0.41	187150	-	187150	0.37	-
Sub-total(A)(1):	20307228	500	20307728	43.97	20307217	4019301	24326518	48.45	10.38
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	20307228	500	20307728	43.97	20307217	4019301	24326518	48.45	10.38
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	39742	-	39742	0.08	0.08
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	27642	-	27642	0.06	27642	-	27642	0.06	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	27642	-	27642	0.06	67384	-	67384	0.14	0.08
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	3455044	-	3455044	7.48	3138812	-	3138812	6.25	(1.23)
ii) Overseas		-							

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11391657	154	11391811	24.66	13385268	154	13385422	26.66	2
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6182903	-	6182903	13.39	4585026	-	4585026	9.13	(4.26)
c) Others									
c-i) Qualified Foreign Investor	1333000	-	1333000	0	-	-	-	-	0
c-ii) Clearing Member	451447	-	451447	0.98	851547	-	851547	1.70	0.43
c-iii) Foreign Nationals	-	-	-	-	2002	-	2002	0	-
c-iv) NRI (Repat)	847471	-	847471	1.83	627112	-	627112	1.25	(0.58)
c-v) NRI (Non-Repat)	699681	-	699681	1.51	727235	-	727235	1.45	(0.06)
c-vi) Foreign Company	0	1490000	1490000	3.23	0	1490000	1490000	2.97	(0.26)
Hindu Undivided Family	-	-	-	-	1004470	-	1004470	2.00	2.00
Sub-total(B)(2):	24361203	1490154	25851357	53.07	24321472	1490154	25811626	51.41	(1.02)
Total Public Shareholding (B)=(B)(1)+(B)(2)	24385845	1490154	25878999	53.13	24388856	1490154	25879010	51.55	(0.88)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	44693073	1490654	46186727	100%	44696073	5509455	50205528	100%	9.5

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Nitin Dhanji Shah	1,25,96,364	27.27	10.64	1,47,83,031	29.45	9.06	2.17
2.	Prakash Dhanji Shah	63,46,214	13.74	10.40	81,78,348	16.29	12.35	2.55
3.	Tejal Prakash Shah	11,76,000	2.55	-	11,76,000	2.34	-	-
4.	Vivil Investments Private Limited	1,87,150	0.41	-	1,87,150	0.37	-	-
5.	Dhara Shah	500	0	-	500	-	-	-
6.	Nehal Shah	500	0	-	489	-	-	(0.31)
7.	Ramesh Manilal Shah	500	0	-	500	-	-	-
8.	Rohan Shah	500	0	-	500	-	-	-
	Total	20307728	43.97	10.64	24326518	48.45	9.66	8.39

iii. Change in Promoters' Shareholding:

Sr. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Nitin Dhanji Shah		1,25,96,364	27.27	1,25,96,364	27.27
Add	12.02.2016	Allotment of Equity shares pursuant to conversion of Convertible warrants into equity shares	21,86,667	2.17	1,47,83,031	29.45
	At the End of the year		N.A.	N.A.	1,47,83,031	29.45
2.	Prakash Shah		63,46,214	13.74	63,46,214	13.74
Add	12.02.2016	Allotment of Equity shares pursuant to conversion of Convertible warrants into equity shares	18,32,134	2.55	81,78,348	16.29
	At the End of the year		N.A.	N.A.	81,78,348	16.29
3.	Nehal Shah		500	0.0010	500	0.0010
Less	06.11.2015	Market Sale	51	0.00	449	0.00
Add	13.11.2015	Market Purchase	34	0.00	483	0.0010
Add	05.02.2016	Market Purchase	6	0.00	489	0.0010
	At the End of the year	N.A.	N.A.	82,57,451	3.33	

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

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change\$		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	En Point Technologies Sales Inc.		14,90,000	3.2260	14,90,000	2.9678
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		14,90,000	2.9678	14,90,000	2.9678
2.	Intel Corporation*		1333000	2.8861	1333000	2.8861
Less	04.12.2015	Market Sale	504,100	1.0914	828900	1.7946
Less	11.12.2015	Market Sale	828900	1.7946	0	0
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	0	0
3.	K S Gopaldaswamy along with Ranjani Gopaldaswamy		8,57,528	1.8567	8,57,528	1.8567
Add	11.12.2015	Market Purchase	8,57,528	1.8567	8,57,528	1.8567
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	10,57,528	2.1064
4.	Times Publishing House Limited*		7,64,464	1.6552	7,64,464	1.6552
Less	08.01.2016	Market Sale	1,50,000	0.3248	614464	1.3304
Add	15.0.2016	Market Purchase	480,442	1.0402	1,34,022	0.2902
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	1,34,022	0.2669

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change\$		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5.	Suresh Ayodya Mahadevan		5,20,000	1.1259	5,20,000	1.0357
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2016)		N.A.	N.A.	5,20,000	1.0357
6.	Clover Technologies Private Limited*		4,50,669	0.9758	4,50,669	0.9758
Less	31.07.2015	Market Sale	50,000	0.1083	4,00,669	0.8679
Less	07.08.2015	Market Sale	50,000	0.1083	3,50,669	0.7592
Less	20.11.2015	Market Sale	1,00,000	0.2165	2,50,669	0.5427
Less	27.11.2015	Market Sale	25,000	0.0541	2,25,669	0.4886
Less	04.12.2015	Market Sale	25,000	0.0541	2,00,669	0.4345
Less	08.01.2016	Market Sale	42,401	0.0918	1,58,268	0.3427
Less	15.01.2016	Market Sale	3,476	0.0075	1,54,792	0.3351
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2016)		N.A.	N.A.	15,47,92	0.3083
7.	Jhaveri Satishkumar Umedlal		2,50,940	0.5433	2,50,940	0.5433
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2016)		N.A.	N.A.	2,50,940	0.4998
8.	Renaissance Asset Management Company Private Limited		2,33,949	0.5065	2,33,949	0.5065
	At the End of the year (or on the date of separation, if separated during the year) (31.03.2016)		N.A.	N.A.	2,33,949	0.4660
9.	Arco Electro technologies Private Limited		2,43,000	0.52	2,43,000	0.52
Less	30.06.2015	Market Sale	12,000	0.02	2,31,000	0.50
Less	31.07.2015	Market Sale	12,000	0.02	2,19,000	0.4362
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	2,19,000	0.4362
10.	Brightmoon Supply Limited		-	-	-	-
Add	04.09.2015	Market Purchase	10,000	0.0217	10,000	0.0217
Add	11.09.2015	Market Purchase	5,000	0.0108	15,000	0.3248
Less	25.09.2015	Market Sale	15000	0.3248	0	0
Add	09.10.2015	Market Purchase	5,000	0.0108	5,000	0.0108
Less	23.10.2015	Market Sale	5,000	0.0108	0	0
Add	30.10.2015	Market Purchase	5,000	0.0108	5,000	0.0108
Add	18.12.2015	Market Purchase	5,000	0.0108	10,000	0.0216
Less	08.01.2016	Market Sale	900	0.0019	9100	0.0197
Less	15.01.2016	Market Sale	100	0.0002	9000	0.0194
Add	22.01.2016	Market Purchase	7500	0.0162	16,500	0.0357
Less	05.02.2016	Market Sale	7500	0.0162	9000	0.0194
Add	26.02.2016	Market Purchase	91,000	0.1970	100,000	0.1991
Add	04.03.2016	Market Purchase	100,000	0.1991	2,00,000	0.3983
Add	11.03.2016	Market Purchase	100,000	0.1991	3,00,000	0.5975
Add	18.03.2016	Market Purchase	100,000	0.1991	4,00,000	0.7967
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	4,00,000	0.7967

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of change\$		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11.	Nitin Gordhanbhai Thakker with Nalinee Nitin Thakker		88,704	0.1921	88,704	0.1921
Less	17.07.2015	Market Sale	9,075	0.020	79,629	0.1724
Less	24.07.2015	Market Sale	20,000	0.043	59,629	0.1291
Add	28.08.2015	Market Purchase	40610	0.087	100,239	0.2170
Add	04.09.2015	Market Purchase	28,000	0.060	128,239	0.2776
Less	16.10.2015	Market Sale	30,000	0.064	98,239	0.2127
Add	30.10.2015	Market Purchase	812	0.017	99,051	0.2144
Add	06.11.2015	Market Purchase	29,188	0.063	128,239	0.2777
Add	18.12.2015	Market Purchase	175,000	0.378	303,239	0.6566
Add	22.01.2016	Market Purchase	30,035	0.065	333,274	0.7216
Less	05.02.2016	Market Sale	1,897	0.041	331,377	0.6600
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	331,377	0.6600
12.	Priya Singh Aggarwal along with Vijay Aggarwal		-	-	-	-
Add	09.10.2015	Market Purchase	2,00,000	0.4330	2,00,000	0.4330
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	2,00,000	0.3984
13.	Shilpa Sunil Majithia		2,30,368	0.4988	2,30,368	0.4988
	At the End of the year (or on the date of separation, if separated during the year) (31-03-2016)		N.A.	N.A.	2,30,368	0.4588

* Not in the list of Top 10 shareholders as on 31-03-2016. The same has been reflected above since the shareholder were Top 10 shareholders during 1-04-2015.

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

vi. **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	For each of the Directors and KMP		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Nitin Dhanji Shah		1,25,96,364	27.27	1,25,96,364	27.27
Add	12.02.2016	Allotment of Equity shares pursuant to conversion of Convertible warrants into equity shares	21,86,667	2.17	1,47,83,031	29.45
	At the End of the year		N.A.	N.A.	1,47,83,031	29.45
2.	Prakash Shah		63,46,214	13.74	63,46,214	13.74
Add	12.02.2016	Allotment of Equity shares pursuant to conversion of Convertible warrants into equity shares	18,32,134	2.55	81,78,348	Add
	At the End of the year		N.A.	N.A.	81,78,348	16.29
3.	Paresh Shah					
	At the End of the year					
4.	Shrikant Navnitlal Parikh		NIL	0	NIL	0
	At the End of the year		N.A.	N.A.	NIL	0
5.	Venugopal Ramaswami Iyengar		NIL	0	NIL	0
	At the End of the year		N.A.	N.A.	NIL	0

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	Roopkishan Sohanlal Dave	NIL	0	NIL	0
	At the End of the year	N.A.	N.A.	NIL	0
7.	Shubhada Keshav Jahagirdar	NIL	0	NIL	0
	At the End of the year	N.A.	N.A.	NIL	0
8.	Gopal Tiwari	NIL	0	NIL	0
	At the End of the year	N.A.	N.A.	NIL	0
9.	Ravindra Vishnuprasad Joshi	NIL	0	NIL	0
	At the End of the year	N.A.	N.A.	NIL	0

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	11,545.57	284.28	477.52	12,307.38
Net Change in Indebtedness during the financial year	20,841.94	1,269.50	923.30	23,034.73
Indebtedness at the end of the financial year	9,296.37	985.21	445.78	10,727.36

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. No	Particulars of Remuneration	Name of Managing Director / Whole-time Director(s)			Total Amount
		Nitin Shah' Managing Director	Prakash Shah, Whole-time Director	Paresh Shah, Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.75	29.38	11.60	89.73
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify				
	Total (A)	48.75	29.38	11.60	89.73
	Ceiling as per the Act	The total remuneration paid to the Managing Director and Whole-time Directors for the F.Y. 2015-16 has exceeded the prescribed limit as per the Companies Act, 2013 of 11% of the total net profit and the company is process of making application to the Central Government for waiver of the same.			

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount *
1.	Independent Directors		
	• Fee for attending board / committee meetings*	Mr. Shrikant Navnital Parikh	0.90
		Mr. Venugopal Ramaswami Iyengar	0.90
		Mr. Shubhada Keshav Jahagirdar	0.30
		Mr. Roopkishan Sohanlal Dave	0.30
	• Commission		-
	• Others, please specify		-
	Total (1)		2.40
2.	Other Non-Executive Directors		-
	• Fee for attending board / committee meetings		-
	• Commission		-
	• Others, please specify		-
	Total (2)		-
	Total (B)=(1+2)		2.40
	Total Managerial Remuneration		335.06#
	Overall Ceiling as per the Act\$		N.A.

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

\$ A director may receive remuneration by way of fee for attending the Board/Committee meetings or for any other purpose as may be decided by the Board.

Provided that the amount of such fees shall not exceed the amount as may be prescribed. The Central Government through rules prescribed that the amount of sitting fees payable to a director for attending meetings of the Board or committees thereof may be such as may be decided by the Board of directors or the Remuneration Committee thereof which shall not exceed the sum of rupees 100,000 per meeting of the Board or committee thereof.

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

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.32	1.80	18.12
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	16.32	1.80	18.12

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Place: Mumbai
Date: 01.09.2016

Nitin Dhanji Shah
Chairman & Managing Director
DIN: 00189903

Prakash Shah
Executive Director-Commercial
DIN: 00189842

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

Pursuant to Section 135(1) of the Companies Act, 2013 read with companies (Corporate Social Responsibility) Rules, 2014, the Board of Director have constituted a CSR Committee. The Board also framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013.

The formulation of the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by your Company is under process and shall be recommended to the Board for their approval and uploaded on the website of the Company in due course.

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

CSR Committee comprises of 3 Directors as follows:

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

3. **Average Net Profit of the Company for last three financial years:** ₹17,999,667/-
 4. **Prescribed CSR Expenditure (2% of the amount as per item 3 above):** ₹359,993/-
 5. **Details of CSR spent during the financial year:**

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

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

The Company had to execute Pune City Surveillance Project offered by Government of Maharashtra (GOM) without any mobilization advance and milestone Payments from GOM due to which Company is facing severe cash flow crises hence Company could not spend CSR amount. Also, the Board of Directors are in the process of identifying the valid avenues to spend the said CSR amount and shall be spending the said amount during the financial year 2016-2017.

7. **The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.**

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

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

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

**Place: Mumbai
Date: 01.09.2016**

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
Allied Digital Services Limited

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

Based on our verification of Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

We have also examined compliance with the applicable clauses of:

1. The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE Limited) and National Stock Exchange (National Stock Exchange of India Ltd.)
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);
3. The Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).

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

1. As per section 73 (3) of the Companies Act, 2013, Every deposit accepted by a company under sub-section (2) shall be repaid with interest in accordance with the terms and conditions of the agreement referred to in that sub-section. The Company has not paid the entire amount of the principal and interest. The Management responded that due to severe financial crunch, the Company could not pay the entire principal and interest overdue but now the funds position is getting gradually normal and the Company is planning to pay the same at the earliest.

2. As per section 92 (4) of the Companies Act, 2013, Every company shall file with the Registrar a copy of the annual return, within sixty days from the date on which the annual general meeting is held. The Company has not filed the same. The Management has responded that due to various factors including the technical problems on the MCA portal, the Company has not been able to file it on time and the same is under the process of being filed.
3. As per section 137 (1) of the Companies Act, 2013, A copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the annual general meeting of the company, shall be filed with the Registrar within thirty days of the date of annual general meeting. The Company has not filed the same. The Management has responded that due to technical problems on the MCA portal, the Company has not been able to file it on time and the same is under the process of being filed.
4. The Company has not filed the Return on Foreign Liabilities and Assets for the Financial Year ended 31st March, 2015. The Company has responded that they are in the process of filing the same.
5. As per Section 135 (5) The Board of every Company referred to in sub-section (1), shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The company has not complied the same. However, as per the representation received from the management; The Company is still under process of identifying the areas under which company can spend the CSR Expenditure.
6. The Company has not been regular in depositing Statutory dues (Provident Fund, Employees State Insurance, Sales Tax, etc.) The Management responded that due to severe financial crunch, the Company could not pay the same but now the funds position is getting gradually normal and the Company is planning to pay at the earliest.
7. The Remuneration paid during the year March 31st, 2016 is in excess of 11% of the Net profit as stipulated under Section 197 of the Companies Act, 2013. The Company has paid the same amount of Managerial Remuneration in the Financial Year 2015-16 as paid in the Financial Year 2014-15. The Directors has been receiving the same Remuneration for the past eight (8) years.

We further report that

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

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

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

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

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

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

Sd/-

Pramod Shah-Partner

Pramod S. Shah & Associates

FCS No.: 334

C.P No.: 3804

Place: Mumbai

Date: 01/09/2016

ANNEXURE V FORM NO. AOC-2

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances	Date on which special resolution was passed in General meeting
NIL								

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

Sr. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
1	Allied Digital Services LLC – Subsidiary Company	Amount of Loans/ Advances in the nature of loans outstanding from Subsidiaries	Ongoing	-	14 th May, 2015; 14 th August, 2015; 9 th November, 2015; 12 th February, 2016	88456000
2	En Pointe Technologies India Private Ltd.- Subsidiary Company	Amount of Loans/ Advances in the nature of loans outstanding from Subsidiaries	Ongoing	-	14 th May, 2015	6222000
3	Allied Digital Singapore Pte Ltd.- Subsidiary Company	Amount of Loans/ Advances in the nature of loans outstanding from Subsidiaries	Ongoing	-	14 th May, 2015	1347000

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

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

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

Place: Mumbai
Date: 01.09.2016

ANNEXURE VI

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details for loans & investments:

(₹ In lakh)

Name of the party	Nature & Purpose of transactions	Amount at the beginning of the year	Transactions during the year	Balance at the end of the year
INVESTMENTS				
Allied Digital Services LLC (USA)	Investments	7,531	-	7,531
Allied Digital Inc (USA)	Investments	7,075	-	7,075
Allied Digital Singapore Pte Limited	Investments	6	-	6
Allied Digital Asia Pacific Pty Limited (Australia)	Investments	128	-	128
Allied E-Cop Surveillance India Pvt. Ltd.	Investments	1	-	1
Allied Digital Services (UK) Limited	Investments	1	-	1
Soft Shell System (I) Private Limited	Investments	-	500	500
Digicomp Complete Solutions Limited	Investments	3	(3)	-
LOANS & ADVANCES GIVEN				
Abhirati Properties Private Limited	Expenses Incurred on behalf	347	6	353
Devyog Builders Private Limited	Loan Given	400	-	400
Vivil Investments Private Limited	Expenses Incurred on behalf	461	-	461
Tejal P Shah	Loan Given	-	7	7

Details for guarantees given:

(₹ In lakh)

Name of the party	Purpose for giving corporate guarantee	Amount of guarantee
Government of Maharashtra	Performance Bank Guarantee	2,243
Other Customers	Performance Bank Guarantee	292

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

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

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

Place: Mumbai
Date: 01.09.2016

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian economy had improvement in macro-economic factors, such as inflation control, decline in deficit and macro-economic stability in the year 2015-16. Economic growth appears to be recently recovering at different speeds across sectors. There is small improvement in the economy compared to year 2014-2015 and will also show further improvement in 2016-17. This year however, as Indian economy is getting more mixed with the global economy over the years, it is important to note that any serious impact in the global economy can affect India too.

