

REPORT ON CORPORATE GOVERNANCE

The Board of Directors present the Allied Digital Services Limited (“the Company”) Report on Corporate Governance for the financial year ended March 31, 2018.

The Company believes in adopting best practices of Corporate Governance and focus on enhancement of long term stakeholder value without compromising on ethical standards and corporate social responsibilities.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company Corporate Governance framework is based on the Company's Value Pyramid where the Company firmly believes that good Corporate Governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximize value for all its stakeholders.



A well-informed Board plays important role in upholding the stable Corporate Governance of the Company. The Board members of the Company at regular intervals are apprised of all the vital issues that come across and are informed about the remedial actions taken in this regard. Through this Corporate Governance mechanism which interlinks values, ethics and positive culture, helps to achieve long-term sustainability.

2. BOARD OF DIRECTORS:

The Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilised for creating sustainable growth. The Board operates within a well-defined framework which enables it to discharge its fiduciary duties of safeguarding the interest of the Company and ensures fairness in the decision-making process, integrity and transparency in dealing with the Members and other stakeholders of the Company.

a) Board of Directors:

The composition of the Board of Directors represents a combination of knowledge, experience and professionalism and enables the Board to discharge its responsibilities towards enhancement of the short-term and long-term interest of the members of the Company. Independent Directors plays an important role in improving the corporate credibility and governance standards for the Company.

As on March 31, 2018, the Board consists of Six (6) Directors, out of which three (3) Directors are Non-Executive Independent Directors including a woman Director and three (3) are Executive Directors. The Chairman of the Company is an Executive Director. The Composition of the Board is in conformity with the provisions of Companies Act, 2013 and Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”).

Composition of the Board and the Directorship(s)/Committee Membership(s)/Chairmanship(s) held as on March 31, 2018 is as follows:

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

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

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

[#]He resigned from the office of Directorship w.e.f. May 28, 2018.

Declaration by Independent Directors

The Company has received the necessary declarations from each Independent Director that he/she meets the criteria of independence in terms of Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulation.

Independent Directors' Meeting

In terms of the Section 149 of the Companies Act, 2013 read with Schedule IV of the Act and Regulation 25 of the Listing Regulation, the meeting of Independent Directors of the Company was held on February 12, 2018, inter-alia to review:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company;
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The required information as enumerated in Regulation 17(7) read with Schedule II of the Listing Regulation is made available to the Board of Directors for discussions and consideration at various Board Meetings held during the reporting period.

b) Number of Board Meetings:

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis. The Board must meet at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional board meetings are convened to address the specific requirement of the Company.

The agenda for the Board Meeting broadly covers the information required as enumerated in Regulation 17(7) read with Schedule II of the Listing Regulation. The Company Secretary under the direction of the Chairman and in consultation with the Whole-time Director and the Chief Financial Officer prepares the detailed agenda for the meetings. The agenda along with the notes to agenda are circulated well in advance to the Board members, in case of sensitive agenda matters, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The Members of the Board have full freedom to express their opinion and have unfettered access to information of and about the Company. All the decisions are taken after detailed deliberations by the Board Members at their meetings which were held as follows:

Five (5) Board Meetings were held during the financial year ended March 31, 2018. These were held on May 26, 2017, July 07, 2017, August 11, 2017, November 14, 2017 and February 12, 2018 and the intervening gap between two board meetings did not exceed one hundred and twenty days (120 days). The Previous Annual General Meeting of the Company was held on September 20, 2017.

