ABM

ABM KNOWLEDGEWARE LTD.

25TH ANNUAL REPORT 2017 - 2018

Smart City Solution

E-Municipality

Cyber Security

ERP Practice / SAP Implementation

Smart Water Management

Accounting Reforms / Automation

Automated Integrated Building Planning Management

Tourism Portal

FY 2017-18 Glance

ABM won two State-wide projects this year in Chattisgarh & Punjab

ABM is now the only company in India which is awarded contracts for 5 state-wide implementations in space of municipal governance and rendering its services to more than 1000 Urban Local bodies

ABM delivered 3.1 Crores G2B & G2C services in FY 2017-18

It is a seven-fold increase in mere 8 years. This boosts the reputation of ABM as a company which truly enables e-governance rather being satisfied with only high visibility launches of the projects which many times fail to give citizen services consistently over long period of time.

ABM listed among top 10 faster growing ERP solution Provider by Insights Success

ABM was marked as India's first choice for e-Municipality & e-governance solutions and rated among top 10 faster growing ERP Solution Provider by Insights Success. It is a US based 'Best Business Magazine' for enterprises.

ABM wins SKOCH Award 2018

ABM bagged SKOCH ACHIEVER PLATINUM AWARD which is the Highest Independent honor. These Awards are based on the philosophy of spearheading positive socio-economic changes through recognising persons (organisations) who have contributed immensely to salutary transformations in society and governance by displaying exemplary leadership abilities.

ABM is now certified with ISO 20000-1:2011

This certificate is for Information Technology Service Management System of ABM. This certification confirms the commitment and dedication of ABM in its service delivery to our esteemed customers.

BOARD OF DIRECTORS

PRAKASH B. RANE (Managing Director)
SUPRIYA P. RANE
SHARADCHANDRA D. ABHYANKAR
SANJAY B. MEHTA
DR. SUMIT D. CHOWDHURY

Registered Office

ABM House, Plot No. 268, Linking Road, Bandra (West), Mumbai- 400 050.
Tel.: +91 22 42909700 •Fax: +91 22 42909701
CIN: L67190MH1993PLC113638
E-mail: egovernance@abmindia.com •www.abmindia.com

Auditors

M/s. Borkar & Muzumdar

Bankers

CANARA BANK

Registrars & Share Transfer Agents

M/s. Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas,
Mahakali Caves Road, Andheri (E), Mumbai 400 093.
Tel.: +91 22 28207203 - 05 / 28257641

Company Secretary

Sarika Ghanekar
E-mail : cs@abmindia.com

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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of **ABM KNOWLEDGEWARE LIMITED** will be held on Wednesday, the 8th day of August, 2018 at 10.30 a.m. at 1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai- 400 014 to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31st March, 2018 and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2018.
3. To appoint a Director in place of Mrs. Supriya P. Rane (DIN 00152890), who retires by rotation and being eligible, offers herself for re-appointment.

AS SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to Section 196, 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification from time to time or any re-enactment thereof for the time being in force), and subject to the approval of Central Government, as may be required and pursuant to the resolution passed at the 22nd Annual General Meeting of the Company held on 20th August, 2015 for re-appointment of Mr. Prakash B. Rane (DIN: 00152393) as Managing Director of the Company for a period of 5 years with effect from 1st April, 2015 to 31st March, 2020 the consent of the Members of the Company, be and is hereby accorded for payment of remuneration to Mr. Prakash B. Rane as Managing Director of the Company for the remaining period of his present term of appointment upto 31st March, 2020 with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and / or remuneration, from time to time based on the recommendations of the Nomination and Remuneration Committee.