Some key factors that are influencing economic growth are; the slow recovery in investments, corporate balance sheet adjustments and impact of tighter regulatory norms. Secondly, since capacity utilization in organized sector is estimated at 72%, the private investment is not bullish. Third, the exports have declined due to reduction in global trade. However, on the positive side, the government's strong initiatives on "Startups", "Make In India", "Strong commitment to fiscal targets", "Smart city and infrastructure transformation" will bolster domestic demand and growth. Also other initiatives such as rural sector improvements in budget, pay commission award benefits, commodity price checks and interest rate reduction will likely uplift the economy. Lastly, good rains recently this year, GST introduction has further assured an economic revival.

The IT industry in India is expected to grow 12-14 percent in the current year also i.e. 2016-2017. While sourcing Indian talent (talent pool also growing) is in demand globally, even the domestic demand has increased. The IT industry revenue including the ITeS sector has touched USD 160 Billion.

The demand for IT in domestic market is going to rise. Currently there is a big boom in the government sector for IT due to Digital India initiatives. The startup industry is wholly leveraging IT, however the corporate industry due to finance pressure is struggling to cut IT costs and holding back new projects. Also, large branded IT product vendors are reducing staff in India primarily due to poor sales and secondly due to disruptive technologies coming from the new product startups in the USA. Even large service providers, are reducing campus hiring to ensure that declining profitability is further controlled.

In the international markets, there is some growth in IT infrastructure outsourcing or next generation outsourcing. Margins are under pressure. IT Application development and support is in more pressure. However, corporates and startups are focusing on new technology based transformative solutions. IT industry in Europe and other developed countries in Asia is growing at a slower pace.

COMPANY STRUCTURE, DEVELOPMENT AND PERFORMANCE

Allied Digital is a comprehensive IT services and solutions company. The company undertakes IT services contracts as well as provides transformative solutions to its customers. Allied Digital has 6 key faces of offerings named as "ADiCube".

ADiInfra offering deals with remote managed services contracts. Approximately 10 customers, small and large were added last year. The Network operations center at Mumbai handles hundreds of devices of each customer for supporting their enterprise applications, servers, storage, networks and security. Also, many transformative projects including data center migration were completed this year.

ADiUser offering is one of the company's flagship offering. Over a million of calls were handled by global service desk last year and in the current year it is achieving great heights of performance. Global field services achieved the "Business performance Award in global outsourcing", as it serves over 50+ countries through strong global partnerships.

ADiTaaS ITSM platform scaled up new heights by successfully completing new projects for prestigious US customers. The "PasswordExpress" tool is getting deployed. A new version of ADiTaaS is being planned with the introduction of the additional features in the ensuing quarter in the coming quarter.

ADiCloud offering added customers in India, as the cloud business is gradually but surely growing.

ADiApps offering implemented a major project of vendor management for a US company. This was implemented on a new framework "Fayde". New plans are in place to take up mobile application development and testing.

ADiInsight offering specifically remains the big driver for Allied Digital. This offering primarily deals with large system integration solutions such as Safe City, Smart City, Intelligent Building Management and Transportation solutions including large campus security. After implementing the Pune Safe City project successfully, it is focusing on other city implementations and multiple partnerships are underway.

The IT industry is also going through transformation. New disruptive technologies are taking big market share. Large companies are facing challenges on margins and the need to innovate fast. New technologies such as robotics, analytics and IoT are getting main stream. The company will continue to focus on building strong skills in each areas of offering, as there is continued potential for growth. The company will also restructure its resources, focus on stronger partnerships and broaden international business. The company is keen to drive new technologies such as IoT (Internet of Things) as well as grow the business in IT security.

RISKS AND CONCERNS

The company is exposed to interest rate risk, credit risk and regulatory risks. The company has chalked out risk management plans. Risks are quarterly monitored by the management. As Indian Government has tightened finance related regulatory policies, careful and continuous cashflow management has become imperative and is of current concern.

Technology obsolescence is another risk, where the company is constantly trying to retrain and reskill people in new technologies. Getting timely payments from the government is also a concern which is in best way addressed.

Being in services industry, losing good talent is always a risk. Measures are in place to mitigate this risk. Adequate business insurance policies are also in place on errors and omissions and general liability.

SWOT ANALYSIS OF THE IT COMPANY

India's IT industry is continuously growing. However, there are certain challenges which are being addressed here as part of the analysis.

Strengths:

- India has sufficient talent pool and related education establishments to match the global demands of sourcing talent for IT.
- Major OEM companies are in India, India is on cutting edge of technology. Even many new products are designed in India. Companies like Google, Amazon and Apple are doing huge investments in India.
- English language communication is a major advantage.
- Technology is the enabler for change in almost all businesses; hence there is tremendous opportunity for growth.
- Indian Government is on major initiative to promote "Digital India", "Make in India", which is a big boost to drive local IT demand as well as remain cutting edge.

Weaknesses:

- Quality of Talent is a challenge.
- Special skill resources such as security, robotics and data scientists are still a challenge
- Cost of resources is ever increasing, while margins are not increasing in the IT industry.
- Outsourcing and traditional software development work is reducing.
- India finance regulatory policies are not favoring IT industry growth.

Opportunities:

- Demand for IT will still grow as most businesses cannot survive without IT.
- The transformation wave, is opening up new opportunities for businesses to spend on new technologies to generate new business growth in e-commerce, business automation and analytics.
- New opportunities in African continent as well as in Middle East.
- Segments such as IT security, CCTV surveillance are in high demand.

Threats:

- Other countries are fast picking up in their global market share for IT.
- Immigration laws in countries like US and UK are becoming a challenge for Indian IT industry.
- Higher rate of interest is a concern for startups in India.
- ITeS business is getting diverted to other countries due to higher cost of manpower in India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Your company has put a lot of emphasis on improving the internal control systems in multiple areas such as Finance, Sales, Legal and HR.

- In the areas of Finance, the company has taken large steps in strengthening the internal audits. Accounting practices have been greatly improved. Alert mechanism is in place for regulatory changes. Regular collection process is setup.
- On the sales front, more emphasis is put in customer credit checks, profitability and sales closures. Pre-sales process is undergoing restructuring globally.
- On the delivery and operations side, the emphasis has been in being more sensitive to critical customer events and soft skills training. This year more automation, technical skill enhancement and cost optimization are planned.
- Legal department is further strengthened in setting up ready contract templates. A new software is planned to improve management of contracts globally.

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

CONSOLIDATED FINANCIAL PERFORMANCE

During the year under review, the company has achieved a total revenue of ₹ 242.60 crores as against a total revenue of ₹ 245.01 crores achieved during the last financial year. In spite of a slight dip in revenue, a Net profit of ₹ 5.54 crores was achieved post Tax and Minority Interest, during the year under review, in comparison to a Break-Even position during the last financial year.

ENVIRONMENT AND SAFETY

The company is specifically focusing on continuously contributing to the environment by implementing strong environment and safety policies globally. Your company advocates various employee initiated environment friendly drives. Also, every facility has clear safety mandate in place which is periodically made "employee aware" through campaigns. Adequate equipment such as field jackets and bags are provisioned for on-the-field personnel. New medical program was rolled out last year for employee health safety.

HUMAN RESOURCES

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

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

The company takes pride in commitment, excellence and dedication shown by its employees in all areas of business globally. Total employees strength of the Company as on 31st March 2016 was 596.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-16

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

Allied Digital Services Limited ("the Company") strives to follow the best corporate governance practices, develop best policies/guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization.

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

Corporate Governance is the application of best management practices, compliance of laws and adherence to ethical standards to achieve the Company's objective of enhancing stakeholder value and discharge of social responsibility. The Corporate Governance framework includes corporate structures, culture, policies and the manner in which the corporate entity deals with various stakeholders, with transparency being the key word.

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 and timely adequate and accurate disclosure of information on the performance and ownership forms the cornerstone of Corporate Governance. It is a journey for constantly improving sustainable value creation and an upward moving target. Integrity, transparency, fairness, accountability and compliance with the law are embedded in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

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

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

- a. Management must have the executive freedom to drive the enterprise forward without undue restraints and Management is the trustee of the shareholders capital and not the owner. This freedom of management should be exercised within a framework of effective accountability.
- b. Provide an enabling environment to harmonize the goals of maximizing stakeholder value and maintaining a customer centric focus.
- c. Have a simple and transparent corporate structure driven solely by business needs.
- d. Communicate externally, in a truthful manner, about how the Company is running internally.
- e. Make clear distinction between personal conveniences and corporate resources.
- f. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
- g. Satisfy the spirit of the law and not just the letter of the law.

Our philosophy on Corporate Governance is thus concerned with the ethics, values and morals of Allied Digital Services Limited and its Directors, who are expected to act in the best Interest of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. BOARD OF DIRECTORS:

The Board of Directors and its Committees play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its Members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth.

Allied Digital Services Limited has a very balanced and diverse Board of Directors, comprising of 3 Executive Directors, including the Chairman and 4 Non-Executive Independent Directors, who actively participates at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and plays a critical role on strategic issues.

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 Independent Directors. As on March 31, 2016, the Board consists of 7 Directors, out of which 4 are Independent Directors and 3 Executive Directors, including the Chairman. The Company is in compliance with the Regulation 17 (1) of the Listing Regulation, pertaining to compositions of Board of Directors.

The Composition of the Board and Category of Directors are as follows:

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

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16 (b) of the Listing Regulation. 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.

Non-Executive Independent Directors are appointed for their professional expertise in their individual capacity as independent professionals/Business Executives. Non-Executive Independent 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 Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (pursuant to Regulation 17(7) of SEBI (LODR) Regulation, 2015) is made available to the Board of Directors for discussions and consideration at Board Meetings.

The above composition is consistent with the relevant provisions of Companies Act, 2013 and Regulation 17(1) of the Listing Regulation.

i) 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 and DIN	Category	No. of Directorship(s) in other Companies ¹		No. of Membership / Chairmanship of other Board Committees	
		Public	Private	Member	Chairman
Mr. Nitin Shah DIN: 00189903	Promoter, Chairman, Executive & Managing Director	-	4	-	-
Mr. Prakash Shah DIN: 00189842	Promoter & Executive Director - Commercial	-	4	2	-

Name of Directors and DIN	Category	No. of Directorship(s) in other Companies ¹		No. of Membership / Chairmanship of other Board Committees	
		Public	Private	Member	Chairman
Mr. Paresh Shah DIN:05117129	Whole-time Director cum CEO & Executive Director	-	-	-	-
Ms. Shubhada Jahagirdar DIN: 00895950	Non-Executive Independent Director	1	-	1	-
Dr. Shrikant Parikh DIN:01735830	Non-Executive Independent Director	-	1	1	2
Prof. Venugopal Iyengar DIN:02591297	Non-Executive Independent Director	-	1	2	1
Dr. Roopkishan Dave DIN: 02800417	Non-Executive Independent Director	1	1	1	-

¹ Excluding directorship in Allied Digital Services Limited

b) Board Meetings:

The Board meets at regular intervals to discuss and decide on company/ business policy and strategy apart from other normal 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 of the Company.

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.

During the year under review, Four (4) Meeting of the Board of Directors were convened. The date on which the said meetings were held are 14th May, 2015, 14th August, 2015, 9th November, 2015 and 12th February, 2016 and the gap between two Meetings did not exceed one hundred and twenty days. The Previous Annual General meeting of the Company was held on 24th September, 2015.

The details of Directors attendance at Board Meeting and Annual General Meeting of the Company held during the Financial Year 2015-16 are given below:

Name of Directors	No. of Board Meetings attended	Whether Previous AGM attended
Mr. Nitin Shah	1	Yes
Mr. Prakash Shah	4	Yes
Mr. Paresh Shah	2	No
Ms. Shubhada Jahagirdar	3	No
Dr. Shrikant Parikh	4	Yes
Prof. Venugopal Iyengar	4	Yes
Dr. Roopkishan Dave	2	No

c) Relationship between the Directors inter-se:

Mr. Nitin Shah, Chairman & Managing Director and Mr. Prakash Shah, Executive Director – Commercial of the Company are related to each other as they are brothers.

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

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

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

e) Familiarisation programmes imparted to Independent Directors:

The Company has developed familiarization programmes for Independent Directors to provide details to the Independent Directors about the Company, their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, business model of the Company, etc. through various programmes.

The details regarding the familiarisation programmes imparted to Independent Directors is uploaded on the website of the Company i.e www.allieddigital.net and the web link for the same is as follows:

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

f) Risk Management:

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.

3. 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 six (6) Board-level Committees, namely:

- i. Audit Committee;
- ii. Nomination & Remuneration Committee;
- iii. Shareholders' Grievance Committee;
- iv. Compensation Committee;
- v. Management Committee;
- vi. Corporate Social Responsibility Committee.

➤ **AUDIT COMMITTEE:**

a) Brief Description of Audit Committee:

The Board has constituted a well-qualified Audit Committee. All Members of the Audit Committee possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

Audit Committee of the Company has been constituted and its composition is in accordance with the provisions of Section 177 of the Companies Act, 2013, and in terms with Regulation 18 of Listing Regulation with Stock Exchanges.

b) Composition of Audit Committee and number of meetings attended:

Four meetings of the Audit Committee were held during the financial year. These were held on 14th May, 2015, 14th August, 2015, 9th November, 2015 and 12th February, 2016. The attendance each committee member was under:

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

The Audit Committee invites Senior Executives and Manager, Representatives of the Statutory Auditors of the Company & Head of the Internal Audit Department, whenever it considers appropriate, in the meetings. The Company Secretary of the Company acted as the Secretary of the Committee for the financial year 2015-2016.

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

The role of Audit Committee shall include the following:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- VI. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- VII. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the company with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the company, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- XVIII. To review the functioning of the Whistle Blower mechanism;
- XIX. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

XX. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

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

➤ **NOMINATION and REMUNERATION COMMITTEE: (“NRC Committee”)**

a) Brief Description of NRC Committee:

The Nomination and Remuneration Committee of the Company has been constituted and its composition is in accordance with the provisions of Regulation 19 of Listing Regulation and Section 178 of the Companies Act, 2013.

The Committee has the mandate to review and recommend compensation/ remuneration payable to the Managing Director, Whole-time Directors and Senior Management of the Company. Its function also includes administering of the Company's Stock Option Plans, if any, including the review and grant of the Stock Options to eligible employees under plans, as and when necessary. The Committee reviews the performance of the Managing Director, Whole-time Directors and Senior Management of the Company for the above mentioned purpose and may have requisite parameters as it may deem fit.

b) Composition of Nomination and Remuneration Committee and number of meetings attended:

Two meetings of the Nomination and Remuneration Committee were held during the financial year. These were held on 9th November, 2015 and 12th February, 2016. The attendance each committee member was under:

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

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

The role of Nomination and Remuneration Committee shall include the following:

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- II. Formation of criteria for evaluation of performance of Independent directors and the board of directors;
- III. Devising a policy on diversity of board of directors;

- IV. Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- V. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

d) Criteria for the Performance Evaluation of the Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of performance evaluation criteria including their role and responsibilities, expertise, skills, leadership qualities, understanding of business, strategic direction to align company's value and standards, effective decision making ability, Initiative on knowledge updates and internal controls.

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25 of Listing Regulations, the Meeting of Independent Directors of the Company was held on 12th February, 2016 inter-alia to review the performance of non-independent Directors and Board as a whole, the Chairperson of the Company to assess the quality, quantity and flow of information between the management and the board. Such meeting was attended by all the Independent Directors of the Company.

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairperson of the Company has been carried by your Company.

For the purpose of carrying out performance evaluation exercise, three types of evaluation forms were devised in which the evaluating director has allotted to the individual director, the Board as a whole, its Committees and the Chairperson appropriate rating on the scale of five (as per the Performance Evaluation Policy).

Such evaluation exercise has been carried out:

- (i) of Independent Directors by the Board;
- (ii) of Non-Independent Directors by all the Independent Directors in separate Meeting held for the purpose;
- (iii) of the Board as a whole and its Committees by all the Independent Directors in separate Meeting held for the purpose;
- (iv) of the Chairperson of your Company by the Independent Directors in separate Meeting after taking into account the views of the Executive/ Non-Executive Directors;
- (v) of the Board by itself.

