

BOARDS' REPORT

To,
Dear Members'

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

1. FINANCIAL RESULTS:

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

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

(` in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
Total Operating Income	7,423	7,810	22,490	21,530
Other Income	264	639	404	194
Total Income	7,687	8,449	22,894	21,724
Less: Operating Expenditure	4,275	4,898	17,804	17,458
Profit before Interest, Depreciation, Amortization, Tax & Exceptional Item	3,412	3,551	5,090	4,266
Less: Depreciation	1,596	1,356	2,316	2,142
Less: Finance cost	486	1,505	547	1,578
Profit before Tax and Exceptional Item	1,330	690	2,227	546
Exceptional Item	(323)	-	323	-
Profit before Tax	1,007	690	1,904	546
Less: Provision for Taxation	-	160	394	221
Less: Deferred Tax Liability	509	354	509	354
Net Profit after tax	498	176	1,001	(29)
Other Comprehensive Income	36	47	96	455
Shares of Profit/(Loss) of Associates & Joint Ventures	-	-	(3)	(5)
Total Comprehensive Income (after tax)	533	223	1,094	421
Attributable to Owners of the Parent	-	-	1,089	378
Attributable to Non-Controlling Interest	-	-	(5)	(43)
Paid-up equity share capital (Face Value of ` 5/-)	2,510	2,510	2,510	2,510
Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year	42,869	42,457	39,865	41,686
Earning per Share				
Basic	0.99	0.35	1.99	(0.07)
Diluted	0.99	0.35	1.99	(0.07)

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

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

a. Standalone Financial Statements:

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

b. Consolidated Financial Statements:

In accordance with the provisions of Companies Act, 2013 ("the Act") and implementation of Indian Accounting Standards (Ind AS) Rules on accounting and disclosure requirements, which is applicable to the Company from the current year and as prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the Audited Consolidated Financial Statements is provided in the Annual Report.

c. Ongoing Projects & State of Affairs:

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

d. Revision of Financial Statements:

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

e. Disclosure of Internal Financial Controls

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

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

- a. As on date, the Company has six (6) Foreign Subsidiaries and two (2) Indian Subsidiaries and three (3) Associate Companies. The Company did not have any Joint Venture Company.

Following are the details of Subsidiary and Associate Companies:

Sr. No.	Name of Company	Subsidiary / Joint ventures/ Associate Company	Date of becoming of Subsidiary / Joint Ventures/ Associate Company.
1.	Allied Digital Services, LLC (USA)	Subsidiary	02 nd July, 2008
2.	Allied Digital INC (USA)	Subsidiary	31 st October, 2007
3.	Allied Digital Singapore Pte Limited	Subsidiary	12 th October, 2010
4.	Allied Digital Asia Pacific Pty Limited (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	06 th August, 2007
7.	Allied Digital Services (UK) Ltd.	Subsidiary	04 th December, 2013
8.	Assetlite Equipment India Private Limited	Associate	26 th September, 2009
9.	Soft Shell System (I) Private Limited	Associate	07 th August, 2015
10.	Allied CNT Solutions Private Limited	Associate	06 th July, 2004
11.	Allied Digital Services Oy.*	Subsidiary	08 th June, 2018

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

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

b. Material Subsidiaries:

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

The Policy for determining Material Subsidiaries as approved may be accessed on the Company's website at the link: https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_MaterialSubsidiaries.pdf

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

4. RECENT DEVELOPMENTS:

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

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

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

5. DIVIDEND:

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

6. TRANSFER TO RESERVES:

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

7. DEPOSITS:

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

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

At the beginning of the year	Maximum during the year	At the end of the year
432.39	432.39	--

8. RESTRUCTURING OF FACILITIES:

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

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

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

10. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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

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

There have been no materially significant related party transactions between the Company and related parties, except for those disclosed in the financial statements. The Audit Committee had approved and regularly reviewed the Related Party Transactions entered into during the financial year under review.