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

Name of Directors	No. of Board Meetings attended	Attended Previous Annual General Meeting
Mr. Nitin Shah	5	Yes
Mr. Prakash Shah	5	Yes
Mr. Paresh Shah	4	Yes
Ms. Shubhada Jahagirdar	5	Yes
Dr. Shrikant Parikh	4	Yes
Prof. Venugopal Iyengar	5	Yes
Dr. Roopkishan Dave*	3	No

* *Dr Roopkishan Dave resigned from the office of Directorship of the Company w.e.f. 14th November, 2017.*

c) Relationship between the Directors inter-se:

Mr. Nitin Shah, Chairman & Managing Director, Mr. Prakash Shah, Whole-time Director of the Company are related to each other as they are brothers. 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) Familiarization Programme imparted to Independent Directors:

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

All Independent Directors are made aware about the new projects to be undertaken by the Company and about various departments of the Company and their functioning. Further Independent Directors are briefed regarding the operations of various departments under respective functional heads.

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

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

f) Risk Management:

The Company 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 of the Company. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is an integral part of critical business activities, functions and processes. The risks are reviewed for the change in nature and extent of the major risks identified since the last assessment. Systematic and proactive identification of risks and mitigation thereof enables effective or quick decision making and boosts the performance of the organisation.

3. COMMITTEES OF THE BOARD:

The Board Committees play a vital role in improving Board's effectiveness in areas where more focused and extensive discussions are required. Committees appointed by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters in their areas or purview. Each Committee except Management Committee is guided by the provisions of the Companies Act, 2013 and Listing Regulation, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information and approval.

The Company has the following Committees, namely:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committee);
- iv. Corporate Social Responsibility Committee;
- v. Management Committee.

▪ **AUDIT COMMITTEE:**

a) Brief Description:

The Board has constituted a well-qualified Audit Committee. All the members of the Committee possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's Financial Reporting process to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee acts as a link between the Management, Auditors and the Board of Directors.

The Chief Financial Officer is the permanent invitee to the Audit Committee. The Company Secretary acts as the secretary to the Committee. The Statutory Auditors, the Internal Auditors and Executives of the Company are also invited to the Audit Committee Meetings, whenever required.

b) Terms of reference:

The primary responsibilities and role of the Audit Committee, inter-alia, are:

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

- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

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

c) Composition of the Committee:

The composition of the Audit Committee of the Company is in accordance with the provisions of Section 177 of the Companies Act, 2013 and in terms with Regulation 18 of Listing Regulation. The Audit Committee comprises of three (3) Members out of which two (2) are Independent Director and one (1) Executive Director of the Company.

Five (5) meetings of the Audit Committee were held during the financial year. These were held on May 26, 2017, July 07, 2017, August 11, 2017, November 14, 2017 and February 12, 2018. The attendance at each committee member was under:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Dr. Shrikant Parikh	Chairman	Non-Executive, Independent Director	5	4
2.	Prof. Venugopal Iyengar	Member	Non-Executive Independent Director	5	5
3.	Mr. Prakash Shah	Member	Executive Director	5	5

▪ **NOMINATION & REMUNERATION COMMITTEE:**

a) Brief Description:

The Nomination and Remuneration Committee ("NR 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 said Committee of the Company is entrusted with role of formulating criteria for determining for appointment and re-appointment of Directors, Key Managerial Personnel and senior management personnel along with devising a policy for remuneration payable to them.

b) Terms of reference:

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

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

c) Composition of the Committee:

The composition of the NR Committee of the Company is in accordance with the provisions of Section 178 of the Companies Act, 2013, and in terms with Regulation 19 of Listing Regulation. The NR Committee comprises of three (3) Independent Directors of the Company. The Company Secretary acts as the Secretary to the Committee. Consequent to the resignation of Dr. Roopkishan Dave, the NR Committee was reconstituted with the appointment of Ms. Shubhada Jahagirdar with effect from 14th November 2017.