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

The Independent Director of the Company are evaluated by the Non-Executive Directors and the other Directors of the Board. The criteria's for the evaluation of the Independent Directors are:

- a. Prior preparation and detailed study of the matters to be discussed at the Meetings of Board and members;
- b. Participation in deliberations and bringing relevant experience to the board table at its various Meetings;
- c. Devotion of sufficient time and attention to his responsibilities;
- d. Awareness of company's code of conduct or ethics policy and its compliance in true spirit;
- e. Proper assistance is provided by them in protecting the legitimate interest of the Company, Shareholder and Employees;
- f. Contribution made by them in important decisions making, in planning the strategies formulated by the management for progress of the Company and promoting the objects of the Company for the benefit of the Company's stakeholders;
- g. Assistance provided by them to the Board of Directors in implementing the best corporate governance practices;

- h. Abidance with the fiduciary duties and the accompanying liabilities that had come by reason of their appointment;
- i. Attendance and/or assistance provided in organizing special events on behalf of the Board;
- j. Specific contributions made during the year under review and if such contributions have made a positive effect on the governance of the Company.

e) Disclosure of Remuneration paid to Director:

- i. There are no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed Company;
- ii. The Company does not make any payments to Non-Executive Directors except sitting fees for attending Board/ Committee Meetings;
- iii. The sitting fees paid, are within the limits prescribed under the Companies Act, 2013 read with the relevant Rules.
- iv. Details of remuneration paid to Directors during the accounting year ended March 31, 2016 are as under:

(₹ In Lakhs)

Name of Directors	Salary (Amt. in ₹)	Sitting fees (Amt. in Total (Amt. in ₹)	Total (Amt. in ₹)	Stock Option granted
Mr. Nitin Shah	48.75	---	48.75	---
Mr. Prakash Shah	29.38	---	29.38	---
Mr. Paresh Shah	11.60	---	11.60	---
Ms. Shubhada Jahagirdar	---	0.30	0.30	---
Dr. Shrikant Parikh	---	0.90	0.90	---
Dr. Roopkishan Dave	---	0.30	0.30	---
Prof. Venugopal Iyengar	---	0.90	0.90	---

Mr. Nitin Shah, Managing Director and Chairman and Mr. Prakash Shah, Executive Director-Commercial were appointed w.e.f. 1st April, 2011 and Mr. Paresh Shah, Whole-time Director cum CEO was appointed w.e.f. 27th September, 2012 and the details of the remuneration during the accounting year ended 31st March, 2016 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	48.75	--	N.A.	NIL	48.75	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil
Mr. Prakash Shah	29.38	--	N.A.	NIL	29.38	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil
Mr. Paresh Shah	11.60	--	N.A.	NIL	11.60	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil

➤ **SHAREHOLDERS' GRIEVANCE COMMITTEE:**

a) **Brief Description of Committee:**

In order to provide quality and efficient services to the investors and to align & streamline the process of share transfer/transmission, Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

b) **Composition and Constitution of Shareholders Grievance Committee and number of meetings attended:**

The Shareholders Grievance Committee for the accounting year comprises of two(2) Non-Executive Independent Directors and one(1) Executive Director. Four meetings of the Shareholder Grievance Committee were held during the financial year. These were held on 14th May, 2015, 14th August, 2015, 9th November, 2015 and 12th February, 2016. The attendance of each committee is mentioned under/ is as under:

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

c) **Compliance Officer:**

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

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

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

INVESTOR COMPLAINTS/REQUESTS	NO. OF COMPLAINTS/REQUESTS
Pending at the beginning of the quarter	NIL
Received through Correspondence (letters) during the quarter (Non Receipt of Annual Report)	03
Received through Correspondence (letters) during the quarter (Non receipt of Dividend)	NIL
Received for Correction in Refund Instrument	NIL
Received from NSE during the year	NIL
Received from BSE during the year	NIL
Received from SEBI during the year	NIL
Disposed off during the year	03
Pending at the end of the year	NIL

During the accounting year ended March 31, 2016, Three (3) complaint was received from shareholders, all of which have been attended/ resolved as on date.

All valid Share Transfers received during the accounting year ended March 31, 2016 have been acted upon. There were no share transfers pending for more than 30 days for the half-year ended September 30, 2015, and for more than 15 days for the half-year ended March 31, 2016.

The Shareholders Grievance Committee continued to function effectively. 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:

- i. Transfer /Transmission of shares;
- ii. Issue of duplicate Share Certificates;
- iii. Reviewing Shares dematerialized, rematerialized and all other related matters;
- iv. Monitoring expeditious redressal of Investors' Grievances;
- v. Non receipt of Annual Report and declared dividend;
- vi. 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 2015-16, no Compensation Committee Meeting was held.

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

- i. To decide the terms and conditions of the Employee Stock Option Scheme (ESOP);
- ii. The quantum of any option to be granted under an employee stock option scheme per employee and in aggregate;
- iii. The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- iv. 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;
- v. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- vi. 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;
- vii. 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;
- viii. 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 Shah and Mr. Paresh Shah as Members of the Committee.

b) Meeting of the Management Committee:

During the Financial Year 2015-16, no Management Committee Meeting was held.

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

- i. To borrow monies not exceeding specified sum or such other amount as may be authorized by the Shareholders at the General Meeting, together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from Financial Institutions /Banks and others from time to time;
- ii. To authorize Employees of the Company for purchase whether on hire purchase or otherwise or sale of vehicle;
- iii. To open Bank Accounts and to authorize Directors/Authorized Signatories to operate the Bank Accounts;
- iv. To withdraw /change the authority to operate any of the Company's Bank Account;
- v. To appoint attorney for and on behalf of the Company for specific power or for general purposes;
- vi. To authorize Company Executives to represent the Company and sign and execute all the documents and papers related to the Central Government, State Government, Local Authority or any other authority in relation to the business of the Company;
- vii. To take premises on leave and license / lease to be used as office/store /godown of the company or for the purpose of residence of employees or for any other purpose;

- viii. To decide on opening Branches/Godowns at different places in the country or abroad subject to such permission as may be required from different authorities;
- ix. To authorize Company Executives for obtaining Telephone /Electricity connections or other permissions in the name of the Company;
- x. To decide on filing recovery suits against distributors /dealers/customers and to authorize company's executives to prosecute the same;
- xi. To launch criminal proceedings against those misusing the company's rights under the Design, Patents, Trademarks and Copyright Laws;
- xii. To authorize company's executives to defend civil suits filed by third parties against the company;
- xiii. Other general day-to-day affairs of the Company.

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

a) Brief Description of Committee:

As a part of an Initiative under "Corporate Social Responsibility("CSR"), the Company has constituted Corporate Social Responsibility Committee in accordance to the provisions of Section 135, Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

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

c) Composition of CSR Committee and number of meetings attended:

In accordance with Section 135 of the Companies Act, 2013 your Company has constituted a Corporate Social Responsibility Committee consisting of 3 Directors out of which 2 directors are Non-Executive Independent Director. The detailed composition of the CSR Committee is mentioned below:

Sr. No.	Name of Members	Designation	Category of Director
1.	Ms. Shubhada Jahagirdar	Chairman	Non-Executive Independent Director
2.	Mr. Prakash Shah	Member	Executive Director - Commercial
3.	Dr. Shrikant Parikh	Member	Non-Executive Independent Director

During the year under review no meeting of CSR Committee was held. Further, the formulation of the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by your Company is under process and shall be recommended to the Board for their approval and uploaded on the website of the Company in due course.

Currently the Company is in the process of identifying the valid avenues to make expenditure under CSR and the Company shall be making expenditure under the said CSR provisions during the financial year 2016-2017.

4. GENERAL BODY MEETINGS:

Venue, time and date of holding of the last three Annual General Meetings (AGM) together with the Special resolutions passed there are as under:

Financial Year	Day and Date, Time and Venue of AGM	Details of Special Resolution passed
2014-2015	Day and Date: Thursday, September 24, 2015 Time: 03:00 P.M Venue: IMC Building, IMC Marg, Churchgate, Mumbai - 400020	No Special Resolution was passed
2013-2014	Day and Date: Thursday, September 25, 2014 Time: 03:30 P.M Venue: IMC Building, IMC Marg, Churchgate, Mumbai – 400020	No Special Resolution was passed
2012-2013	Day and Date: Wednesday, September 25 th , 2013 Time: 03:30 P.M Venue: Tarabai Hall, Shiv Prasad Building, 97, Marine Drive, Mumbai – 400002	<ul style="list-style-type: none"> • 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.

During the year under review, No Extra-Ordinary General Meeting ("EGM") of the Shareholders were held.

5. DISCLOSURES:

i. Related Party Transactions:

During the year under review, apart from the transactions reported in Notes to accounts, there were no related party transactions with the Promoters, Directors, Management, Subsidiaries and other Related Parties. Transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiary or relatives etc. does not have potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Audit Committee on a quarterly basis.

ii. 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).

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

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. The Company's personnel have access to the Chairman of the Audit Committee in exceptional circumstances. No person of the Company has been denied access to the Audit Committee and there is no instances of any such access.

iv. Mandatory & Non Mandatory requirement:

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

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

The Company has adopted policy on material' subsidiaries for determining 'material' subsidiaries pursuant to Clause 16 (c) of Chapter IV of Listing Regulations and the same is uploaded on the website of the Company i.e www.allieddigital.net and the web link for the same is as follows:

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

vi. Web link for policy on dealing with related party transactions:

The Company has adopted policy on for dealing with related party transactions and the same is uploaded on the website of the Company i.e www.allieddigital.net and the web link for the same is as follows:

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

vii. Means of Communication:

- The Quarterly and Half Yearly results of the Company are communicated to all the members of the Company by displaying the same on the Company's website: www.allieddigital.net on timely basis.
- The Management Discussion and Analysis Report forms part of this Annual Report, which is sent to each member by post.
- The Company informs the Stock Exchanges about all price sensitive matters or such other matters which are material and of relevance to the shareholders.

viii. 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 hosted on the Company's website at www.allieddigital.net

ix. Trading in the Company's shares by directors and designated employees:

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992 (now SEBI (Prevention of Insider Trading) Regulations, 2015), 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 as per SEBI (Prevention of Insider Trading) Regulations, 2015, and the same shall be uploaded on the website of the Company in due course

x. Prevention of Insider Trading:

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992 (now SEBI (Prevention of Insider Trading) Regulations, 2015), your Company has adopted the Insider Trading Code for prevention of Insider Trading with a view to regulate trading in securities by the directors and designated employees of your Company. The Code requires pre-clearance for dealing in your Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to your Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

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

6. GENERAL SHAREHOLDER INFORMATION:

Date of Annual General Meeting:	26 th September, 2016
Time:	04.00 PM
Venue:	IMC Building, IMC Marg, Churchgate, Mumbai - 400020
Financial Year ended:	1 st April , 2015 to 31 st March, 2016
Book Closure date:	19 th September, 2016 to 26 th September, 2016
Registered Office of the Company:	Premises No.13A,13thFloor,Earnest House, NCPA Road, Block III, Nariman Point, Mumbai – 400021 Email: investors@allieddigital.net Website: www.allieddigital.net
List of Stock Exchanges where the Shares of the Company are listed:	1) National Stock Exchange of India Limited (NSE) Address:Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051 2) BSE Limited (BSE) Address: P. J. Towers, Dalal Street, Mumbai – 400 001 The Company has paid Annual Listing Fees for the year 2016-2017 to both the Stock Exchanges.
Stock Code:	NSE: ADSL BSE: : 532875
ISIN of Company' Equity Shares:	INE102I01027
Corporate Identification Number(CIN):	L72200MH1995PLC085488

A. Registrar and Share Transfer Agent:

For both Physical and Demat (Common Registry)
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

B. Share Transfer System & Other Related Matters:

• **Share Transfer System:**

The shares lodged for transfer are processed by the Registrar and Share Transfer Agent and are approved by Stakeholder's Relationship Committee / Shareholders' Grievance Committee. Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all aspects. Similarly, all requests for demat are received and processed by the Registrar and Share Transfer Agent and confirmations given to the depositories within the prescribed time limit.

• **Nomination Facility for Shareholding:**

As per the provisions of the Companies Act, 2013, 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 agent of the Company.

- **Payment of Dividend through Electronic Clearing Service:**

The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.

- **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, rnt.helpdesk@linkintime.co.in

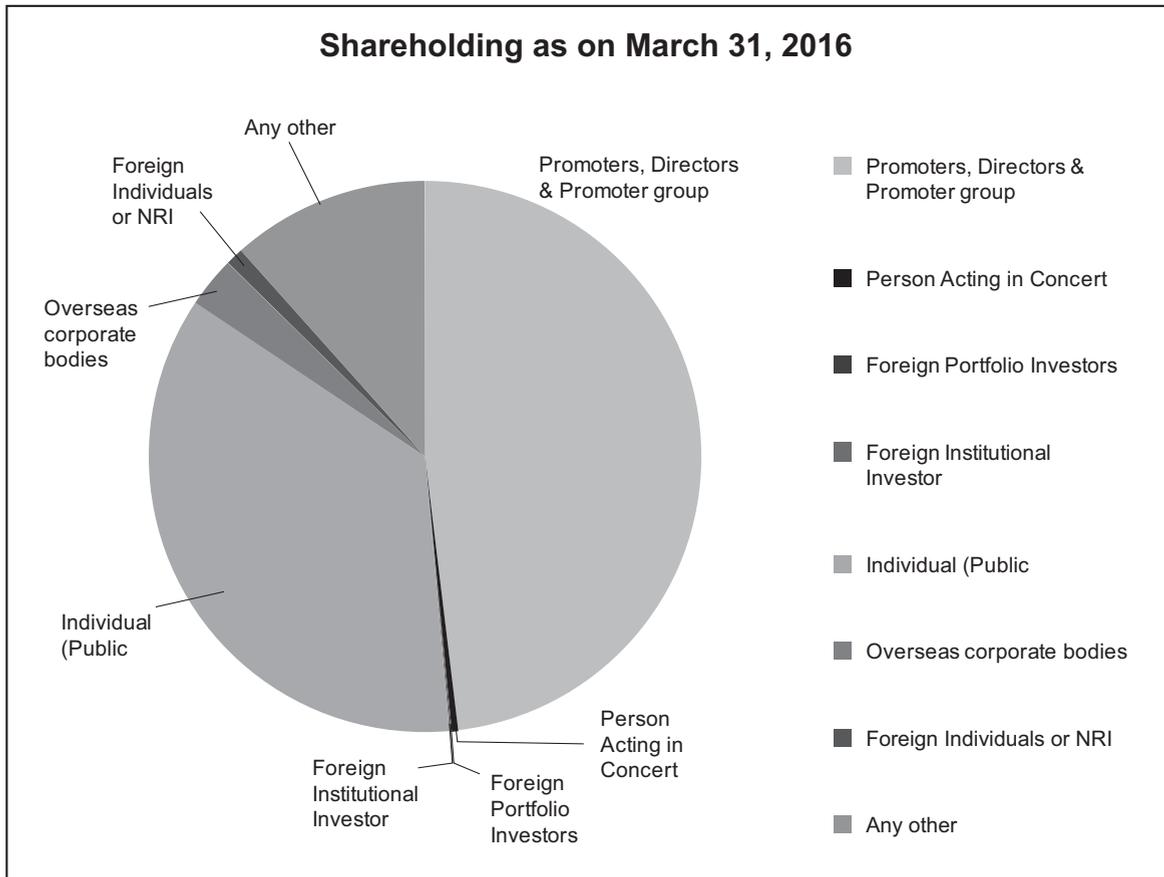
C. Distribution of Share Holding as on 31st March, 2016:

No. of Equity Shares held (1)	No. of shareholders (2)	% of Shareholder (3)	Shares held (4)	% of Total Share Capital (5)
1-500	21079	81.4112	2885508	5.7474
501-1000	2142	8.2728	2885508	3.5776
1001-2000	1173	4.5304	1822769	3.6306
2001-3000	443	1.7110	1145058	2.2807
3001-4000	239	0.9231	867794	1.7285
4001-5000	191	0.7377	911575	1.8157
5001-10000	300	1.1587	2273034	4.5275
10001 AND ABOVE	325	1.2552	38503636	76.6920
TOTAL	25892	100.00	50205528	100.00

D. Category wise Shareholding as at 31st March, 2016:

Category	No. of Shares Held	Percentage of total number of shares (%)
Promoters, Directors & Promoter group	24139368*	48.08%
Person Acting in Concert	1,87,150	0.37%
Foreign Portfolio Investors	27642	0.06%
Foreign Institutional Investor	39742	0.08%
Individual (Public)	17970448	35.79%
Overseas corporate bodies	1490000	2.97%
Foreign Individuals or NRI	520000	1.04%
Any other	5831178	11.61%
Total	50205528*	100%

* includes 4018801 shares allotted to Mr. Nitin Shah and Mr. Prakash Shah (Promoters, Directors & Promoter group) pursuant to conversion of convertible warrants on 12th February, 2016.



E. Dematerialization of Shares:

The Equity Shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India ('SEBI'). As on 31st March 2016, of total shares of the Company were held in demat form. Break up of shares in physical and demat form as of 31st March 2016.

Particulars	No. of Share	Percentage (%) of Total Shares
Physical Segment	5509455	10.97%
Held in dematerialised form in CDSL	7879918	15.70%
Held in dematerialised form in NSDL	36816155	73.33%
Total	50205528	100.00%

F. Outstanding GDR/ADR Warrants or any convertible instruments, conversion date, likely impact on equity:-

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

G. Plant Location: Not Applicable.

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

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

I. Address for Correspondence

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

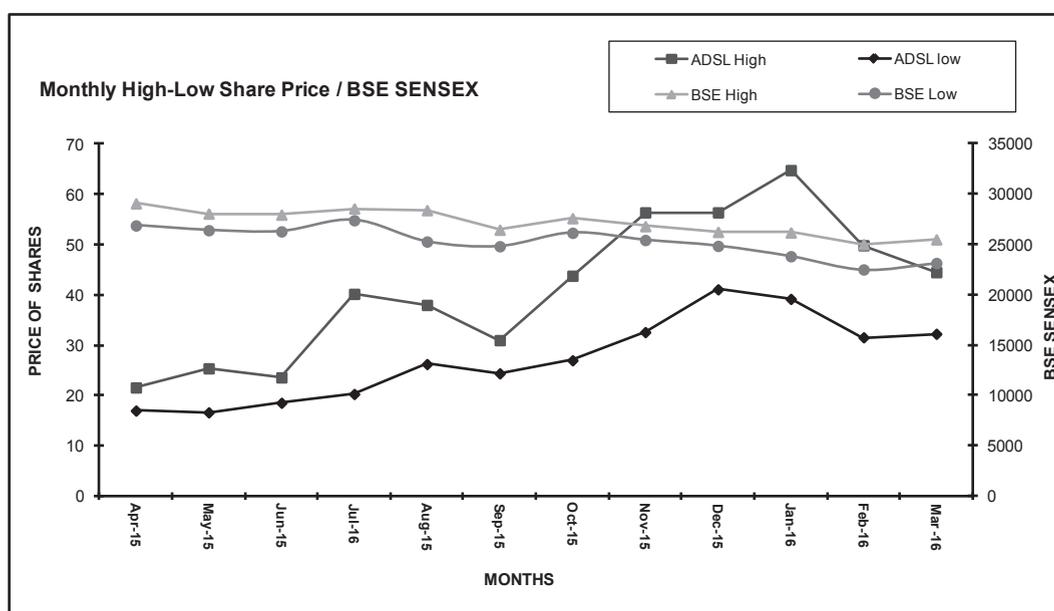
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup, Mumbai - 400 078.
Tele: 022 – 2596 3838
Fax: 022 – 2594 6969 / 2596 0329
Website: www.linkintime.co.in