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

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

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

12. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

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

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

The Company has received and taken on record the necessary declaration from Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, confirming their independence vis-à-vis the Company as laid out in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

13. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

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

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

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the Audited Financial Statements of the Company for the year ended March 31, 2018, the Board of Directors to their best of knowledge and ability hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation and there are no material departures;
- b. such accounting policies and applied them consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that year;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

c. COMMITTEES OF BOARD:

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

- Audit Committee;
- Nomination and Remuneration Committee;
- Shareholder's Relationship Committee (formerly known as Shareholders/ Investors Grievance Committee);
- Corporate Social Responsibility Committee; and
- Management Committee.

Details of Committees along with their charter, composition and attendance at the Committee Meetings are provided in Corporate Governance Report which forms part of this Report.

I. AUDIT COMMITTEE

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

II. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE CSR COMMITTEE:

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

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

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

V. MANAGEMENT COMMITTEE.

The Management Committee was constituted by the Board on April 28, 2009. Committee is entrusted with the operational and administrative power. The Committee comprises of three members of the Company i.e. Mr. Nitin Shah, Mr. Prakash Shah and Mr. Paresh Shah.

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

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

A. CONSERVATION OF ENERGY

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

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

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

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

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

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

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

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

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

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption:

The Company has innovation as part of its motto. It is an early adopter of new technologies which either be useful for generating new business for its customers or for its self-use. It evaluates the best available technology for improving its performance and quality of its service operations.

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

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

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

No technology was imported during the three preceding years under review.

iv. Expenditure incurred on Research and Development:

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(` in Lakhs)

Particulars	2017-18	2016-17
Earnings	2,793.73	2732.85
Outflow (including Capital imports)	128.32	220.31
Net Foreign Exchange Earnings (NFE)	2665.41	2512.54
NFE / Earnings (%)	95%	92%

15. MANAGEMENT DISCUSSION AND ANALYSIS:

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

16. CORPORATE GOVERNANCE:

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

17. EXTRACT OF ANNUAL RETURN:

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

18. ANNUAL EVALUATION:

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

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

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

Further, the Independent Directors at their meeting, reviewed the performance of the Board, Chairman of the Board and of the Non- Executive Directors.

19. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

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

20. THE VIGIL MECHANISM:

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

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

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

21. AUDITORS AND REPORTS:

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

a. Statutory Auditors

The Auditor's Report to the Shareholders for the financial year ended on March 31, 2018 does not contain any qualification or observation. The notes to accounts referred to in Auditors' Report are self-explanatory, and therefore, do not call for any further explanation or comments from the Board.

b. Secretarial Auditors

Secretarial Audit Report for the year ended 31st March 2018:

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

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

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

c. Internal Auditor

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

22. INTERNAL CONTROL SYSTEMS:

The Company has robust internal control systems and procedures commensurate with the nature of the Company's business and size and complexity of its operations. The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

23. ESOP 2010:

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

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

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

24. DISCLOSURE OF REMUNERATION PAID TO DIRECTORS AND KEY MANAGERIAL PERSONNEL AND EMPLOYEES:

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

Further details with regard to payment of remuneration to Directors and Key Managerial Personnel are provided in Form

No. MGT - 9 Extract of Annual Return appended as “Annexure III”.

25. PARTICIPATION IN THE GREEN INITIATIVE:

Your Company continues to wholeheartedly participate in the Green Initiative undertaken by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) for correspondences by Corporate to its Members through electronic mode.

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

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

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

During the year ended March 31, 2018, no complaints have been received pertaining to sexual harassment of women at workplace.

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

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

28. RISK MANAGEMENT:

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

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

29. FRAUD REPORTING:

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

30. GENERAL:

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

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

31. ACKNOWLEDGEMENT:

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

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

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

Place: Mumbai
Date: July 30, 2018

Nitin Shah
Chairman & Managing Director
DIN: 00189903

Prakash Shah
Whole Time Director
DIN: 00189842