Three (3) meetings of the NR Committee were held during the financial year 2017-2018. These were held on May 26, 2017, August 11, 2017 and February 12, 2018. The attendance of each committee member at the meetings was under:

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

* Dr. Roopkishan Dave resigned from the office of directorship of the Company w.e.f. 14th November, 2017 and Ms. Shubhada Jahagirdar was appointed as the member of the Committee at the Board meeting held on 14th November, 2017.

d) Performance Evaluation Criteria for Independent Directors:

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

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

- Possession of sufficient skills, experience and level of preparedness which allows the person to clearly add value to discussions and decisions

- Attendance and active contribution to all Board debates and discussions
- Collaboration and encouragement of healthy discussion among Board members
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings

To improve the effectiveness of the Board and its Committees as well as individual Directors, a formal and rigorous Board review/evaluation is internally undertaken on an annual basis. For the financial year 2017-18, the process took the form of questionnaires followed by structured review with Independent and Executive Directors, Board of the Company and Committees of the Board.

e) Disclosure of Remuneration paid to Director:

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

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

Mr. Nitin Shah, Chairman and Managing Director, and Mr. Prakash Shah, Whole-time Director, were appointed w.e.f. April 01, 2016 and Mr. Paresh Shah, Executive Director and Chief Executive Officer (CEO) was appointed w.e.f. November 05, 2016.

Details of remuneration paid to Executive Directors for the year ended March 31, 2018 are as under:

Executive Director	Designation	Remuneration during 2017-18			
		All Elements of remuneration package i.e. salary, allowances and other benefits, etc.	Fixed Component and performance linked incentives along with the performance criteria	Service Contract, Notice Period, severance fees	Stock Options details, if any
Mr. Nitin Shah	Chairman & Managing Director	₹ 48.75 lakhs Refer Note a) to c)	Nil	Refer Note b)	Nil
Mr. Prakash Shah	Whole-time Director	₹ 29.37 lakhs Refer Note a) to c)	Nil	Refer Note b)	Nil
Mr. Paresh Shah	Executive Director & Chief Executive Officer	₹ 11.56 Lakhs Refer note a) to c)	Nil	Refer Note c)	Nil

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

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

Non-Executive Directors are paid remuneration by way of sitting fees for attending the Board and Committee meetings. The details of the sitting fees paid to the Non-Executive Directors for the financial year ended March 31, 2018 are as under:

Name of the Non-Executive Director	Sitting Fees paid for the F.Y. 2017-18
Prof. Venugopal Iyengar	₹ 115,000
Dr. Shrikant Parikh	₹ 110,000
Dr. Roopkishan Dave*	₹ 40,000
Ms. Shubhada Jahagirdar	₹ 75,000

*Resigned from the office of Directorship w.e.f. November 14, 2017.

STAKEHOLDERS RELATIONSHIP COMMITTEE (Formerly known as Shareholders'/Investors' Grievance Committee):

a) Brief Description:

The primary objective Stakeholders Relationship Committee of the Company is to consider and resolve the grievances of security holders/members of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

b) Terms of reference:

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

- Redressal of the grievances of the security holders/members of the Company include complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
- Demat, Remat, Transfer/Transmission/Name Change/Deletion/Modification of any Securities and its review.
- Carrying out any other function as prescribed under the Listing Regulation, the Companies Act and other Applicable Law.

c) Composition of the Committee:

As on March 31, 2018, the Stakeholders' Relationship Committee comprises of two (2) Independent Directors and one (1) Executive Director. The Company Secretary is the Secretary to the said Committee.

One (1) meeting of the Stakeholders' Relationship Committee was held during the financial year 2017-2018 i.e February 12, 2018. The attendance of each committee member was under:

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

d) Compliance Officer:

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

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

Ms. Neha Sunil Bagla

Company Secretary & Compliance Officer

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

Mumbai – 400021

Tel: +91 22 66816400

Fax: +9122 22822030

Email : investors@allieddigital.net

e) Investor's/Shareholders' Grievance Redressal:

During the financial year under review, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to the non-receipt of annual report. All the complaints were resolved to the satisfaction of the investors.