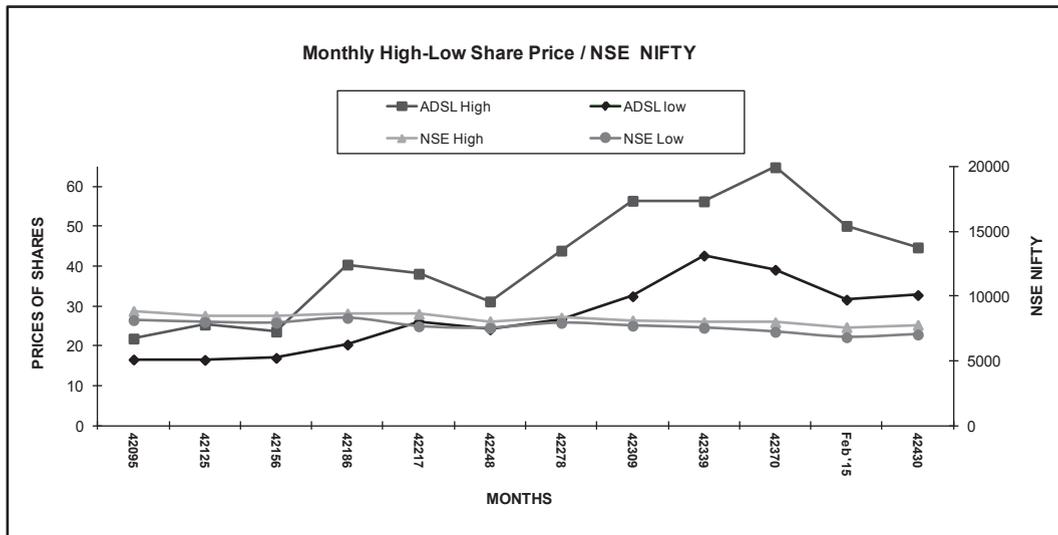
Secretarial & Legal Department
Allied Digital Services Limited,
Premises No. 13A, 13th Floor, Earnest House, NCPA Road,
Block III, Nariman Point, Mumbai – 400 021
Email: investors@allieddigital.net
Website: www.allieddigital.net

J. Market information:

Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from 1st April, 2015 to 31st March, 2016 are noted herein below:

Month	ADSL ON BSE		BSE Sensex		No. of Share Trade	ADSL ON NSE		NIFTY		No. of Shares Trade
	High	Low	High	Low		High	Low	High	Low	
April-15	21.6	17	29094.61	26897.54	3,19,842	21.85	16.6	8844.8	8144.75	761918
May-15	25.4	16.65	28071.16	26423.99	8,41,088	25.35	16.5	8489.55	7997.15	2025197
June-15	23.6	18.55	27968.75	26307.07	7,12,279	23.6	17	8467.15	7940.3	1429246
July-15	40.2	20.3	28578.33	27416.39	55,41,482	40.4	20.35	8654.75	8315.4	11058849
Aug-15	38	26.25	28417.59	25298.42	17,93,799	38.1	26.15	8621.55	7667.25	3958623
Sep-15	31	24.4	26471.82	24833.54	5,27,061	31.15	24.15	8055	7539.5	1203216
Oct-15	43.8	27	27618.14	26168.71	32,86,519	43.9	26.65	8336.3	7930.65	5823908
Nov-15	56.4	32.6	26824.3	25451.42	46,88,581	56.4	32.45	8116.1	7714.15	9677581
Dec-15	56.4	41.1	26256.42	24867.73	40,41,503	56.25	42.65	7979.3	7551.05	8989969
Jan-16	64.8	39.2	26197.27	23839.76	55,85,277	64.8	39.1	7972.55	7241.5	11640508
Feb-16	49.8	31.5	25002.32	22494.61	20,41,087	50.1	31.6	7600.45	6825.8	3411811
Mar-16	44.45	32.2	25479.62	23133.18	20,12,622	44.7	32.75	7777.6	7035.1	3076229





7. Discretionary Requirements under Regulation 27 of Listing Regulations:

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

The Board: Chairman's office is separate from that of the Managing Director & CEO. However, the same is maintained by the Chairman himself.

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

Modified Opinion in Auditor's Report: The Company's financial statement for the year 2015-2016 contain modified opinion in Auditor's Report and the Board's Comment over such qualification forms part of the Director's Report.

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

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

8. CEO and CFO CERTIFICATION:

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company gives Annual Certification on Financial Reporting and Internal Controls to the Board in terms of Listing Regulations. The CEO and the CFO also gives quarterly certification on financial results to the Board in terms of Regulation 33 (2) (a) of the Listing Regulations. A declaration to this effect, signed by the CEO and CFO forms part of this report. (Annexure I)

9. DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AS REQUIRED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015:

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

10. MANAGEMENT CERTIFICATION:

Annual Certification given by the Management the Company, pursuant to listing regulations signed by Mr. Nitin Shah, Chairman & Managing Director and Prakash Shah, Executive Director – Commercial, forms part of this report. (Annexure II)

11. CERTIFICATE ON CORPORATE GOVERNANCE:

The Certificate on Corporate Governance for Certificate on compliance with the conditions of Corporate Governance as per the provisions of Chapter IV of Listing Regulations from the practicing company secretaries forms part of this report (Annexure III).

12. POLICY ON PROHIBITION OF INSIDER TRADING:

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

13. TRADING IN THE COMPANY'S SHARES BY DIRECTORS AND DESIGNATED EMPLOYEES:

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992 (now Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015), our Company has appointed Mr. Ravindra Joshi as the Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

ANNEXURE I

DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management for the year ended 31st March, 2016.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:

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

- I. We have reviewed Financial statements and the cash flow statement for the year ended March, 2016 and that to the best of our knowledge and belief :
 - These statements do not contain any materially untrue statement untrue statement or omit any material fact or contain statements that might be misleading ;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- II. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- III. We accept responsibility for establishing and maintaining internal controls for financial reporting and the we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- IV. We have indicated to the Auditors and audit committee---
 - Significant changes, if any in internal control over financial reporting during the year;
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - No Instance of significant fraud was observed during the year under review.

For Allied Digital Services Limited,

Place: Mumbai
Date: 1st September, 2016

Sd/-
Paresh Shah
Whole Time Director cum
Chief Executive Officer

Sd/-
Gopal Tiwari
Chief Financial officer

Annexure II

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/-

Nitin Shah

Chairman & Managing Director

DIN: 00189903

Sd/-

Prakash Shah

Executive Director – Commercial

DIN: 00189842

Place: Mumbai

Date: 1st September, 2016

Annexure III

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on compliance with the conditions of Corporate Governance as per the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members,
Allied Digital Services Limited

We have examined the compliance of conditions of Corporate Governance by **Allied Digital Services Limited** for the year ended 31st March, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with 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 statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with stock exchanges.

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

For Pramod S. Shah & Associates
Practising Company Secretary

Place: Mumbai
Date: 1st September, 2016

Sd/-
Pramod S. Shah
Partner
Membership No. 334

Independent Auditor's Report

To the Members of

ALLIED DIGITAL SERVICES LTD

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **ALLIED DIGITAL SERVICES LTD** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Basis for Qualified Opinion

We draw attention to the following:

1. In respect of Bad Debts written off amounting to Rs 229.43 Crores, these have not been debited to the Statement of Profit and Loss and have been directly adjusted against the opening balance of Surplus (Profit and Loss Account) which in our opinion is not in accordance with Accounting Standard 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. Accordingly profit for the year is overstated to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

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

1. Balances relating to Trade Receivables and Loans and Advances are pending for confirmations from the respective parties. Adjustments if any will be made in the year in which the confirmations are received.
2. In respect of Investment in subsidiaries, the Company has not made any provisions for diminution in the value of these Investments inspite of their being negative net worth.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the order') issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 24 to the financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as on 31.03.2016.

For SHAH & TAPARIA

Chartered Accountants
FRN: 109463W

Ramesh Pipalawa

Partner
Membership No. : 103840

Place: Mumbai

Date: 23rd May, 2016

“Annexure A” to Independent Auditor’s Report

Referred to in paragraph 1 under the heading “Report on Other Legal and regulatory Requirements” of our Report of even date to the financial statements of the company for the year ended March 31, 2016

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets were physically verified during the year by management. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventory have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. As per the information an explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) The company has granted interest free unsecured loan to two parties covered in the register maintained under section 189 of the Companies Act:
- a) The terms and conditions of the grant of such loans are not prejudicial to the Company’s interest.
- b) The terms of arrangements do not stipulate any repayment schedule and these are repayable on demand. Accordingly reporting requirements of clause 3(iii) (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to information and explanation given to us, the Company has granted loan to one of the relatives of the Director to the tune of Rs 6.72 lakh without approval from its Board in violation of Section 185. The company also having defaulted in repayment of overdue public deposits and interest payable thereon during the year has made investment in shares of another company to the tune of Rs 500 lacs.
- (v) During the FY 2015-16 the company has not accepted any deposits from the public. However, in respect of existing deposits accepted during the preceding years, the Company has defaulted in repayment of Principal and Interest due thereon as under:

Principal amount due as on 31.03.2016	Interest due upto 31.03.2016	Total dues as at 31.03.2016
₹ 181.49 lacs	₹ 31.21 lacs	₹ 212.70 lacs

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

There were undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Sales Tax and Value Added Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March 2016 for a period

of more than six months from the date they became payable. Details are as under:-

Particulars	Period	Amount (₹ In Lacs)
Provident Fund	2013-14	134.81
Provident Fund	2014-15	182.03
Provident Fund	2015-16	160.52
ESIC	2014-15	14.11
ESIC	2015-16	14.09
Profession Tax	2015-16	10.35
MVAT	2014-15	88.09
MVAT	2015-16	99.43
SERVICE TAX	2015-16	183.88

- (c) Details of dues of Sales Tax and Value Added Tax, Service Tax and Income Tax which have not been deposited as at March 31, 2016 on account of disputes are given as below:

S. No.	Name of the Statute	Nature of Dues	Amount (₹ In lacs)*	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	511.17	AY 2006-07, 2007-08, 2008-09, 2010-11, 2011-12, 2012-13	Dy. Commissioner of Income Tax / Income Tax Appellate Tribunal
2	MVAT Act, 2002	Value Added Tax, Penalty, Interest	8683.18	FY 2005-06, 2008-09, 2010-11	Sales Tax Tribunal
3	MVAT Act, 2002	Value Added Tax, Penalty, Interest	2862.30	FY 2006-07, 2007-08, 2011-12	DC (Appeals)
	Total		12,056.65		

*net of amounts paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.

The Company has not taken any loan from financial institution or the government and has not issued any debentures during the year.

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company did not raise any money by way of initial public offer or further public offer including debt instruments. The terms loans outstanding at the beginning of the current year and those raised during the current year have been applied for the purposes for which those were raised.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for the managerial remuneration in excess of the limits as provided under section 197 read with Schedule V of the Act. The Company has initiated the process of obtaining the waiver for said excess payment from members and subsequently from relevant authority.

PARTICULARS	₹ in Lakhs
Maximum Remuneration payable as per Section 197 read with Schedule V	38.86
Remuneration paid/provided by the Company to its Managerial Personnel	89.73
Excess remuneration	50.86

- (xii) In our opinion and according to the information and explanations give to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has made preferential issue of 40,18,801 shares against share warrants during the year under audit. However, the same have not been allotted and the Company is under the process of making allotment of these shares.
- The Company has not made preferential allotment or private placement of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

For SHAH & TAPARIA

Chartered Accountants
FRN: 109463W

Ramesh Pipalawa

Partner
Membership No. : 103840

Place: Mumbai

Date: 23rd May, 2016

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

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

We have audited the internal financial controls over financial reporting of **Allied Digital Services Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SHAH & TAPARIA

Chartered Accountants
FRN: 109463W

Ramesh Pipalawa

Partner
Membership No. : 103840

Mumbai
23rd May, 2016

Balance Sheet as at March 31 2016

(₹ In lakh)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	2,510.28	2,309.34
Share Warrant Application Money		0.00	150.71
Reserves and Surplus	2	42,668.79	65,000.39
Non-Current Liabilities			
Long term borrowings	3	1,198.34	1,637.37
Deferred tax liabilities (Net)	4	1,278.45	1,220.14
Long term provisions	5	0.00	1.02
Current Liabilities			
Short term borrowings	6	8,547.01	9,177.14
Trade Payables	7	1,579.96	1,280.74
Other Current Liabilities	8	2,264.28	1,881.56
Short term provisions	9	546.53	366.32
	Total	60,593.64	83,024.73
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	10	14,681.94	16,070.72
Intangible assets	10	3,708.07	4,248.11
Capital work-in-progress	10	3,769.10	3,769.10
Non current investments	11	15,438.25	15,245.35
Long term loans and advances	12	2,026.32	5,514.44
Current Assets			
Inventories	13	3,394.06	3,789.78
Trade receivables	14	12,827.49	28,207.32
Cash and cash equivalents	15	1,160.49	758.03
Short-term loans and advances	16	1,170.38	4,266.40
Other current assets	17	2,417.57	1,155.51
	Total	60,593.64	83,024.73
Contingent Liabilities	24		
Significant Accounting Policies	25		

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

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: 23rd May, 2016

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Ravindra Joshi
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

(₹ In lakh)

Particulars	Note No.	For the year ending March 31, 2016	For the year ending March 31, 2015
INCOME			
Revenue from operations	18	10,340.70	12,549.52
Other Income	19	553.59	1,034.30
Total Revenue		10,894.29	13,583.82
EXPENSES:			
Purchases for Traded Goods & Service Spares	20.A	2,946.49	5,690.46
Changes in inventories of stock-in-trade	20.B	395.72	77.80
Employee benefits expense	21	2,193.05	2,504.02
Finance costs	22	1,787.83	1,577.56
Depreciation and amortisation expense	10	1,596.65	2,394.88
Other expenses	23	1,652.67	1,123.19
Total Expenses		10,572.41	13,367.91
Profit before tax and Exceptional items		321.88	215.91
Exceptional Items		-	-
Profit before tax		321.88	215.91
Tax expenses:			
Tax expense for current year		55.00	40.00
MAT credit		-	(40.00)
Net current tax expense		55.00	-
Deferred Tax		58.31	174.10
Total Tax Expenses		113.31	174.10
Profit/(Loss) for the period		208.57	41.81
Earnings per equity share:			
Equity Shares of par value ₹ 5/- each			
Basic		0.45	0.09
Diluted		0.45	0.09
Significant Accounting Policies	25		

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

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: 23rd May, 2016

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Ravindra Joshi
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

(₹ In lakh)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
I	CASH INFLOW FROM OPERATING ACTIVITIES		
(a)	Profit/Loss as per Profit & Loss Account after Tax	208.56	41.81
	Adjustments:		
	Bad Debts Written off and adjusted from Surplus in P&L	(22,942.05)	-
	Depreciation and amortization	1,596.65	2,394.88
	Income from Investing Activities	(699.22)	(625.00)
	Deferred Tax	58.31	174.10
	Finance Cost	1,787.83	1,618.87
(b)	Changes in Assets and Liabilities		
	Inventories	395.71	77.87
	Trade receivables	15,379.83	(4,885.41)
	Loans and Advances	6,584.15	(56.50)
	Other Assets	(1,302.06)	8.85
	Trade payables	299.21	(94.90)
	Liabilities & Provisions	601.91	1,283.52
	Net Cash generated by Operating Activities	1,968.83	(61.91)
II	CASH INFLOW FROM INVESTING ACTIVITIES		
	Proceeds from sale of fixed assets	344.91	-
	Payment toward acquisition of Fixed Assets	(12.77)	(488.11)
	Disposal of the Investment	(192.89)	-
	Dividend received	57.84	20.15
	Interest received	106.06	75.29
	Other Non-Operating Income	535.33	530.41
	Net Cash generated by Investing Activities	838.48	137.74

Cash Flow Statement for the year ended March 31, 2016

(₹ In lakh)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
III	CASH INFLOW FROM FINANCING ACTIVITIES		
	Share Issued against Share Warrant	602.82	-
	Share application money pending allotment	(150.71)	150.71
	Proceeds from borrowings	(1,069.16)	731.24
	Finance Cost	(1,787.83)	(1,618.87)
	Net Cash generated by Financing Activities	(2,404.88)	(736.92)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)	402.46	(661.09)
	Add: Cash and cash equivalents at the beginning of the period (B)	758.03	1,419.12
	Cash and cash equivalents at the end of the period (A+B)	1,160.49	758.03

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

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: 23rd May, 2016

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Ravindra Joshi
Company Secretary

Notes forming part of the Balance Sheet as at March 31, 2016

Note 1: Share Capital

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

(₹ In lakh)

Share Capital	As at 31 March 2016		As at 31 March 2015	
	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	50,205,528	2,510.28	46,186,727	2,309.34
Subscribed & Paid up				
Equity shares of ₹ 5 each with voting rights	50,205,528	2,510.28	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 lakh)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights					
Year ended 31 March, 2016					
- Number of shares	46,186,727	-	4,018,801	-	50,205,528
- Amount in ₹	2,309.34	-	200.94	-	2,510.28
Year ended 31 March, 2015					
- Number of shares	46,186,727	-	-	-	46,186,727
- Amount in ₹	2,309.34	-	-	-	2,309.34

- 40,18,801 Equity Shares of face value ₹ 5 per share allotted during the year at a premium of ₹10 per share to the promoters of the company. (P.Y. Nil)

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

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

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

(₹ In lakh)

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

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

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

Notes forming part of the Balance Sheet as at March 31, 2016

2012-13. Of these 1,87,500 options have lapsed as the employees holding the said number of grants have left the organization during FY 2015-16.

Particular	As at Mar 31, 2016	As at March 31, 2015
Opening Outstanding option	2,512,500	2,512,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	-
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	-	-
Closing Outstanding option	2,512,500	2,512,500

(e) Issue of Shares other than Cash

Details of Shares allotted as fully paid up by way of bonus shares.

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 Lakhs ("Offer size"). The Date of Opening of the buyback was April 25, 2011 and last Date for the Buyback was February 17, 2012. No buy back of shares was made by the Company during the year under consideration.

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

Note 2: Reserves and Surplus

(₹ in lakh)

Sr. No.	Particular	As at Mar 31, 2016	As at March 31, 2015
(a)	Capital Redemption Reserve		
	Opening Balance	29.85	29.85
	Closing Balance	29.85	29.85
(b)	Securities Premium Account		
	Opening Balance	36,617.46	36,617.46
(+)	Securities premium credited on allotment of equity shares	401.88	-
	Closing Balance	37,019.34	36,617.46
(c)	General Reserves		
	Opening Balance	1,337.77	1,337.77
	Closing Balance	1,337.77	1,337.77

Notes forming part of the Balance Sheet as at March 31, 2016

(₹ in lakh)

Sr. No.	Particular	As at Mar 31, 2016	As at March 31, 2015
(d)	Surplus		
	Opening balance	27,015.31	28,707.51
(+)	Net Profit/(Net Loss) For the current year	208.56	41.81
(-)	Adjustment for Depreciation *	-	1,734.01
(-)	Bad debts Adjusted **	22,942.05	-
	Closing Balance	4,281.82	27,015.31
	Total Reserves and Surplus	42,668.78	65,000.39

* Carrying amount of Fixed Assets whose remaining useful life as at 01st April 2014 was NIL, is adjusted net of tax ₹ 433.50 lakh in FY 2014-15 (FY 2015-16: ₹ Nil) as per schedule II of companies Act 2013.