   A) Remuneration :

   a) **Basic Salary:** In the scale of ₹ 10,50,000/- per month to ₹ 15,50,000/- per month with the authority to Board at its absolute discretion, upon recommendation of Nomination and Remuneration Committee to fix the salary within the scale from time to time.

   b) In addition to the aforesaid basic salary, he shall be entitled to following Allowances and Perquisites:

      i) Reimbursement of medical expenses incurred for himself and his family.

      ii) Leave Travel Allowance including expenses like travel, fare, lodging, boarding, conveyance and other incurred for self and family during leave / holiday travel periods, whenever undertaken, in India for an amount not exceeding of ₹ 3,50,000/-.

      iii) House Rent Allowance will be payable as per the rules of the Company.

      iv) Actual Fees of clubs including admission and membership fee.

      v) Actual premium for Personal Accident insurance policy and premium on Mediclaim policy.

      vi) Provision of Credit Cards for use of Company's business.

vii) Reimbursement of Gas, Electricity and water charges at residence.

viii) Use of vehicles for official purpose including payment of fuel costs, repairs, maintenance, running expenses and driver's salary.

ix) Payment or reimbursement of telephone, mobile, fax, internet connectivity and other communication facilities at residence.

x) Reimbursement of all cost, charges and expenses including entertainment expenses as may be incurred for the purpose of or on behalf of Company.

xi) Gratuity payable as per rules of the Company.

xii) Leaves with full pay or encashment thereof for un-availed leaves as per the rules of the Company.

xiii) Company's Contribution towards Pension Scheme or Superannuation Fund and Provident Fund at rates as per Company's rules.

xiv) All other payments or reimbursements in nature of perquisites and allowances agreed by Board of Directors from time to time.

B) Commission: Commission as determined by the Board of Directors on recommendation of Nomination and Remuneration Committee, which will be payable at end of each financial year after the annual accounts are approved by the Board, provided that the remuneration paid as Basic Salary, Allowances, Perquisites, and Commission shall not exceed the overall ceiling laid down under Section 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions as may for time being in force.

Perquisites shall be evaluated as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. However, contribution towards pension scheme, superannuation fund, provident fund, gratuity fund, use of vehicles, credit cards for official purposes, Telephone, internet connectivity and other communication facilities at residence, and encashment of un-availed leave at the end of the year shall not be treated as perquisites.

C) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of office of the Managing Director, the Company has loss, no profits or its profits are inadequate, the Company will pay a minimum remuneration by way of salary, allowances and perquisites not exceeding the higher of the limits laid down under Schedule V of the Companies Act, 2013 and rules made thereunder or any statutory modifications and / or re-enactment thereof.

D) Overall Remuneration:

The aggregate of salary, allowances, perquisites and commission in any one financial year shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule V of the Companies Act, 2013 or such other limits as may be prescribed, from time to time.

RESOLVED FURHTER THAT in event of no profits or inadequacy of profits, in any financial year, during the currency of the term of Mr. Prakash B. Rane, consent of the members of the Company be and is hereby accorded to double the limits of managerial remuneration laid down in Schedule V, Part II of Section II (A) of the Companies Act, 2013, as applicable to the Company and in compliance with provisions stipulated therein.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to alter, amend or vary the terms and conditions of the appointment including remuneration structure as may be agreed to between the Board of Directors and Mr. Prakash B. Rane subject to the limits within such guidelines or amendments as may be made to the Companies Act, 2013 or subject to approval of the Central Government or such other authority, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof and Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as in its absolute discretion it may think necessary, expedient or desirable in order to give effect to this resolution."

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

   "RESOLVED THAT pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Devendra Parulekar (DIN 06705320), being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold the office for a term of 5 (five) consecutive years for a term commencing 10th August, 2018 upto 9th August, 2023."

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

   "**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any shareholder by the Company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least 10 (ten) days in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution including determination of the estimated fees for delivery of the document to be paid in advance."

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

3. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members

holding in the aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

4. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.

5. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 2nd August, 2018 to Wednesday, 8th August, 2018 (both days inclusive).

7. The dividend for the financial year ended 31st March, 2018, as recommended by the Board, if declared at the AGM, will be paid to those members whose name appears on the Register of Members of the Company as on 8th August, 2018 in case of physical shares, and to those members who hold the shares in demat form, as per the beneficiary position given by NSDL / CDSL.

8. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts; will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

9. Members holding shares in physical form are requested to intimate any changes in their address and / or bank mandate to Company's Registrar & Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd.

10. Members of the Company had approved the appointment of M/s. Borkar & Muzumdar, Chartered Accountants, as the Statutory Auditors at the Twenty First AGM of the Company which is valid till Twenty Sixth AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

11. The Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and Bank Account Details by every participant in securities market. Members holding shares in demat form, are therefore, requested to submit PAN and Bank Account details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN and Bank Details details to M/s. Universal Capital Securities Pvt. Ltd. or to the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheques should bear the name of the member. In the alternative Members can submit a copy of bank passbook / statement attested by the bank.

12. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with Depository Participants(s). Members who have not

registered their e-mail address with the Company can register the same by sending mail to M/s. Universal Capital Securities Pvt. Ltd. or to the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.

14. The Company has sent Notice of the AGM, Annual Report and Attendance Slip in electronic mode to the shareholders who have registered their e-mail addresses with the Company / Depository Participant(s). However, an option is available to the shareholders to continue to receive the physical copies of the documents / Annual Reports by making a specific request quoting their Folio No. / Client ID & DP ID to Company / Registrar & Transfer Agent. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s).

15. Pursuant to Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company requests all the shareholders to encash / claim their respective dividend during prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 27th July, 2017 (date of last AGM) are available on the website of the Company www.abmindia.com and on Ministry of Corporate Affairs' website. The Shareholders whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority http://iepf.gov.in/IEPFA/refund.html.

16. Members are requested to bring their copies of Annual Report, Notice and Attendance slip duly completed and signed at the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at Meeting.

17. All the documents referred to in accompanying Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

18. PROCEDURE FOR E-VOTING:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the members facility to exercise their right to vote on resolutions proposed to be considered at the 25th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. 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 shareholders who do not have access to electronic voting facility to send their assent or dissent may send it through ballot paper. Shareholders are requested to contact compliance officer of the Company for ballot paper.

III. 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.

IV. The e-voting period commences on 5th August, 2018 (9:00 am) and ends on 7th August, 2018 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st August, 2018. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 1st August, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Registrar of the Company .

VI. The details of the process and manner for remote e-voting are explained herein below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

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

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password' ?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN"in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm"when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ucshukla@rediffmail.com with a copy marked to evoting@nsdl.co.in.

VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

X. Mr. Upendra Shukla, Practising Company Secretary (Membership No. FCS 2727) has been appointed as the Scrutinizer for providing facility to the members of Company to scrutinize the e-voting process in a fair and transparent manner.

XI. The Chairman of the Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XII. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.abmindia.com and on the website of NSDL immediately after the declaration of result by the Chairman of the meeting or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

19. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready.

20. Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Directors being appointed and Director retiring by rotation and being eligible, seeking re-appointment at the AGM are as under:

I

Name	**Mrs. Supriya P. Rane**
Date of Birth	19/04/1969
DIN	00152890
Age	49 years
Date of Appointment on Board	27/04/2000
Qualification	BE (Electronics), Postgraduate Diploma in System Management
Expertise in specific functional areas	Systems and Processes
Other Directorships	Nil
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil
No. of Shares held in the Company	24,54,000 equity shares of ₹ 5/- each
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Mrs. Supriya P. Rane is wife of Mr. Prakash B. Rane, Managing Director. He is holding 95,42,300 Equity Shares of the Company.

II

Name	**Mr. Devendra Parulekar**
Date of Birth	02/03/1976
DIN	06705320
Age	42 years
Qualification	B.Com, Master of Management Studies, Operations
Expertise in specific functional areas	Information Technology, Cyber Security
Other Directorships	Nil
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil
No. of Shares held in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	None

By Order of the Board of Directors

Sarika Ghanekar
Company Secretary

Mumbai, May, 30, 2018
Corporate Identification Number (CIN):L67190MH1993PLC113638

Registered Office:
ABM House, Plot No. 268, Linking Road,
Bandra (W), Mumbai- 400 050.
Tel: 91 22 42909700 Fax: 91 22 42909701
E-mail: egovernance@abmindia.com, Website: www.abmindia.com

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 4

The Shareholders of the Company had in their 22nd Annual General Meeting held on 20th August, 2015, approved the re-appointment of Mr. Prakash B. Rane as Managing Director for a period of 5 years with effect from 1st April, 2015 to 31st March, 2020 and remuneration for a period of 3 years from 1st April, 2015 to 31st March, 2018.

Further, the present proposal is to seek Shareholders' approval for the payment of remuneration to Mr. Prakash B. Rane for remainder of his term i.e. from 1st April, 2018 to 31st March, 2020.