The Status of the Investors Complaints as on March 31, 2018 is as follows:

Source of Complaint	No. of Complaints received	No. of Complaints resolved	Not resolved to the satisfaction of shareholders	No. of Complaints Pending
Directly from Investors	24	24	0	0
Through SEBI, Stock Exchanges.	1	1	0	0
Total	25	25	0	0

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

▪ **MANAGEMENT COMMITTEE:**

a) Brief Description:

The Management Committee was constituted by the Board on April 28, 2009. Committee is entrusted with the operational and administrative power. The Committee comprises of three (3) Executive Directors of the Company i.e. Mr. Nitin Shah, Mr. Prakash Shah and Mr. Paresh Shah.

b) Meeting of the Management Committee:

During the Financial Year 2017-18, no Management Committee Meeting was held as no business agenda was transacted which needed urgent approval of the committee on the operational matters which comes under the purview of the said committee.

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

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

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

a) **Brief Description:**

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

b) **Terms of reference:**

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

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on activities referred under the CSR Policy;
- Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company;
- Monitor the CSR policy from time to time.

c) **Composition of the Committee:**

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

During the year under review, **One (1)** meeting of CSR Committee was held on February 12, 2018. The detailed composition and attendance of the CSR Committee is given below:

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

The Company had cash crunch due to Pune City Surveillance Project and company is in process of evaluating the projects as per schedule VII of the Companies Act, 2013 to spend the CSR amount wisely on the social projects.

4. **GENERAL BODY MEETINGS:**

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

Financial Year	Day, Date, Time and Venue of AGM	Particulars of Special Resolution(s)
2016-17	<p>Day and Date Wednesday, September 20, 2017</p> <p>Time 04:00 P.M.</p> <p>Venue: Walchand Hirachand Hall, 4th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai – 400020</p>	To appoint Mr. Paresh Shah (DIN: 05117129) as Executive Director and Chief Executive Officer of the Company for a period of three years.

Financial Year	Day, Date, Time and Venue of AGM	Particulars of Special Resolution(s)
2015-16	Day and Date Monday, September 26, 2016 Time 04:00 P.M. Venue: Walchand Hirachand Hall, 4 th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai – 400020	1. To re-appoint Mr. Nitin Shah (DIN: 00189903) as Managing Director of the Company for a period of five years; 2. To re-appoint Mr. Prakash Shah (DIN: 00189842) as Whole-time Director of the Company for a period of five years; 3. 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.
2014-15	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

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

Postal Ballot: There was no special resolution passed through the Postal Ballot during the Financial Year 2017-18.

5. DISCLOSURES:

i. Related Party Transactions:

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

All Related Party Transactions that were entered into during the financial year under review were on arm’s length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Companies Act and the Listing Regulation. There was no transactions/contracts/arrangements with related party(ies), which are required to be reported in Form AOC-2.

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

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

ii. Compliances by the Company:

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

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

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

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

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

iv. Mandatory & Non-mandatory requirement:

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

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

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

The Company has formulated and adopted a Policy for determining Material Subsidiary in line with the requirements of the Listing Regulation. The Policy aims to set out the principles for determining a material subsidiary. The Policy on the Material Subsidiary is available on the website of the Company at: https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_Material_Subsidiaries.pdf.

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

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

vii. Means of Communication:

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

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

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

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

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

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

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

viii. Code of Conduct:

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

6. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting detail:

Date :	September 03, 2018	
Time:	04:00 P.M.	
Venue:	Walchand Hirachand Hall, 4 th Floor, IMC Building, Indian Merchant Chamber Marg, Churchgate, Mumbai - 400 020	
Financial Year :	April 1, 2017 to March 31, 2018	
Financial Calendar (Tentative):	Financial Reporting for:	
	For the Quarter ended	Tentative Date
	June 30, 2018	By August 14, 2018
	September 30, 2018	By November 14, 2018
	December 31, 2018	By February 14, 2019
	March 31, 2019	By May 30, 2019
Book Closure date:	August 28, 2018 to September 03, 2018 (both days inclusive)	
Registered Office of the Company:	Premises No. 13A, 13 th Floor, Earnest House, NCPA Road, Block III, Nariman Point Mumbai - 400 021. Email: investors@allieddigital.net Website: www.allieddigital.net	
List of Stock Exchanges where the Shares of the Company are listed:	National Stock Exchange of India Limited (NSE)(Stock Code/ Symbol: ADSL) Address: Exchange Plaza, Plot No. C-1,Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 Tel.: +91-22-26598100/8114, Fax: +91-22-26598120	
	BSE Limited (BSE) (Stock Code/ Script Code: 532875) Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel.: +91-22-22721233/4, Fax: +91-22-22721919	
Listing Fees and Custodian Fees to Depositories	The Company has paid Annual Listing fees for the year 2017-2018 to both the Stock Exchanges and the Company has paid annual custodian fees to each of the depositories based on the number of folios as on March 31, 2018.	
ISIN of Company’ Equity Shares:	INE102I01027	
Corporate Identification Number (CIN):	L72200MH1995PLC085488	