** Sundry Debtors amounting to ₹ 229.42 crores outstanding for over 5 years, considered bad and doubtful by the management, have been written off.

Note 3: Long Term Borrowings

(₹ In lakh)

Sr. No.	Particulars	As at Mar 31, 2016	As at March 31, 2015
	Secured		
A	Cosmos Bank	464.15	690.20
	Security details		
	i. 1st Pari pasu charge on the Escrow account for amount receivable from Govt. of Maharashtra.		
	ii. Plot No 13/5 and 22/1 at Rajiv Gandhi Infotech Park, Hinjewadi, Pune and Plot No. A-24 & A-25 at Talewadi Software Park, Pune.		
	Terms of Repayment:		
	Repayment in 24 months in 8 equal quarterly installments for principal amount and interest to be paid on monthly basis at actual. Repayment has commenced during FY 2015-16.		
B	Bank of India	734.19	947.17
	Security details		
	1. Shared pari passu charge with Cosmos Bank as per Note 3.A.i above.		
	2. Equitable mortgage of the immovable property situated at Office no. 405 & 406, 4th Floor, Seepz, SEZ, M.I.D.C., Marol, Andheri-East, Mumbai-400096.		
	3. Pledge of 20,00,000 shares held by the promoter of the Company.		
	4. Personal Guarantee of Promoters		
	Terms of Repayment:		
	Repayment through 16 Quarterly Installments for principal amount and interest to be serviced on monthly basis. Repayment has commenced during FY 2015-16.		
	Total Long Term Borrowings	1,198.34	1,637.37

Notes forming part of the Balance Sheet as at March 31, 2016

Note 4: Deferred tax liabilities

The net deferred tax liabilities as at 31st March, 2016, comprises of the following components:

(₹ In lakh)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Deferred Tax Asset		
	Disallowance u/s 43b of the Income Tax Act 1961 and Provision for employee benefits	99.84	128.22
	Total Deferred Tax Asset	99.84	128.22
	Deferred Tax Liability		
	Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,378.29	1,348.36
	Total Deferred Tax Liability	1,378.29	1,348.36
	Net Deferred Liability/ (Asset)	(1,278.45)	(1,220.14)

Note 5 : Other Long Term Provisions

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Provision for employee benefits:		
	- Provision for gratuity*	-	1.02
	Total Other Long Term Provisions	-	1.02

* Refer Note 25 3a) of Notes to Accounts

Note 6: Short Term Borrowings

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Secured		
a	Loans repayable on demand (Refer Note (a))	7,061.02	8,408.20
		7,061.02	8,408.20
	Unsecured		
a	Loans and advances from related parties	970.21	251.42
b	Unsecured Loan Others	70.00	40.00
c	Fixed Deposits from public	445.78	477.52
		1,485.99	768.94
	Total Short Term Borrowings	8,547.01	9,177.14

In respect of the Fixed Deposits from public, amount overdue as at 31.03.2016; Principal sum overdue ₹ 181.49 lakh and Interest overdue ₹ 31.21 lakh.

Notes forming part of the Balance Sheet as at March 31, 2016

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

(₹ in Lakh)

Particulars	Nature of Security	As at March 31, 2016	As at March 31, 2015
Loans repayable on demand			
From banks:			
Working Capital Facility From State Bank of India	Refer Note (i)	5,076.57	5,237.92
Barclays Bank Foreign Currency Loan	Refer Note (i)	1,984.45	1,821.39
Working Capital Facility From Standard Chartered Bank	Refer Note (i)	-	1,348.89
Loans repayable on demand from banks		7,061.02	8,408.20

(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 Building No.4, Sector 1, MBP, MIDC, Mahape, Navi Mumbai
- Mortgage of office at Earnest House, 13 Floor, Nariman Point, Mumbai
- Hypothecation Charge on Current Assets
- Personal Guarantee of directors Mr. Prakash D Shah and Mr. Nitin D Shah
- Mortgage of Gala no 7, Bldg No 3, Plot No MBP 2, Mahape, Navi Mumbai
- Hypothecation Charge on Movable assets except Vehicles

Note 7: Trade Payables

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Trade payables	1,579.96	1,280.74
	Total Trade Payables	1,579.96	1,280.74

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 8: Other Current Liabilities

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Current Maturities of Long term Debts	1,037.00	1,500.00
(b)	Security deposit for rented property	160.00	137.10
(c)	Duties & Taxes	302.22	240.34
(d)	Unpaid Dividend	-	4.12
(e)	Advance received from Customers	765.06	-
	Total Other Current Liabilities	2,264.28	1,881.56

Notes forming part of the Balance Sheet as at March 31, 2016

Note 9: Short Term Provisions

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
a	Provision for employee benefits		
(i)	Contribution to Provident Fund	296.46	152.70
(ii)	Contribution to Employee State Insurance Corporation	22.53	7.58
(iii)	Profession Tax	16.86	9.84
(iv)	Leave Travel Allowance	7.85	12.07
(v)	Provision for gratuity	147.82	144.13
b	Others		
(i)	Provision for Tax	55.00	40.00
	Total Short Term Provisions	546.52	366.32

Of the above, ₹ 182.03 lakh Related to Provident Fund and ₹ 14.11 lakh Related to ESIC pertains to Financial Years 2013-14 and 2014-15 which has not been paid by the company.

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, 2016

(₹ in Lakh)

Particulars	GROSS BLOCK		ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2015	As at March 31, 2016	As at April 1, 2015	For the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets							
Leasehold Premises	8,471.78	-	564.73	83.27	-	648.00	7,907.05
Leasehold Land	2,640.87	-	142.88	25.22	(17.97)	150.12	2,497.99
Freehold Premises	1,135.63	-	82.70	18.78	-	101.49	1,052.93
Civil and Plumbing Work	1,818.10	-	95.45	43.32	-	138.77	1,722.65
Furniture and Fixtures	3,212.38	2.00	1,152.26	408.61	-	1,560.87	2,060.12
Office Equipments	918.33	1.90	611.14	282.26	-	893.41	307.19
Motor Vehicles	131.19	4.28	104.95	17.49	-	122.44	26.24
Computers and IT Equipments	9,600.78	4.59	9,104.23	180.81	(3.14)	9,281.90	496.55
Computers (Given on lease)	155.98	-	155.98	-	-	155.98	-
Total Tangible Assets	28,085.03	12.77	12,014.33	1,059.76	(21.11)	13,052.98	14,681.94
Intangible Assets							
Computer Software Licenses	76.35	-	69.71	0.59	3.24	73.54	6.64
Intellectual Property Rights	5,361.95	-	1,120.48	536.19	-	1,656.67	4,241.47
Total Intangible Assets	5,438.30	-	1,190.19	536.78	3.24	1,730.21	4,248.10
Capital Work in Progress	3,769.10	-	-	-	-	-	3,769.10
TOTAL	37,292.43	12.77	13,204.52	1,596.54	(17.87)	14,783.19	22,159.13
Previous year	36,804.32	488.12	8,642.13	2,394.88	2,167.50	13,204.51	24,087.92
							28,162.19

Note 10: Fixed Assets

Notes forming part of the Balance Sheet as at March 31, 2016

Note 1:

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

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 internet 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 internet 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.

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

Notes forming part of the Balance Sheet as at March 31, 2016

Note 11: Non Current Investments

		(₹ in Lakh)	
Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
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)	Allied Digital Inc (USA) 10,000 (Previous year: 10,000) equity shares of USD 0.0001/- each fully paid up (Refer Note)	7,074.83	7,074.83
(iii)	Allied Digital Singapore Pte Limited 100 (Previous year: 100) shares of SGD 1 each, fully paid up	6.47	6.47
(iv)	Allied Digital Asia Pacific Pty Limited (Australia) 100 (Previous year: 100) shares of AUD 1 each, fully paid up	127.84	127.84
(v)	E-Cop Surveillance India Pvt. Ltd 86010 (Previous year: 86010) equity shares of ₹ 10/- each fully paid up	1.01	1.01
(vi)	Allied Digital Services (UK) Ltd. 900 (Previous year: 900) shares of GBP 1 each fully paid up	1.01	1.01
Total Investment in Subsidiaries		14,741.95	14,741.95
(b) Investment in Mutual Funds			
(i)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 0.181 (Previous year: 0.181) units of ₹ 1004.22 each	-	-
(ii)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend 12.9610 (Previous year: 12.9610) units of ₹ 105.7358 each	0.01	0.01
(iii)	ICICI Prudential Income Opportunities Fund Institutional Growth 154.952 (Previous year: 154.952) units of ₹ 17.0532 each	0.03	0.03
(iv)	BSL Floating Rate Fund - Long Term - INSTL-Weekly Dividend 23.0680 (Previous year: 23.0680) units of ₹ 100.2903 each	0.02	0.02
(v)	DSP Black Rock Income Opportunities Fund - Institutional Plan - Daily Dividend 3.6440 (Previous year: 3.6440) units of ₹ 1012.266 each	0.04	0.04
(vi)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend 64.826 (Previous year: 64.826) units of ₹ 10.1227 each	0.01	0.01
(vii)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend 0.118 (Previous year: 0.118) units of ₹ 1244.66 each	-	-
(viii)	Canara Robeco Short Term Institutional Growth Fund 124.2276 (Previous year: 124.2276) units of ₹ 10.80 each	0.01	0.01
(ix)	IL & FS Milestone Fund II B	196.14	500.00

Notes forming part of the Balance Sheet as at March 31, 2016

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	19,614 (Previous year: 50,000) units of ₹ 1,000 each		
(x)	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
(xi)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend 0.28 (Previous year: 0.28) units of ₹ 1006.0095 each	-	-
	Total Investment in Mutual Funds	196.29	500.15
(c)	Investment in Others		
(i)	Soft Shell System (I) Pvt Ltd 98,269 (Previous year: Nil) shares of 10/- each fully paid up at Premium of ₹ 498.81 per share	500.00	-
(ii)	Digicomp Complete Solutions Limited Nil (Previous year: 3,250 Pref. Shares) of ₹ 100/- each fully paid up.	-	3.25
	Total Investment in Others	500.00	3.25
	Total Non Current Investments	15,438.24	15,245.35
	Aggregate amount of quoted investments	196.29	500.15
	Aggregate market value of quoted investments	196.29	500.15

Note 1

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 capital contribution.

Note 2

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

Note 12: Long Term Loans and Advances

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Security Deposits		
	Unsecured, considered good	19.22	410.48
(b)	Loans and advances to related parties		
	Unsecured, considered good	353.15	347.27
(c)	Advance given to Suppliers		
	Unsecured, considered good	35.57	3,469.27
(d)	Others		
	Advance income tax of prior years receivable	1,618.38	1,287.42
	Total Long Term Loans and Advances	2,026.32	5,514.44

During the FY 2015-16 the Company has written off an amount of ₹ 3433.20 lakh towards old doubtful Loans and Advances.

In respect of confirmation for other Loans and Advances as at 31st March 2016, 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

Notes forming part of the Balance Sheet as at March 31, 2016

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: Inventories

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Stock in Trade (for Trading)	3,159.93	3,555.64
	Stock in Trade (for Service)	234.14	234.14
	Total Inventories	3,394.07	3,789.78

Note 1

Inventories are valued at lower of cost and net realizable value

Note 2

The value of the Inventory as on 31st March 2016 includes certain slow moving items which has not been provided for during the valuation of the same.

Note 3

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

Note 14: Trade Receivables

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	6,814.06	7,651.23
		6,814.06	7,651.23
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	6,782.43	21,325.09
	Less: Provision for doubtful debts	(769.00)	(769.00)
	Total Trade Receivable	12,827.49	28,207.32

Trade Receivable stated above include debts due from:

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Directors	-	0.18
	Private Company in which director is a member	1,368.23	625.92
		1,368.23	626.10

Note

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 aging 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, 2016

Note 15: Cash and Cash Equivalents:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Balances with Banks		
(i)	In fixed deposit accounts (pledge with bank against guarantees given by bank)	834.82	697.85
(ii)	In Current Account	293.37	33.67
(b)	Cash on hand	32.30	26.51
	Total Cash and Cash Equivalents	1,160.49	758.03

Note 16: Short-term loans and advances:

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
a	Loans and advances to related parties		
	Subsidiaries & Associates	-	644.58
	Other related parties	6.72	-
		6.72	644.58
b	Loans and advances (others)		
	Unsecured, considered good		
(i)	Security Deposit	31.33	35.09
(ii)	Loans and advances to employees	79.26	358.41
(iii)	Inter Corporate Deposits	860.78	2,927.66
(iv)	Prepaid expenses	192.27	300.66
		1,163.64	3,621.82
	Total Short-term loans and advances	1,170.36	4,266.40

In respect of confirmation for Loans and Advances as at 31st March 2016, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Note 17: Other Current Assets

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Unbilled revenue	1,542.66	45.55
(ii)	Interest Accrued	69.82	65.38
(iii)	MAT Credit Entitlement	730.10	730.10
(iv)	Income Taxes	75.00	314.48
	Total Other Current Assets	2,417.58	1,155.51

- (i) Unbilled Revenue of ₹ 1,542.66 Lakhs has been considered as certified and represented by the Management.
- (ii) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation, in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

Notes forming part of the Balance Sheet as at March 31, 2016

Note 18 : Operating Income

(₹ In lakh)

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Services, Solutions and Sales	10,327.39	12,513.79
	Lease Rent	13.31	35.73
	Total Operating Income	10,340.70	12,549.52

Note 19 : Other Income

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Interest Income (Refer Note 19.A)	106.06	75.29
	Dividend Income	57.84	19.29
	Net gain on foreign currency transactions	(145.64)	409.31
	Other non-operating income (Refer Note 19.B)	535.33	530.41
	Total Other Income	553.59	1,034.31

Note 19. A

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Interest Income comprises:		
	Interest on deposits from banks	106.06	75.29
	Total - Interest Income	106.06	75.29

Note 19. B

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Other non-operating income comprises:		
	Income from Office Rent	510.87	526.84
	Miscellaneous Income	24.45	3.58
	Total Other non-operating income	535.32	530.42

Note 20.A Purchase of Traded Goods

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Purchase of Traded Goods and Services	2,570.10	5,621.25
	Other Direct Cost	376.39	69.21
	Total Purchase of Traded Goods	2,946.49	5,690.46

Notes forming part of the Balance Sheet as at March 31, 2016

Note 20. B Changes in Inventories of Stock-in-Trade

(₹ In lakh)

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Closing Stock	3,394.06	3,789.78
	Less : Opening Stock	3,789.78	3,867.58
	Net (increase) / decrease	395.72	77.80

- (i) Inventories are valued at lower of cost and net realizable value.
- (ii) The value of the Inventory as on 31st March 2016 includes certain slow moving items which has not been provided for during the valuation of the same. The valuation of the Inventory is as certified by the management.

Note 21 : Employee Benefits Expenses

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
(a)	Salaries and wages (Including Directors' Remuneration) (Refer note (21A))	2,083.88	2,410.52
(b)	Contributions to Provident Fund	78.62	34.94
(c)	Contributions to ESIC	7.89	40.93
(d)	Contributions to Labour Welfare Fund	0.11	0.25
(e)	Contributions to Gratuity	2.68	0.00
(f)	Staff welfare expenses	19.87	17.38
	Total Employee Benefit Expenses	2,193.05	2,504.02

21A Details of Managerial Remuneration:

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Salaries	89.73	135.97
	Total	89.73	135.97

Note 22 : Finance Cost

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
(a)	Interest expense on Borrowings	1,744.25	1,278.98
(b)	Other borrowing costs	43.58	298.57
	Total Finance Cost	1,787.83	1,577.56

Notes forming part of the Balance Sheet as at March 31, 2016

Note 23 Other expenses

(₹ in Lakh)

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Rent including Lease Rentals	122.38	142.83
	Repairs and Maintenance	72.81	53.64
	Insurance	16.11	29.29
	Communication	65.56	95.75
	Travelling and Conveyance	90.87	78.84
	Electricity Expenses	187.94	101.25
	Freight and Forwarding	46.12	30.86
	Advertisement Expenses	205.03	118.56
	Legal and Professional Fees	274.76	156.77
	Payments to Auditors (Refer Note (23A) below)	6.00	6.00
	Rates and Taxes	84.46	8.61
	Brokerage Charges	3.15	2.14
	Security Charges	8.93	9.93
	Printing & Stationery Expenses	7.38	8.99
	Business Promotion Expenses	5.11	1.24
	Office Expenses	16.78	15.97
	Equipment Hire Charges	38.62	5.66
	Labour Charges	325.34	193.18
	Loss on Sale of Asset	52.96	0.00
	Miscellaneous Expenses	22.38	63.70
	Total Other Expenses	1,652.69	1,123.21

23A Details of Auditors' Remuneration:

Sr. No	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Payments to the Auditors		
(a)	For Statutory Audit	5.00	5.00
(b)	For Taxation Matters	1.00	1.00
	Total	6.00	6.00

Notes forming part of the Balance Sheet as at March 31, 2016

Note 24 Contingent liabilities and commitments

(₹ in Lakh)

Contingent liabilities and commitments (to the extent not provided for)	As at 31 March 2016	As at 31 March 2015
(i) Contingent Liabilities		
(a) Guarantees	2,534.70	2,791.75
(b) Letter of Credit	-	161.01
(c) Sales Tax	11,545.48	11,545.48
(e) Income Taxes	511.17	591.25
	14,591.35	15,089.49
(ii) Commitments	-	-
Total Contingent liabilities and commitments	14,591.35	15,089.49

Note 1 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 2 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 Lakh)

Asst. Year	Income Tax Demanded as per revised Order of the A.O. (incl Interest)	Payment made in earlier years	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	62.62	-	-	62.62
2007-08	2.79	-	-	2.79
2008-09	13.81	-	-	13.81
2009-10	211.97	-	-	211.97
2010-11	467.59	-	-	467.59
2011-12	252.55	75.00	-	177.55
2012-13	79.34	-	-	79.34
IT Refund Adjusted	-	508.42	-	(508.42)
Total	1,094.60	583.42	-	511.17

The additional Income Tax Liability of ₹ 1,094.60 Lakhs is on account of some additions made by the Income Tax Department. Out of which company has paid ₹ 75.00 Lakhs and Income tax department adjusted Income tax refund of ₹ 508.42 lakh against the demand. Against the said order company has filed appeal with Appellate authority of Income Tax department. The Company expects major relief from this demand once these appeals are decided.