Mr. Prakash B. Rane is B. Tech., M.M.S. and has been associated with the Company for last 20 years. Mr. Prakash Rane oversees the overall management and functioning of the Company. He supervises the functioning of various departments in the Organisation. He is sole Executive Director taking care of Company's Business. He has demonstrated remarkable skills in achieving sustained growth in areas like Customer Satisfaction, Profitability, Value to Shareholders, Category Leadership in business segment, Company Reputation, Geographical expansion etc. In view of the valuable contributions towards overall development and strategies of the Company, the Board of Directors recommends this resolution to be passed as Special Resolution by the Members of the Board at the ensuing Annual General Meeting.

Taking into consideration the duties and responsibilities of the Managing Director, prevailing managerial remuneration in industry and significant growth achieved by the Company, the Board of Directors of the Company in its Meeting held on 9th February, 2018 had pursuant to recommendation of Nomination and Remuneration Committee and subject to approval of Members, approved remuneration of Mr. Prakash B. Rane as Managing Director for a period of two years w.e.f.1st April, 2018 to 31st March, 2020 on such terms and conditions laid out in the resolution mentioned in Item no.4.

Notwithstanding anything to the contrary contained herein, wherein any financial year during the currency of the tenure of Mr. Prakash B. Rane, the Company has no profits or its profits are inadequate, the company shall pay remuneration not exceeding the higher of the limits laid down in Part II of Section II (A) of Schedule V to the Companies Act, 2013, subject to the approval of shareholders of the Company by way of a special resolution. However, as a matter of clarification, the proposed special resolution shall be considered as the relevant special resolution for the purpose of increase (double) in the limits i.e. limit based on the effective capital of the Company as specified in the Schedule V.

Further, the limits specified under Part II of Section II (A) of Schedule V of the Companies Act, 2013, requires the Company to provide the below listed information:

A . General Information				
a)	Nature of Industry	Information Technology (software & Services)		
b)	Date or expected date of commencement of commercial production	Commenced business in 1993		
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
d)	Financial performance based on given indicators	F.Y. 2017-2018	Sales & Other income ₹ 74,09,37,737	Profit /Loss before Tax ₹ 19,15,68,706
e)	Foreign investments or collaborations, if any.	Not Applicable		

B . Information about the appointee:	
a) Background details	Mr. Prakash B Rane is Founder and Managing Director of the Company, a qualified B. Tech., M.M.S. and has been associated with the Company for the last 20 years. The Shareholders at 22nd Annual General Meeting held on 20th August, 2015 has approved the appointment of Mr. Prakash B. Rane as Managing Director for 5 years upto 31st March, 2020.
b) Past remuneration	Basic Salary of ₹ 6,50,000/- p.m. in the Financial Year 2017-2018.
c) Recognition or awards	i) Recognized as one of the "50 Inspiring Entrepreneurs of India" by Economic Times; ii) Won the prestigious JMCCI "National Level Entrepreneurship Award"; iii)Recipient of Skoch Challenger Award from SKOCH Group.
d) Job profile and his suitability	Having more than 25 years of experience in IT and related areas. He oversees the overall management and functioning of the Company. He supervises the functioning of various departments in the Organisation.
e) Remuneration proposed	₹ 10,50,000/- per month to ₹ 15,50,000/- per month
f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is commensurate with the remuneration paid to similar senior level in other Companies.
g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Prakash B. Rane is one of the Promoters of the Company holding 95,42,300 Equity Shares singly. His wife, Mrs. Supriya Rane is also holding 24,54,000 Equity Shares. Together with her and other relatives, Mr. Prakash B Rane is holding 60.01% of the total paid up capital.
B . Other information	
a) Reasons of loss or inadequate profits	Not Applicable for the Financial year ended 31st March, 2018.
b) Steps taken or proposed to be taken for improvement	All economic measures are being adopted to maintain profitability.
c) Expected increase in productivity and profits in measurable terms	The Company is expected to increase the productivity and profits of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives are interested in this Special Resolution financially or otherwise except Mr. Prakash B. Rane. Mrs. Supriya P. Rane, she being related to Mr. Prakash B Rane, and other relatives of Mr. Prakash B. Rane who are deemed to be interested or concerned in this resolution.