B. Registrar and Share Transfer Agent:

For both Physical and Demat (Common Registrar)

Link Intime India Private Limited,

C-101, 247 Park, L B S Marg,
Vikhroli West, Mumbai- 400083.

Tel. No. : +91-022-49186270

Fax No. : +91-22-49186060

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

C. Dividend:

With a view to conserve cash reserves to meet current financial obligations of the Company, the Directors of your Company do not recommend any dividend for financial year 2017-18.

D. Share Transfer System:

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

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

E. Distribution of Share Holding as on March 31, 2018:

Equity Shares slabs	Shareholders		Shares	
	Number	Percentage (%)	Number	Percentage (%)
1-500	18194	79.51	25,64,267	5.11
501-1000	2071	9.05	17,54,805	3.50
1001-2000	1117	4.89	17,23,486	3.43
2001-3000	461	2.01	11,83,298	2.36
3001-4000	219	0.96	7,90,210	1.58
4001-5000	209	0.91	9,93,662	1.98
5001-10000	311	1.36	23,31,380	4.64
> 10001	302	1.32	3,88,64,420	77.41
TOTAL	22884	100.00	5,02,05,528	100.00

F. Category wise Shareholding as at March 31, 2018:

Category	No. of Shares Held	Percentage to total Number of Shares (%)
Promoters, Directors & Promoter Group*	2,41,77,368	48.16
Person Acting in Concert	4,08,212	0.81
Foreign Portfolio Investors	20,000	0.04
Foreign Institutional Investor	0	0
Individual (Public)	1,84,86,955	36.82
Overseas corporate bodies	14,90,000	2.97
Foreign Individuals or NRI	24,87,846	4.96
Any other	31,35,147	6.24
Total	5,02,05,528	100.00

*4018801 Equity Shares allotted to Mr. Nitin Shah and Mr. Prakash Shah, the listing approval of the said shares is still pending from NSE.



G. Dematerialization of Shares:

As on March 31, 2018, 44,646,571 equity shares representing 88.93% of the total equity share capital of the Company were held in dematerialised form with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The break-up of equity shares held in physical and dematerialized form as of March 31, 2018 is given below.

Particulars	No. of Shares	Percentage (%)
Physical Shares	15,40,156	3.07
*Equity Shares allotted to promoters	40,18,801	08.00
Held in dematerialised form in CDSL	88,80,374	17.86
Held in dematerialised form in NSDL	3,57,66,197	71.07
Total	5,02,05,528	100.00

*40,18,801 Equity shares are allotted in dematerialised form to promoters pursuant to conversion of warrants for which an application for listing was made to the stock exchanges and the listing approval is received from BSE Limited on June 05, 2017 and the Listing Approval for National Stock Exchange of India Limited is still awaited for said number of shares.