Note 3 The company has received the Assessment Orders from Maharashtra Value Added Tax Department (MVAT), demand has been raised on the company. This demand is on account of total disallowance of Input Credit availed by the Company. As the said Order is bad in law and on facts the company has filed appeal with the Appellate authority of Sales Tax. The Company expects major relief from this demand once these appeals are decided. This liability has not been recognized in the Books of Accounts of the Company. The details of the same are as under:

Notes forming part of the Balance Sheet as at March 31, 2016

(₹ in Lakh)

Financial Year	Sales tax demand	Forum where pending
2005-06	541	Sales Tax Tribunal
2006-07	1,257	DC (Appeal)
2007-08	1,597	DC (Appeal)
2008-09	900	Sales Tax Tribunal
2010-11	7,243	Sales Tax Tribunal
2011-12	8	DC (Appeal)
Total	11,545	

NOTE 25 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1) Corporate information

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

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

2) Significant Accounting Policies

a) Basis of preparation

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

b) Principles of Consolidation

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

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

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

Notes forming part of the Balance Sheet as at March 31, 2016

c) Use of estimates

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

d) Tangible fixed assets

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

e) Intangible assets

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

f) Depreciation and amortization

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

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

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

Intangible assets are amortized over the estimate useful life.

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

g) Leases

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

h) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its

Notes forming part of the Balance Sheet as at March 31, 2016

recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

i) Investments

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

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

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

j) 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.

k) Revenue recognition

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

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

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

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

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

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

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

l) Taxation

Tax expense comprises of current and deferred tax.

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

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

Notes forming part of the Balance Sheet as at March 31, 2016

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

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

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

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

m) 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.

n) Employee Stock Option Scheme

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

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

o) 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.

Notes forming part of the Balance Sheet as at March 31, 2016

3) Notes to Accounts

a) Employee Benefits

Gratuity Plan

- (i) An amount of ₹ 147.83 lakhs has been recognized towards the Employees Gratuity Fund against the liability of ₹ 147.83 lakhs as per the Actuarial Valuation for Gratuity as on 31st March 2016. The Company has its Employees Gratuity Fund managed by Birla Sun Life Insurance Company. The particulars under AS 15 (Revised) furnished below are those which are relevant and available to the company and which are as per the Actuarial Valuation Report:-

	Valuation Date 31 st March, 2016	Valuation Date 31 st March, 2015
I Assumptions as at		
Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
Discount Rate	8%	7.90%
Rate of increase in compensation	5%	5%
Rate of return (expected) on plan assets	9%	9%
Withdrawal rates	1 to 6%	1 to 6 %
II Changes in present value of obligations		
PVO at beginning of period	14,514,732	15,397,787
Interest cost	1,142,717	1,361,943
Current Service Cost	3,023,263	3,215,789
Benefits Paid	(99,914)	(862,760)
Actuarial (gain)/loss on obligation	(3,797,980)	(4,598,027)
PVO at end of period	14,782,818	14,514,732
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	101,991	916,784
Adjustment to Opening Fair Value of Plan Assets	(364)	-
Expected Return on Plan Assets	4,700	43,700
Contributions	-	-
Benefit Paid	(99,914)	(862,760)
Actuarial gain/(loss) on plan assets	(6,055)	4,267
Fair Value of Plan Assets at end of period	358	101,991
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	101,991	916,784
Adjustment to Opening Fair Value of Plan Assets	(364)	-
Actual Return on Plan Assets	(1,355)	47,967
Contributions	-	-
Benefit Paid	(99,914)	(862,760)
Fair Value of Plan Assets at end of period	358	101,991
Funded Status	(14,782,460)	(14,412,741)
Excess of actual over estimated return on Plan Assets	(6,055)	4,267

Notes forming part of the Balance Sheet as at March 31, 2016

	Valuation Date 31 st March, 2016	Valuation Date 31 st March, 2015
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	3,797,980	4,598,027
Actuarial Gain/(Loss) for the period (Plan Assets)	(6,055)	4,267
Total Gain/(Loss) for the period	3,791,925	4,602,294
Actuarial Gain/(Loss) recognized for the period	3,791,925	4,602,294
Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VI Amounts to be recognized in the Balance Sheet and statement of Profit & Loss Account		
PVO at end of period	14,782,818	14,514,732
Fair Value of Plan Assets at end of period	358	101,991
Funded Status	(14,782,460)	(14,412,741)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	(14,782,460)	(14,412,741)
VII Expense recognized in the statement of P & L A/C		
Current Service Cost	3,023,263	3,215,789
Interest cost	1,142,717	1,361,943
Expected Return on Plan Assets	(4,700)	(43,700)
Net Actuarial (Gain)/Loss recognized for the period	(3,791,925)	(4,602,294)
Expense recognized in the statement of P & L A/C	369,355	(68,262)
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	14,412,741	14,481,003
Adjustment to Opening Fair Value of Plan Assets	364	-
Expenses as above	369,355	(68,262)
Contribution paid	-	-
Closing Net Liability	14,782,460	14,412,741
IX Experience Analysis - Liabilities		
Actuarial (Gain)/Loss due to change in basis	(172,732)	1,859,470
Experience (Gain) / Loss due to change in Experience	(3,625,248)	(6,457,497)
Total	(3,797,980)	(4,598,027)
Experience Analysis – Plan Assets	6,055	(4,267)
Experience (Gain) / Loss due to change in Plan Assets		
X Schedule VI Details		
Current Liability	14,782,460	14,412,741
Non-current Liability	358	101,991

Notes forming part of the Balance Sheet as at March 31, 2016

b) 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 subsidiary Companies has been shown under the head of investment as the same is long term in nature.

c) 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.

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

(₹ In Lakh)

Particular	Year ended 31.03.16	Year ended 31.03.15
i Income in Foreign Currency (Exports)		
Sales of Services and products	2,874.17	1,343.17
ii Expenditure in Foreign Currency (subject to deduction of tax where applicable)		
a Professional & Consultation Fees	-	46.68
b Travelling	29.77	1.14
c Cloud Computing	285.37	-
d Other Expenses	0.30	19.94
iii Value of Imports calculated on C.I.F. basis - Traded Goods	401.93	670.38

e) 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 taken as certified by the Management.

f) 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.

Notes forming part of the Balance Sheet as at March 31, 2016

g) Earning Per Share

	2015-16	2014-2015
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	5,02,05,528	4,61,86,727
III ESOP outstanding to employees	-	-
IV Weighted average number of Equity Shares of ₹ 5/- each (Previous Year ₹ 5/- each) outstanding during the year (Nos) for Basic EPS	4,67,15,227	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	4,67,15,227	4,61,86,727
B Net Profit after tax available for equity shareholders (In ₹ Lakh)	208.51	41.81
C Basic income per share (in rupees) [B/A (iv)]	0.45	0.09
D Diluted income per share (in rupees) [B/A (v)]	0.45	0.09

h) 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 ₹ 58.31Lakh (Previous Year ₹ 174.09Lakh) for the period ended 31st March, 2016 in the Statement of Profit and Loss.

i) Related Party Disclosures

A) Related Parties and their Relationship

(i) Subsidiaries

- Allied Digital Services LLC (formerly known as En Pointe Global Services LLC)
- Allied Digital INC
- Allied Digital Singapore Pte Ltd
- Allied Digital Asia Pacific Pty Ltd
- Allied-E Cop Surveillance Private Limited
- En Pointe Technologies India Private Limited
- Allied Digital Services (UK) Limited

(ii) Associates

- Assetlite Equipment India Private Limited

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

a. Key Management Personnel

Mr. Nitin Shah	Chairman & Managing Director
Mr. Prakash Shah	Executive Director - Commercial
Mr. Paresh Shah	Executive Director & CEO
Mr. Gopal Tiwari	Chief Financial Officer
Mr. Ravindra Joshi	Company Secretary

b. Relatives

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

Notes forming part of the Balance Sheet as at March 31, 2016

B) Nature of transaction with the Related Parties

(₹ in Lakh)

Year Ended March 31, 2016	Subsidiary	Associate	Key Management Personnel
Revenue			
2015-16	2,741.29	130.69	-
2014-15	1,293.82	1,087.37	-
Purchase of Goods, Services and Facilities			
2015-16		9.43	
2014-15	-	20.76	-
Loans & Advances			
2015-16	-	5.87	3.77
2014-15	-	1.28	-

C) Balance with Related Parties

(₹ in Lakh)

As at March 31, 2016	Subsidiary	Associate	Key Management Personnel
Sundry Debtors			
2015-16	1,397.79	1,375.64	2.07
2014-15	479.38	1,450.15	0.45
Sundry Creditors			
2015-16	1,833.05	(22.09)	27.77
2014-15	2,204.69	55.53	-
Loans & Advances			
2015-16	-	353.15	6.72
2014-15	644.58	347.27	2.86
Short Term Borrowings			
2015-16	960.25	54.37	41.23
2014-15	75.70	53.85	198.74
Non-current investments			
2015-16	14,741.96	-	-
2014-15	14,741.96	-	-

D) Disclosure required under 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 Lakh)

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.			
2015-16	-	-	-
2014-15	-	-	3.25
Allied Digital Services LLC			
2015-16	884.56	884.56	7,530.79
2014-15	644.58	644.58	7,530.79
Allied Digital INC			
2015-16	-	-	7,074.83
2014-15	-	-	7,074.83
En Pointe Technologies India Private Ltd.			
2015-16	62.22	62.22	-

Notes forming part of the Balance Sheet as at March 31, 2016

(₹ in Lakh)

Particular	Outstanding as at the end of the year	Maximum amount Outstanding during the year	Investments in shares of the Company
2014-15	62.22	62.22	-
Allied Digital Singapore Pte Ltd.			
2015-16	13.47	13.47	6.47
2014-15	13.47	13.47	6.47
Allied Digital Asia Pacific Pty Ltd.			
2015-16	-	-	127.84
2014-15	-	-	127.84
Allied-eCop Surveillance India Pvt. Ltd			
2015-16	-	-	1.01
2014-15	-	-	1.01
Allied Digital Services (UK) Ltd.			
2015-16	-	-	1.01
2014-15	-	-	1.01
Associates			
Assetlite Equipment India Private Ltd.			
2015-16	54.37	189.58	-
2014-15	53.85	53.95	-

j) Remuneration to Key Management Personnel

Managing Director and other Whole-time Directors	Year Ended March 31, 2016	Year Ended March 31, 2015
Mr. Nitin Shah	48.75	50.00
Mr. Prakash Shah	29.38	72.69
Mr. Paresh Shah	11.60	13.29
Total Remuneration	89.73	135.97

k) Auditors' Remuneration

	Year Ended March 31, 2016	Year Ended March 31, 2015
For Services as Auditors, including quarterly audits	5.00*	5.00*
For Tax Audit	1.00*	1.00*
Total Remuneration	6.00	6.00

* excluding service tax applicable

l) Leases

Obligations on long-term, non-cancellation obligation leases

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

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
1	Lease rental recognized during the period	122.38	142.83
	Lease obligations payable		
1	Within one year of the Balance Sheet date	122.38	142.83
2	Due in period between one year and five years	-	-
3	Due after five years	-	-

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

Notes forming part of the Balance Sheet as at March 31, 2016

m) 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.

(₹ In Lakh)

S r . No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
1	Segment Revenue		
	Enterprise Computing based Solutions	7,214	8,785
	Infrastructure Management based Solutions	3,127	3,765
	Unallocated	554	1,034
	Net Segment Revenue	10,894	13,584
2	Profit before Interest, un-allocable expenses & Tax		
	Enterprise Computing based Solutions	5,447	659
	Infrastructure Management based Solutions	2,105	7,157
		7,552	7,816
	Less : i) Interest	1,788	1,578
	ii) Un-allocable Expenses (net of un-allocable income)	5,442	6,022
	Total Profit Before Tax	322	216
3	Capital Employed		
	Total Capital Employed	47,656	70,358

n) These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013.

o) Previous year's figures have been regrouped / recast / restated, wherever necessary.

Signature to Notes & Schedules "Schedules 1 to 25"

For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: 23rd May, 2016

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Ravindra Joshi
Company Secretary

INDEPENDENT AUDITOR'S REPORT FOR CONSOLIDATED FINANCIAL STATEMENTS

To the Members of
ALLIED DIGITAL SERVICES LTD

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ALLIED DIGITAL SERVICES LTD** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

We draw attention to the following:

- a. In respect of Bad Debts written off amounting to ₹ 229.43 Crores relating to the holding company, these have not been debited to the Statement of Profit and Loss and have been directly adjusted against the opening balance of Surplus (Profit and Loss Account) of the holding company which in our opinion is not in accordance with Accounting Standard 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. Accordingly profit for the year is overstated to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the company as at 31st March, 2016 and its consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

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

1. Balances relating to Trade Receivables and Loans and Advances are pending for confirmations from the respective parties. Adjustments if any will be made in the year in which the confirmations are received.
2. In respect of Investment in subsidiaries, the Company has not made any provisions for diminution in the value of these Investments inspite of their being negative net worth.

Our opinion is not modified in respect of these matters.

Other Matters

- (a) We did not audit the financial statements / financial information of Three subsidiaries, whose financial statements / financial information reflect total assets of ₹ 7,727.05 Lakh as at 31st March, 2016, total revenues of ₹.15,442,52 Lakh and net cash flows amounting to ₹ (419.07) Lakh for the year ended on that date, as considered in the consolidated financial statements.

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

- (b) We did not audit the financial statements / financial information of Four subsidiaries, whose financial statements / financial information reflect total assets of ₹ 8727.77 Lakh as at 31st March, 2016, total revenues of ₹ NIL and net cash flows amounting to ₹ NIL for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and, except for the possible effect of the matter described in paragraph of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, in terms of Section 164(2) of the Act, none of the other directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 25 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

Ramesh Pipalawa
Partner
Membership No. : 103840

Place: Mumbai
Date: 23rd May, 2016

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of **Allied Digital Services Limited** ("the Holding Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of the Holding company, its subsidiary companies and associate company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and associate company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies and associate company incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

We did not audit the Internal Financial Control over Financial Reporting of two subsidiaries and one associate, which are companies incorporated in India whose financial statements reflect total assets of ₹ 80.66 Lakh as at 31st March, 2016, total revenue of ₹ NIL and net cash flows of ₹ NIL for the year ended on that date. The Internal Financial Control over Financial Reporting of two subsidiaries, which are companies incorporated in India, have not been audited, and our opinion on the Internal Financial Control over Financial Reporting of these companies, in so far as it relates to the aforesaid subsidiaries, is based solely on the management confirmation.

Our opinion on the Internal Financial Control over Financial Reporting, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors on the Internal Financial Control over Financial Reporting.

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

Ramesh Pipalawa
Partner
Membership No. : 103840

Place: Mumbai
Date: 23rd May, 2016

Consolidated Balance Sheet as at March 31, 2016

(₹ In lakhs)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	1	2,510.28	2,309.34
Share Warrant Application Money		-	150.71
Reserves and Surplus	2	41,742.47	63,816.79
Minority Interest		648.23	546.82
Non-Current Liabilities			
Long-term borrowings	3	1,971.11	2,550.15
Other Long term liabilities	4	20.04	-
Deferred tax liabilities (Net)	5	1,126.49	982.09
Long term provisions	6	-	1.02
Current Liabilities			
Short term borrowings	7	7,621.65	9,239.57
Trade Payables	8	4,161.54	823.20
Other Current Liabilities	9	2,883.93	2,421.69
Short term provisions	10	1,018.14	752.10
	Total	63,703.88	83,593.48
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	11	14,758.74	16,199.18
Intangible assets	11	4,321.11	4,942.25
Capital work-in-progress	11	3,769.10	3,769.10
Goodwill		9,622.45	9,622.45
Non current investments	12	696.29	500.14
Long term loans and advances	13	4,521.99	5,522.70
Current Assets			
Inventories	14	3,415.43	3,818.59
Trade receivables	15	16,170.02	31,203.42
Cash and cash equivalents	16	1,901.92	2,320.98
Short-term loans and advances	17	2,102.88	4,528.28
Other current assets	18	2,423.97	1,166.39
	Total	63,703.88	83,593.48
Contingent Liability	25		
Significant Accounting Policies	26		

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

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: 23rd May, 2016

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Ravindra Joshi
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(₹ In lakhs)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from operations	19	23,705.85	23,375.54
Other Income	20	554.35	1,084.24
Total Revenue		24,260.20	24,459.78
EXPENSES:			
Purchases for Traded Goods & Service Spares	21.a	12,595.90	13,006.97
Changes in inventories of stock-in-trade	21.b	395.72	77.80
Employee benefits expense	22	3,440.49	3,936.21
Finance costs	23	1,832.03	1,611.25
Depreciation and amortisation expense	11	2,175.41	2,770.15
Other expenses	24	2,925.38	2,943.39
Total Expenses		23,364.93	24,345.77
Profit before tax and Exceptional Items		895.27	114.01
Exceptional Items		-	(19.21)
Profit before tax (VII - VIII)		895.27	133.22
Tax expenses:			
Tax expense for current year		204.13	28.93
MAT credit		-	(40.00)
Net current tax expense		204.13	(11.07)
Deferred Tax		58.31	175.32
Total Tax Expenses		262.44	164.25
Profit/(Loss) for the year		632.83	(31.03)
Minority Interest		(78.80)	30.57
Profit/(Loss) for the year		554.11	(0.46)
Earning per equity share:			
Equity Shares of par value ₹ 5/- each			
Basic		1.19	0.00
Diluted		1.19	0.00
Significant Accounting Policies	26		

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

For Allied Digital Services Ltd.

sd/-
Ramesh Pipalawa
M. No. 103840

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Prakash Shah
Executive Director Commercial