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

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

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

J. E-mail ID for Investor's Grievances:

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

K. Address for Correspondence

For general correspondence:

Company Secretary
Allied Digital Services Limited,
 Premises No. 13A, 13th Floor, Earnest House,
 NCPA Road, Block III, Nariman Point Mumbai - 400 021
 Tel: +91 22 6681 6400
 Fax: +91 22 2206 4170
 Email: investors@allieddigital.net
 Website: www.allieddigital.net

For any other query relating to shares:

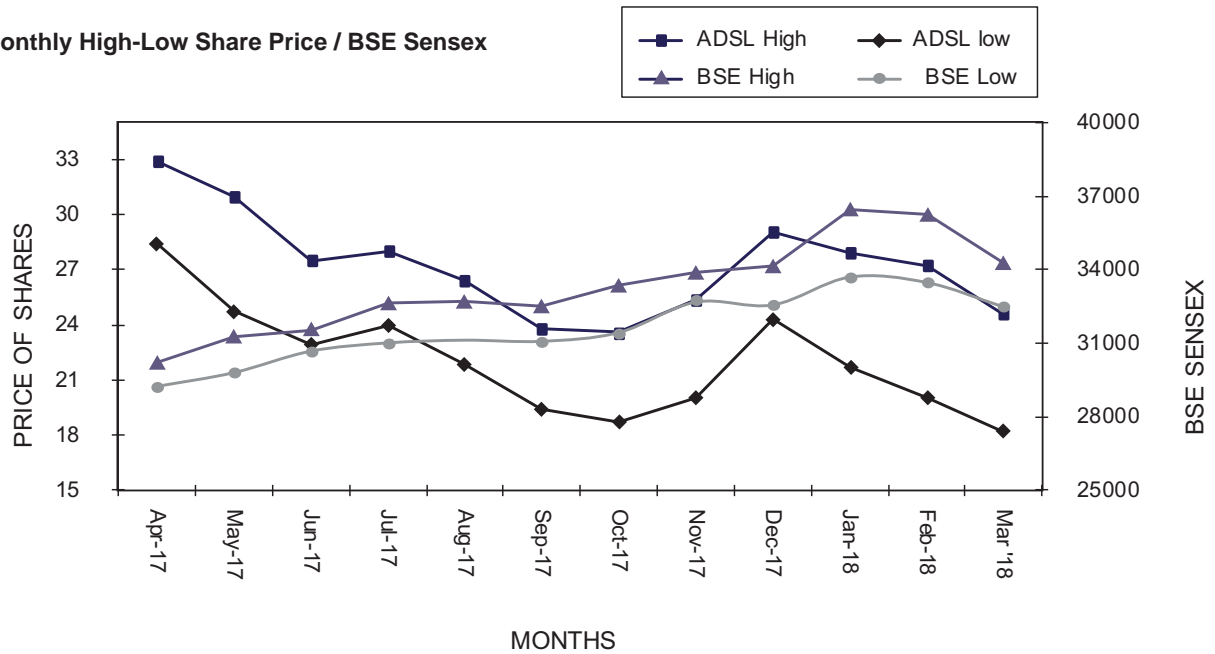
Link Intime India Private Limited
 C-101, 247 Park, L B S Marg,
 Vikhroli West, Mumbai - 400083.
 Tel: +91 22 49186270
 Fax: +91 22 49186060
 E-mail: rnt.helpdesk@linkintime.co.in
 Website: www.linkintime.co.in