Place: Mumbai
Date: 23rd May, 2016

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Ravindra Joshi
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
I	CASH INFLOW FROM OPERATING ACTIVITIES		
(a)	Profit/Loss as per Profit & Loss Account after Tax	554.02	(0.48)
	Adjustments:		
	Bad Debts Written off and adjusted from Surplus in P&L	(22,942.05)	-
	Depreciation and amortization	2,175.41	2,770.15
	Income from Investing Activities	(699.98)	(674.93)
	Deferred Tax	58.31	175.32
	Finance Cost	1,832.03	1,652.56
	FCTR	(326.31)	(175.44)
(b)	Changes in Assets and Liabilities		
	Inventories	403.16	74.01
	Trade receivables	15,033.40	(4,688.33)
	Loans and Advances	3,426.10	(237.54)
	Other Assets	(1,297.58)	4.47
	Trade payables	3,338.34	(329.39)
	Liabilities & Provisions	767.27	1,432.10
	Income Tax Paid		
	Net Cash generated by Operating Activities	2,322.12	2.50
II	CASH INFLOW FROM INVESTING ACTIVITIES		
	Proceeds from sale of fixed assets	344.91	-
	Payment toward acquisition of Fixed Assets	(33.10)	(591.17)
	Disposal of the Investment	(196.14)	1.88
	Dividend received	57.84	19.29
	Interest received	106.06	75.34
	Other Non-Operating Income	536.09	580.30
	Net Cash generated by Investing Activities	815.66	85.64
III	CASH INFLOW FROM FINANCING ACTIVITIES		
	Share Issued against Share Warrant	602.82	-
	Share application money pending allotment	(150.71)	150.71
	Proceeds from borrowings	(2,176.92)	1,612.79
	Finance Cost	(1,832.03)	(1,652.56)
	Net Cash generated by Financing Activities	(3,556.84)	110.94
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)	(419.06)	199.08
	Add: Cash and cash equivalents at the beginning of the period (B)	2,320.98	2,121.92
	Cash and cash equivalents at the end of the period (A+B)	1,901.91	2,320.98

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

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: 23rd May, 2016

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Ravindra Joshi
Company Secretary

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 1: Share Capital

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

(₹ In lakhs)

Share Capital	As at 31 March 2016		As at 31 March 2015	
	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	50,205,528	2,510.28	46,186,727	2,309.34
Subscribed & Paid up				
Equity shares of ₹ 5 each with voting rights	50,205,528	2,510.28	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 lakhs)

Particulars	Opening Balance	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights					
Year ended 31 March, 2016					
- Number of shares	46,186,727	-	4,018,801	-	50,205,528
- Amount in ₹ Lakh	2,309.34	-	200.94	-	2,510.28
Year ended 31 March, 2015					
- Number of shares	46,186,727	-	-	-	46,186,727
- Amount in ₹ Lakh	2,309.34	-	-	-	2,309.34

- 40,18,801 Equity Shares of face value ₹ 5 per share allotted during the year at a premium of ₹10 per share to the promoters of the company. (P.Y. Nil)

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

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

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

(₹ In lakhs)

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares with voting rights				
Nitin Dhanji Shah	14,783,031	29.45	14,783,031	27.27
Prakash Dhanji Shah	8,178,348	16.29	8,178,348	13.74

The Company Stock Options Plans which are summarized as under:

(i) Stock Option Scheme (2010)

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

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

2012-13. Of these 1,87,500 options have lapsed as the employees holding the said number of grants left the organization during FY 2015-16.

(₹ In lakhs)

Particular	2015-2016	2014-2015
Opening Outstanding option	2,512,500	2,512,500
Employee Stock Option Scheme announced during the Year	-	-
Granted during the year	-	-
Exercised during the year (Post - split)	-	-
Forfeited/lapsed during the year (Post - split)	-	-
Closing Outstanding option	2,512,500	2,512,500

(E) Issue of Shares other than Cash

Details of Shares allotted as fully paid up by way of bonus shares

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 Lakhs ("Offer size"). The Date of Opening of the buyback was April 25, 2011 and last Date for the Buyback was February 17, 2012. No buy back of shares was made by the Company during the year under consideration.

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

Note 2: Reserves and Surplus

(₹ In lakhs)

Sr. No.	Particular	As at March 31, 2016	As at March 31, 2015
(a)	Capital Redemption Reserve		
	Opening Balance	29.85	29.85
	Closing Balance	29.85	29.85
(b)	Securities Premium Account		
	Opening Balance	36,653.71	36,653.71
(+)	Securities premium credited on allotment of equity shares	401.88	-
	Closing Balance	37,055.59	36,653.71
(c)	General Reserves		
	Opening Balance	1,337.77	1,337.77
	Closing Balance	1,337.77	1,337.77

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Sr. No.	Particular	As at March 31, 2016	As at March 31, 2015
(d)	Surplus		
	Opening balance	25,831.12	27,565.99
(+)	Net Profit/(Net Loss) For the current year	554.02	(0.48)
(-)	Adjustment for Depreciation *	0.38	1,734.39
(-)	Bad debts and other balances Adjusted **	22,942.05	-
	Closing Balance	3,442.71	25,831.12
(e)	Foreign Currency Translation Reserve	(123.45)	(35.66)
	Closing Balance	(123.45)	(35.66)
	Total Reserves and Surplus	41,742.47	63,816.79

* Carrying amount of Fixed Assets whose remaining useful life as at 01st April 2014 was NIL, is adjusted net of tax ₹ 433.50 lakh in FY 2014-15 (FY 2015-16: ₹ Nil) as per schedule II of companies Act 2013.

** Sundry Debtors and other balances amounting to ₹ 229.42 crores outstanding over 5 years considered bad and doubtful by the management have been written off.

Note 3: Long Term Borrowings

(₹ In lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Secured		
A	Cosmos Bank	464.15	690.20
	Security details		
	i. 1st Pari pasu charge on the Escrow account for amount receivable from Govt. of Maharashtra.		
	ii. Plot No 13/5 and 22/1 at Rajiv Gandhi Infotech Park, Hinjewadi, Pune and Plot No. A-24 & A-25 at Talewadi Software Park, Pune.		
	Terms of Repayment:		
	Repayment in 24 months in 8 equal quarterly installments for principal amount and interest to be paid on monthly basis at actual. Repayment has commenced during FY 2015-16.		
B	Bank of India	734.19	947.17
	Security details		
	1. Shared pari passu charge with Cosmos Bank as per Note 3.A.i above.		
	2. Equitable mortgage of the immovable property situated at Office no. 405 & 406, 4th Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai-400096.		
	3. Pledge of 20,00,000 shares held by the promoter of the Company.		
	4. Personal Guarantee of Promoters"		
	Terms of Repayment:		
	Repayment through 16 Quarterly Installments for principal amount and interest to be serviced on monthly basis. Repayment has commenced during FY 2015-16.		
C	Avid Bank	772.77	912.78
	Secured by all the assets of the company		
	Total	1,971.11	2,550.15

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 4: Other Long Term Liabilities

(₹ In lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Others	20.04	-
	Total Other Long Term Liabilities	20.04	-

Note 5: Deferred tax liabilities

The net deferred tax liabilities as at 31st March, 2016, comprises of the following components:

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Deferred Tax Asset		
	Disallowance u/s 43b of the Income Tax Act 1961 and Provision for employee benefits	99.84	128.22
	Total Deffered Tax Asset	99.84	128.22
	Deferred Tax Liability		
	Timing difference of depreciation between W.D.V. of Assets as per Companies Act and Income Tax Act	1,226.33	1,110.31
	Total Deferred Tax Liability	1,226.33	1,110.31
	Net Deferred Tax Asset / (Liability)	(1,126.49)	(982.09)

Note 6 : Other Long Term Provisions

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Provision for employee benefits:		
	- Provision for gratuity*	-	1.02
	Total Other Long Term Provisions	-	1.02

* Refer Note 25 3) a) of Notes to Accounts

Note 7: Short Term Borrowings

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Secured		
(a)	Loans repayable on demand	7,089.38	8,470.63
		7,089.38	8,470.63
	Unsecured		
(a)	Loans and advances from related parties	16.49	251.42
(b)	Unsecured Loan Others	70.00	40.00
(c)	Fixed Deposits from public	445.78	477.52
		532.27	768.94
	Total Short Term Borrowings	7,621.65	9,239.57

In respect of the Fixed Deposits from public amount overdue as at 31.03.2016; Principal sum overdue ₹ 181.49 lakh and Interest overdue ₹ 31.21 lakh.

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 8: Trade Payables

(₹ In lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
a	Trade payables		
	-Trade payables to Micro and Small enterprises	-	-
	-Trade payables to other than Micro and Small enterprises	2,421.59	811.35
b	Other Liabilities	1,739.95	11.85
	Total Trade Payables	4,161.54	823.20

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: Other Current Liabilities

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Current Maturities of Long term Debts	1,430.59	1,812.95
(b)	Security deposit for rented property	160.00	137.10
(c)	Income received in Advance	203.06	209.14
(d)	Duties & Taxes	325.23	258.38
(e)	Unpaid Dividend	-	4.12
(f)	Advance received from Customers	765.06	-
	Total Other Current Liabilities	2,884	2,422

Note 10: Short Term Provisions

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
a	Provision for employee benefits		
(i)	Provision for Salaries	288.20	241.21
(ii)	Contribution to PF	296.46	152.70
(iii)	Contribution to ESIC	22.53	7.58
(iv)	Professional Tax	16.86	9.84
(v)	LTA Payable	7.85	12.07
(vi)	Leave encashment	183.42	144.57
(vii)	Provision for gratuity	147.82	144.13
b	Others		
(i)	Provision for Tax	55.00	40.00
	Total Short Term Provisions	1,018.14	752.10

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.

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

(₹ In lakhs)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2015	Additions	Deductions	As at April 1, 2015	For the year adjustments	Deductions	Adjustment due to revaluations	As at March 31, 2016	As at March 31, 2015
Tangible Assets									
Leasehold Premises	8,618.27	-	-	694.22	86.40	-	7.83	788.45	7,924.05
Leasehold Land	2,640.87	-	362.88	142.87	25.22	17.97	-	150.12	2,498.00
Freehold Premises	1,135.63	-	-	82.71	18.78	-	-	101.49	1,052.92
Civil and Plumbing Work	1,818.10	-	-	95.45	43.32	-	-	138.77	1,722.65
Furniture and Fixtures	3,307.75	2.00	-	1,222.29	418.71	-	4.45	1,645.45	2,085.46
Office Equipments	949.05	1.90	-	641.88	282.26	-	1.70	925.84	307.17
Motor Vehicles	131.37	4.28	-	105.14	17.49	-	0.01	122.64	26.23
Computers and IT Equipments	10,376.74	24.91	-	9,794.04	245.02	(3.14)	42.86	10,078.78	582.70
Computers (Given on lease)	155.98	-	-	155.98	-	-	-	155.98	-
Plant & Machinery	-	-	-	-	-	-	-	-	-
Total Tangible Assets	29,133.76	33.09	362.88	12,934.58	1,137.20	(3.14)	56.85	14,107.52	16,199.18
Intangible Assets									
Other Intangible Assets	1,041.23	-	-	347.08	119.15	-	24.21	490.44	694.15
Computer Software Licenses	76.46	-	-	69.82	0.59	3.24	-	73.65	6.64
Intellectual Property Rights	5,361.95	-	-	1,120.49	536.19	-	-	1,656.68	4,241.46
Total Intangible Assets	6,479.64	-	-	1,537.39	655.93	3.24	24.21	2,220.77	4,942.25
Intangible assets under Development	-	-	-	-	-	-	-	-	-
Capital Work In Progress	3,769.10	-	-	-	-	-	-	3,769.10	3,769.10
Total CWIP	3,769.10	-	-	-	-	-	-	3,769.10	3,769.10
TOTAL	39,382.50	33.09	362.88	14,471.97	1,793.13	0.10	81.06	16,328.29	24,910.53
Previous year	38,751.66	591.17	-	9,727.93	2,599.47	2,167.89	(23.33)	14,471.96	29,023.73

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 12: Non Current Investments

(₹ In lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Total Investment in Subsidiaries NIL (Previous year: NIL) units of ₹ NIL each	-	-
(ii)	Soft Shell System (I) Pvt Ltd 98,269 (Previous year: Nil) shares of 10/- each fully paid up at premium of Rs 498.81 per share	500.00	
(iii)	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 0.181 (Previous year: 0.181) units of ₹ 1004.22 each	-	-
(iv)	ICICI Prudential Flexible Income Plan Premium - Daily Dividend 12.9610 (Previous year: NIL) units of ₹ 105.7358 each	0.01	0.01
(v)	ICICI Prudential Income Opportunities Fund Institutional Growth 154.952 (Previous year: NIL) units of ₹ 17.0532 each	0.03	0.03
(vi)	BSL Floating Rate Fund - Long Term - INSTL-Weekly Dividend 23.0680 (Previous year: 20.1880) units of ₹ 100.2903 each	0.02	0.02
(vii)	DSP Black Rock Income Opportunities Fund - Institutional Plan - Daily Dividend 3.6440 (Previous year: 3.6440) units of ₹ 1012.266 each	0.04	0.04
(viii)	DSP Black Rock Income Opportunities Fund - Regular Plan - Daily Dividend 64.826 (Previous year: NIL) units of ₹ 10.1227 each	0.01	0.01
(ix)	Canara Robeco Treasury Advantage Super Institutional - Daily Dividend 0.118 (Previous year: NIL) units of ₹ 1244.661 each	-	-
(x)	Canara Robeco Income Growth Fund NIL (Previous year: 4,578.4592) units of ₹ NIL each	-	-
(xi)	Canara Robeco Short Term Institutional Growth Fund 124.2276 (Previous year: NIL) units of ₹ 16.1612 each	0.01	0.01
(xii)	IL & FS Milestone Fund II B 50,000 (Previous year: 50,000) units of ₹ 1,000 each	196.14	500.00
(xiii)	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
(xiv)	SBI-SHF-Ultra Short Term Debt Fund - Regular Plan - Daily Dividend 0.28 (Previous year: 0.28) units of ₹ 1004.393 each	-	-
	Total Non Current Investments	696.29	500.14
	Aggregate amount of quoted investments	196.29	500.15
	Aggregate market value of quoted investments	196.29	500.15

Note 1

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 capital contribution.

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, 2016

Note 13: Long Term Loans and Advances

(₹ In lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Security Deposits		
	Unsecured, considered good	19.32	410.58
(b)	Loans and advances to related parties		
	Unsecured, considered good	1,624.53	347.27
(c)	Advance given to Suppliers		
	Unsecured, considered good	35.57	3,469.27
(d)	Others		
	Advance income tax of prior years receivable	1,626.54	1,295.58
	Other Loans and Advances	1,216.03	-
	Total Others	2,842.57	1,295.58
	Total Long Term Loans and Advances	4,521.99	5,522.70

During the FY 2015-16 the Company has written off an amount of Rs 3433.20 lakh towards old doubtful Loans and Advances.

In respect of confirmation for other Loans and Advances as at 31st March 2016, 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 14: Inventories

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Stock in Trade (for Trading)	3,181.29	3,584.45
	Stock in Trade (for Service)	234.14	234.14
	Total Inventories	3,415.43	3,818.59

Note 1

Inventories are valued at lower of cost and net realizable value

Note 2

The value of the Inventory as on 31st March 2016 includes certain slow moving items which has not been provided for during the valuation of the same.

Note 3

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

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 15: Trade Receivables

(₹ In lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	8,729.78	11,717.57
		8,729.78	11,717.57
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	8,324.56	20,260.50
	Unsecured, considered doubtful	(53.50)	3.42
	Less: Provision for doubtful debts	(830.82)	(778.07)
		7,440.24	19,485.85
	Total Trade Receivable	16,170.02	31,203.42
	Trade Receivable stated above include debts due from:		
	Particulars	March 31, 2016	March 31, 2015
	Directors	-	0.18
	Private Company in which director is a member	1,368.23	625.92
		1,368.23	626.10

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

Note 16: Cash and Cash Equivalents:

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Balances with Banks		
(i)	In fixed deposit accounts (pledged with bank against LC margin/guarantees given by bank)	834.82	32.20
(ii)	In fixed deposit accounts (pledge with banks as security for borrowings)	0.50	666.15
(iii)	In Current Account	1,034.30	1,596.12
(b)	Cash on hand	32.30	26.51
	Total Cash and Cash Equivalents	1,901.92	2,320.98

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 17: Short-term loans and advances:

(₹ In lakhs)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Subsidiaries & Associates	6.72	644.58
(ii)	Security Deposit	31.33	35.09
(iii)	Loans and advances to employees	90.19	368.92
(iv)	Inter Corporate Deposits	860.78	2,927.66
(v)	Other Current Assets	228.65	27.98
(vi)	Prepaid Expenses	583.33	524.05
(vii)	Unreconciled Balances	301.88	-
	Total Short-term loans and advances	2,102.88	4,528.28

In respect of confirmation for Loans and Advances as at 31st March 2016, the Company has not produced the same from the parties at the time of signing of the Balance sheet. Due to the absence of these confirmations the need to make provisions for the doubtful debts has not been ascertained and provided for by the company. However, the management is of the opinion that all the Loans and Advances as appearing in the Balance Sheet are good and recoverable.

Note 18: Other Current Assets

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Unbilled revenue	1,542.66	45.55
(ii)	Interest Accrued	69.97	65.53
(iii)	MAT Credit Entitlement	736.34	736.34
(iv)	Income Taxes	75.00	318.97
	Total Other Current Assets	2,423.97	1,166.39

- (i) Unbilled Revenue of ₹1,542.66 Lakhs has been considered as certified and represented by the Management.
- (ii) In the opinion of the management, the Current Assets, Loans and Advances have a value on realisation, in the ordinary course of business at least equal to the amount at which they are stated in the Accounts.

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 19 : Operating Income

(₹ In lakhs)

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Services, Solutions and Sales	23,692.54	23,339.81
	Lease Rent	13.31	35.73
	Total Operating Income	23,705.85	23,375.54

Note 20 : Other Income

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Interest Income (Refer Note 20.a)	106.06	75.34
	Dividend Income	57.84	19.29
	Net gain on foreign currency transactions	(145.64)	409.31
	Other non-operating income (Refer Note 19.b)	536.09	580.30
	Total Other Income	554.35	1,084.24

Note 20.a

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Interest Income comprises:		
	Interest on deposits from banks	106.11	75.34
	Total - Interest income	106.11	75.34

Note 20.b

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Other non-operating income comprises:		
	Income from Office Rent	510.87	526.84
	Miscellaneous income	25.21	53.46
	Total - Other non-operating income	536.08	580.30

Note 21 a Purchase of Traded Goods

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Purchase of Traded Goods and Services	12,189.88	12,937.76
	Other Direct Cost	406.02	69.21
	Total Purchase of Traded Goods	12,595.90	13,006.97

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

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

(₹ In lakhs)

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Closing Stock	3,394.06	3,789.78
	Less : Opening Stock	3,789.78	3,867.58
	Net (increase) / decrease	395.72	77.80

- (i) Inventories are valued at lower of cost and net realizable value
- (ii) The value of the Inventory as on 31st March 2012 includes certain slow and non moving items which has not been provided for during the valuation of the same. The valuation of the Inventory is as certified by the management.