L. Market information:

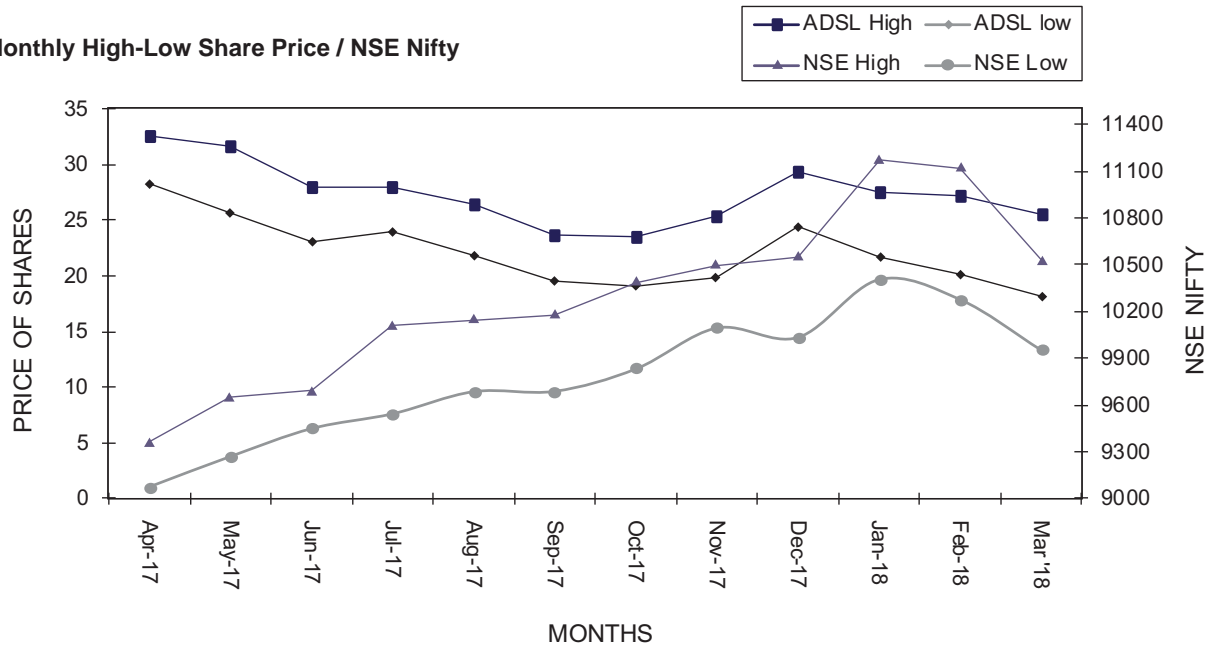
Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from April 01, 2017 to March 31, 2018 are noted herein below:

Month	ADSL on BSE		SENSEX		Volume	ADSL on NSE		S & P CNX Nifty		Volume
	High	Low	High	Low		High	Low	High	Low	
Apr-17	32.90	28.40	30184.22	29241.28	352708	32.50	28.30	9367.15	9075.15	607600
May-17	31.00	24.80	31255.28	29804.12	336181	31.60	25.60	9649.50	9269.90	584282
Jun-17	27.50	22.90	31522.87	30680.66	319120	28.00	23.00	9698.85	9448.75	463542
Jul-17	28.00	24.00	32672.66	31017.11	325322	27.95	24.00	10114.90	9543.55	448073
Aug-17	26.40	21.90	32686.48	31128.02	329563	26.40	21.85	10137.90	9685.55	530676
Sep-17	23.80	19.45	32524.11	31081.83	370965	23.60	19.50	10171.70	9687.55	868688
Oct-17	23.65	18.75	33340.17	31440.48	437301	23.50	19.00	10384.50	9831.05	910736
Nov-17	25.40	20.00	33865.95	32683.59	998420	25.40	19.90	10490.50	10094.00	1855966
Dec-17	29.05	24.30	34137.97	32565.16	665206	29.40	24.50	10552.40	10033.40	1369421
Jan-18	27.95	21.65	36443.98	33703.37	407737	27.50	22.25.25	11171.60	10404.65	897113
Feb-18	27.20	20.00	36256.83	33482.81	299982	27.15	20.20	11117.40	10276.3	881554
Mar-18	24.55	18.15	34278.63	32483.84	251953	25.45	18.20	10525.5	9951.90	734472

Monthly High-Low Share Price / BSE Sensex



Monthly High-Low Share Price / NSE Nifty



7. Discretionary Requirements under Regulation 27 of Listing Regulation:

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

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

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

Modified Opinion in Auditor's Report: The Auditors' Report on Company's Standalone and Consolidated Financial Statements for the financial year ended March 31, 2018 is unmodified.

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

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

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

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

9. CEO and CFO Certification:

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

10. Certificate on Corporate Governance:

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