Note 22 : Employee Benefits Expenses

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
(a)	Salaries and wages (Including Directors' Remuneration) (Refer note (21a))	3,135.88	3,601.55
(b)	Contributions to Provident Fund	78.62	34.94
(c)	Contributions to ESIC	7.89	40.93
(d)	Contributions to Labour Welfare Fund	0.11	0.25
(e)	Staff welfare expenses	217.99	258.54
	Total Employee Benefit Expenses	3,440.49	3,936.21

(22a) Details of Managerial Remuneration:

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Salaries	89.73	135.97
	Total	89.73	135.97

Note 23 : Finance costs

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
(a)	Interest expense on Borrowings	1,787.79	1,311.97
(b)	Other borrowing costs	44.24	299.28
	Total Finance costs	1,832.03	1,611.25

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 24 Other expenses

(₹ In lakhs)

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Rent including lease rentals	159.29	202.31
	Repairs and maintenance	348.30	355.39
	Insurance	85.31	153.65
	Rates and taxes	84.51	16.39
	Communication	174.11	169.39
	Travelling and conveyance	182.62	151.60
	Electricity Expenses	192.06	106.00
	Commission & Brokerage	250.61	328.90
	Freight and forwarding	46.12	224.04
	Advertisement Expenses	217.32	131.61
	Legal and professional	566.23	496.83
	Payments to auditors (Refer Note (25a) below)	30.39	12.59
	Security Charges	8.93	-
	Printing & Stationery Expenses	7.38	-
	Business Promotion Expenses	5.11	-
	Office Expenses	17.87	-
	Equipment Hire Charges	38.62	-
	Labour Charges	325.34	-
	Loss on Sale of Asset	52.96	-
	Bad trade and other receivables, loans and advances written off	80.08	458.37
	Miscellaneous expenses	52.22	136.32
	Total Other expenses	2,925.38	2,943.39

24a Details of Auditors' Remuneration:

Sr. No.	Particulars	For the year ending March 31, 2016	For the year ending March 31, 2015
	Payments to the auditors		
(a)	For statutory audit	6.09	5.00
(b)	For taxation matters	1.18	1.00
	Total	7.27	6.00

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 25 Contingent liabilities and commitments

(in Lakhs)

Contingent liabilities and commitments (to the extent not provided for)	As at 31 March 2016	As at 31 March 2015
(i) Contingent Liabilities		
(a) Guarantees	2,534.70	2,791.75
(b) Letter of Credit	Nil	161.01
(c) Sales Tax	11,545.48	11,545.48
(d) Income Taxes	511.17	591.25
(e) Other money for which the company is contingently liable	-	-
	14,591.35	15,089.49
(ii) Commitments	-	-
	-	-
Total Contingent Liabilities and Commitments	14,591.35	15,089.49

Note 1

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 2

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 lakh)

Asst. Year	Income Tax Demanded as per revised Order of the A.O. (incl Interest)	Payment made in earlier years	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	62.62	-	-	62.62
2007-08	2.79	-	-	2.79
2008-09	13.81	-	-	13.81
2009-10	211.97	-	-	211.97
2010-11	467.59	-	-	467.59
2011-12	252.55	75.00	-	177.55
2012-13	79.34	-	-	79.34
IT Refund Adjusted	-	508.42	-	(508.42)
Total	1,094.60	583.42	-	511.17

The additional Income Tax Liability of Rs 1,094.60 Lakhs is on account of some additions made by the Income Tax Department. Out of which company has paid ₹ 75.00 Lakhs and Income tax department adjusted Income tax refund of Rs 508.42 lakh against the demand. Against the said order company has filed appeal with Appellate authority of Income Tax department. The Company expects major relief from this demand once these appeals are decided.

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

Note 3

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

Financial Year	Sales tax demand	Forum where pending
2005-06	541	Sales Tax Tribunal
2006-07	1,257	DC (Appeal)
2007-08	1,597	DC (Appeal)
2008-09	900	Sales Tax Tribunal
2010-11	7,243	Sales Tax Tribunal
2011-12	8	DC (Appeal)
Total	11,545	

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 in pan India, USA, Australia, Europe and Middle east Asia with an impeccable track record for designing, developing, deploying and delivering end-to-end IT infrastructure services. It provides wide range of information technology and consultancy services including Infrastructure Services, End user IT Support, IT asset life cycle, enterprise applications and integrated solutions.

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

2) Significant Accounting Policies

a) Basis of preparation

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

b) Principles of Consolidation

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

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

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

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

iv. Interest in a jointly controlled entity is reported using proportionate consolidation.

c) Use of estimates

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

d) Tangible fixed assets

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

e) Intangible assets

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

f) Depreciation and amortization

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

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

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

Intangible assets are amortized over the estimate useful life.

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

g) Leases

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

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

h) Impairment

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

i) Investments

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

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

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

j) 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.

k) Revenue recognition

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

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

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

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

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

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

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

l) Taxation

Tax expense comprises of current and deferred tax.

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

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

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

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

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

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

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

m) 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.

n) Employee Stock Option Scheme

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

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

o) 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.

3) Notes on Accounts

a) Employee Benefits

Gratuity Plan

- (i) An amount of ₹ 147.83 lakhs has been recognized towards the Employees Gratuity Fund against the liability of ₹ 147.83 lakhs as per the Actuarial Valuation for Gratuity as on 31st March 2016. The Company has its Employees Gratuity Fund managed by Birla Sun Life Insurance Company. The particulars under AS 15 (Revised) furnished below are those which are relevant and available to the company and which are as per the Actuarial Valuation Report:-

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

	Valuation Date 31 st March, 2016	Valuation Date 31 st March, 2015
I Assumptions as at		
Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
Discount Rate	8%	7.90%
Rate of increase in compensation	5%	5%
Rate of return (expected) on plan assets	9%	9%
Withdrawal rates	1 to 6%	1 to 6 %
II Changes in present value of obligations		
PVO at beginning of period	14,514,732	15,397,787
Interest cost	1,142,717	1,361,943
Current Service Cost	3,023,263	3,215,789
Benefits Paid	(99,914)	(862,760)
Actuarial (gain)/loss on obligation	(3,797,980)	(4,598,027)
PVO at end of period	14,782,818	14,514,732
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	101,991	916,784
Adjustment to Opening Fair Value of Plan Assets	(364)	-
Expected Return on Plan Assets	4,700	43,700
Contributions	-	-
Benefit Paid	(99,914)	(862,760)
Actuarial gain/(loss) on plan assets	(6,055)	4,267
Fair Value of Plan Assets at end of period	358	101,991
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	101,991	916,784
Adjustment to Opening Fair Value of Plan Assets	(364)	-
Actual Return on Plan Assets	(1,355)	47,967
Contributions	-	-
Benefit Paid	(99,914)	(862,760)
Fair Value of Plan Assets at end of period	358	101,991
Funded Status	(14,782,460)	(14,412,741)
Excess of actual over estimated return on Plan Assets	(6,055)	4,267
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	3,797,980	4,598,027
Actuarial Gain/(Loss) for the period (Plan Assets)	(6,055)	4,267
Total Gain/(Loss) for the period	3,791,925	4,602,294
Actuarial Gain/(Loss) recognized for the period	3,791,925	4,602,294
Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VI Amounts to be recognized in the Balance Sheet and statement of Profit & Loss Account		
PVO at end of period	14,782,818	14,514,732
Fair Value of Plan Assets at end of period	358	101,991
Funded Status	(14,782,460)	(14,412,741)
Unrecognized Actuarial Gain/(Loss)	-	-

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

	Valuation Date 31 st March, 2016	Valuation Date 31 st March, 2015
Net Asset/(Liability) recognized in the balance sheet	(14,782,460)	(14,412,741)
VII Expense recognized in the statement of P & L A/C		
Current Service Cost	3,023,263	3,215,789
Interest cost	1,142,717	1,361,943
Expected Return on Plan Assets	(4,700)	(43,700)
Net Actuarial (Gain)/Loss recognized for the period	(3,791,925)	(4,602,294)
Expense recognized in the statement of P & L A/C	369,355	(68,262)
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	14,412,741	14,481,003
Adjustment to Opening Fair Value of Plan Assets	364	-
Expenses as above	369,355	(68,262)
Contribution paid	-	-
Closing Net Liability	14,782,460	14,412,741
IX Experience Analysis - Liabilities		
Actuarial (Gain)/Loss due to change in basis	(172,732)	1,859,470
Experience (Gain) / Loss due to change in Experience	(3,625,248)	(6,457,497)
Total	(3,797,980)	(4,598,027)
Experience Analysis – Plan Assets	6,055	(4,267)
Experience (Gain) / Loss due to change in Plan Assets		
X Schedule VI Details		
Current Liability		
Non-current Liability	14,782,460	14,412,741
	358	101,991

b) 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 subsidiary companies has been shown under the head of investment as the same is long term in nature.

c) 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.

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

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

(₹ In Lakh)

Particular	Year ended 31.03.16	Year ended 31.03.15
i) Expenditure in Foreign Currency (subject to deduction of tax where applicable)		
a) Professional & Consultation Fees	-	46.68
b) Travelling	29.77	1.14
c) Other Expenses	0.30	19.94
ii) Value of Imports calculated on C.I.F. basis - Traded Goods	401.93	670.38

4) 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 taken as certified by the Management.

5) 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.

6) Earning Per Share

	2015-16	2014-2015
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	5,02,05,528	4,61,86,727
III ESOP outstanding to employees	Nil	Nil
IV Weighted average number of Equity Shares of ₹ 5/- each (Previous Year ₹ 5/- each) outstanding during the year (Nos) for Basic EPS	4,67,15,227	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	4,67,15,227	4,61,86,727
B Net Profit after tax available for equity shareholders (In ₹ Lakh)	554.11	(0.46)
C Basic income per share (in rupees) [B/A (iv)]	1.19	(0.00)
D Diluted income per share (in rupees) [B/A (v)]	1.19	(0.00)

7) 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 ₹ 58.31Lakh (Previous Year ₹ 174.09Lakh) for the period ended 31st March, 2016 in the Statement of Profit and Loss.

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

8) Related Party Disclosures

Related Parties and their Relationship

(i) Subsidiaries

1. Allied Digital Services LLC (formerly known as En Pointe Global Services LLC)
2. Allied Digital INC
3. Allied Digital Singapore Pte Ltd
4. Allied Digital Asia Pacific Pty Ltd
5. Allied-E Cop Surveillance Private Limited
6. En Pointe Technologies India Private Limited
7. Allied Digital Services (UK) Limited

(ii) Associates

1. Assetlite Equipment India Private Limited

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

a. Key Management Personnel

Mr. Nitin Shah	Chairman & Managing Director
Mr. Prakash Shah	Executive Director - Commercial
Mr. Paresh Shah	Executive Director & CEO
Mr. Gopal Tiwari	Chief Financial Officer
Mr. Ravindra Joshi	Company Secretary

b. Relatives

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

(iv) Remuneration to Key Management Personnel

(₹ In Lakh)

Managing Director and other Whole-time Directors	Year Ended March 31, 2016	Year Ended March 31, 2015
Mr. Nitin Shah	48.75	50.00
Mr. Prakash Shah	29.38	72.69
Mr. Paresh Shah	11.60	13.29
Total Remuneration	89.73	135.97

9) Auditors' Remuneration

(₹ In Lakh)

	Year Ended March 31, 2016	Year Ended March 31, 2015
For Services as Auditors, including quarterly audits	6.09*	5.00*
For Tax Audit	1.18*	1.00*
Total Remuneration	7.27	6.00

* excluding service tax

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

10) Leases

Obligations on long-term, non-cancellation obligation leases

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

(₹ In Lakh)

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
1	Lease rental recognized during the period	122.38	142.83
	Lease obligations payable		
1	Within one year of the Balance Sheet date	122.38	142.83
2	Due in period between one year and five years	-	-
3	Due after five years	-	-

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

11) 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.

(₹ In Lakh)

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
1	Segment Revenue		
	Enterprise Computing based Solutions	16,012	8,785
	Infrastructure Management based Solutions	6,739	14,591
	Unallocated	1,456	1,125
	Net Segment Revenue	24,260	24,501
2	Profit before Interest, un-allocable expenses & Tax		
	Enterprise Computing based Solutions	4,852	5,499
	Infrastructure Management based Solutions	2,804	2,309
		7,656	7,808
	Less : i) Interest	1,832	1,653
	ii) Un-allocable Expenses (net of un-allocable income)	4,929	6,022
	Total Profit Before Tax	895	133
3	Capital Employed		
	Un-allocable	47,656	65,831
	Total Capital Employed	47,656	65,831

Consolidated Notes forming part of the Balance Sheet as at March 31, 2016

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

Signature to Notes & Schedules "Schedules 1 to 26"

For Shah & Taparia
Chartered Accountants

sd/-
Ramesh Pipalawa
M. No. 103840

Place: Mumbai
Date: 23rd May, 2016

For Allied Digital Services Ltd.

sd/-
Nitin Shah
Chairman & Managing Director

sd/-
Gopal Tiwari
Chief Financial Officer

sd/-
Prakash Shah
Executive Director Commercial

sd/-
Ravindra Joshi
Company Secretary

**Form No. MGT 11
Proxy Form**

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

Name	
Address	
Email Id	
Folio No.	

I / We, being the Member(s) of _____ shares of the above named Company, hereby appoint:

1. Name:.....
 Address.....
 Email ID.....
 Signature:, or failing him/her.

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 22nd Annual General Meeting of Allied Digital Services Limited to be held on Monday, 26th September, 2016 at 04.00 p.m. at Walchand Hirachand Hall, 4th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai – 400 020 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against	Abstain
Ordinary Resolutions				
1.	To receive, consider and adopt the Audited Financial Statements, including the consolidated financial statements of the Company for the financial year ended 31st March, 2016, and the Reports of the Board of Directors and the Auditors thereon.			
2.	To appoint a Director in place of Mr. Paresh Shah (DIN: 05117129), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment			
3.	To ratify the appointment of the M/s. Shah & Taparia, bearing firm registration number 109463W, as Statutory Auditor of the Company.			
4.	Re-appointment of Mr. Nitin Shah as the Managing Director of the Company			
5.	Re-appointment of Mr. Prakash Shah as the Whole-time Director of the Company.			
6.	To make application to the Central Government for waiver of excess Managerial remuneration paid to Mr. Nitin Shah, Managing Director and Mr. Prakash Shah and Mr. Paresh Shah, Whole-time Directors of the Company for the F.Y. 2012-13, F.Y. 2014-15 and F.Y. 2015-16			

Signed this _____ day of _____ 2016

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Notes:

- Proxy need not be member.
- 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 commencement of the Meeting.

Signed this day of 20

Affix ₹ 1.00 Revenue Stamp

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL Joint shareholders may obtain additional Slip at the venue of the meeting.

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company at its Registered Office at WalchandHirachand Hall, 4thFloor,IMC Building, IMC Marg, Churchgate, Mumbai – 400020, on Monday, 26th September, 2016 at 04.00 P.M.

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

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company at its Registered Office at IMC Building, IMC Marg, Churchgate, Mumbai – 400020, on Monday, 26thSeptember, 2016at 04.00P.M.

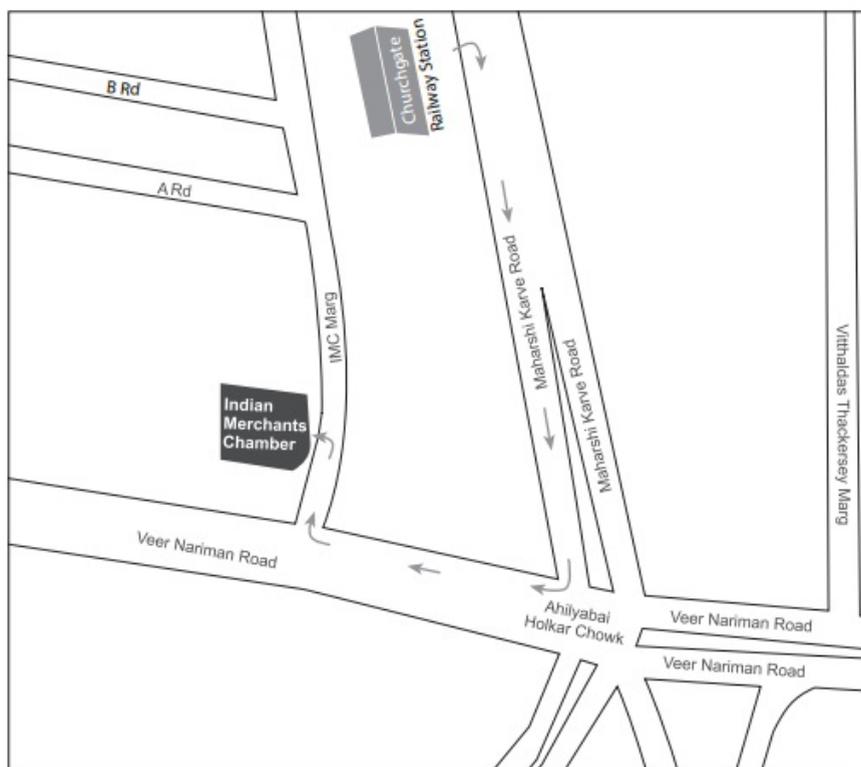
Signature of Shareholder / Proxy Present.....

DETAILS OF VENUE OF THE ANNUAL GENERAL MEETING

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

Landmark: Near Churchgate Station

Route Map to the Venue of the AGM





Registered & Corporate Office:

Allied Digital Services Limited, Premises No. 13A, 13th Floor, Earnest House,
NCPA Road, Nariman Point, Mumbai - 400021. Boardline: +91 2266816400.

Contact us: investors@allieddigital.net

www.allieddigital.net