The special resolution regarding payment of remuneration to Mr. Prakash B. Rane, Managing Director at Item no. 4 is recommended by the Board for the approval of the members.

ITEM NO. 5

Mr. Devendra Parulekar is management graduate with over 18 years' experience in Information Technology industry with reputed consultancy firm like Ernst and Young (E and Y). He founded Cyber Security practice in E and Y, India and grew it exponentially as Partner and Practice Leader-Cyber Security before moving on to launch his own start up. He also nationally led the eGRC practice in E and Y. He is passionate about technology, coding, photography, playing tennis, swimming and trekking.

In view of his rich experience, the Board expects that with his induction as a Member of the Board, the Company would benefit immensely and he will prove to be an asset to the Company. So it is proposed to appoint Mr. Devendra Parulekar as Independent Director under Section 149 of the Companies Act, 2013 ("Act") and to hold office for 5 (five) consecutive years commencing from 10th August, 2018 up to 9th August, 2023. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Devendra Parulekar for the office of Director of the Company. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Listing Regulations.

In the opinion of the Board, Mr. Devendra Parulekar is a person of integrity and has the relevant expertise and experience and fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and he is an independent of the management.

Brief resume of Mr. Devendra Parulekar, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the notice of the Annual General Meeting and Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Mr. Devendra Parulekar as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Devendra Parulekar as an Independent Director is now being placed before the member for their approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for his respective appointment, and his relative are concerned or interested, financially or otherwise, in this Resolution. The Board of Directors recommends for the Ordinary Resolution at Item No. 5 of this Notice for approval of members.

ITEM NO. 6

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the Company.

The Board of Directors recommends passing of the Special Resolution as set out at Item No. 6 of this Notice.

No Director of the Company, Key Managerial Personnel or their relatives respectively are in any way concerned or interested in the proposed resolution.

By Order of the Board of Directors

Sarika Ghanekar
Company Secretary

Mumbai, May, 30, 2018
Corporate Identification Number (CIN):L67190MH1993PLC113638

Registered Office:
ABM House, Plot No. 268, Linking Road,
Bandra (W), Mumbai- 400 050.
Tel: 91 22 42909700 Fax: 91 22 42909701
E-mail: egovernance@abmindia.com, Website: www.abmindia.com

DIRECTORS' REPORT

To the Members of

ABM Knowledgeware Limited

Your Directors are delighted to present the 25th Annual Report of the Company along with the Audited Financial Statements (Consolidated & Standalone) for the financial year ended 31st March, 2018.

1. FINANCIAL PERFORMANCE OF THE COMPANY (STANDALONE & CONSOLIDATED) :

(In ₹ Thousand)

Particulars	Standalone		Consolidated
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018
Gross Income	7,40,218	11,25,834	7,65,060
Profit Before Interest and Depreciation	2,10,658	3,11,182	2,07,645
Finance Charges	3,158	2,438	3,166
Gross Profit	2,07,500	3,08,744	2,04,479
Provision for Depreciation	15,931	26,746	16,192
Net Profit Before Tax	1,91,569	2,81,998	1,88,287
Provision for Tax	47,025	98,740	47,280
Non-Controlling Interest (on	-	-	2,801
Net Profit After Tax	1,44,544	1,83,258	1,43,808
Surplus - Opening Balance	12,35,411	10,81,804	12,35,411
Amount Available for Appropriation	13,79,954	12,65,062	13,79,218
Other Comprehensive (Income) / Loss (net of tax)	402	443	418
Dividend and Dividend tax paid during the year	30,093	30,093	30,093
Surplus - closing balance	13,50,263	12,35,412	13,49,543

Note: Result for the year ended 31st March, 2018 are in compliance with the Indian Accounting Standards (Ind-AS) notified by Ministry of Corporate Affairs. Consequently result for the year ended 31st March, 2017 and transition date of 1st April, 2016 have been restated to comply with Ind-AS to make them comparable.

2. OPERATIONS OF THE COMPANY :

The last year has been a tougher year due to closure of many long term and profitable contracts. However the geographical spread of the operations of the company has increased and projects of varying sizes were undertaken in 23 states of India compared to 11 states last year. All the projects have been implemented and reached the logical end or are on right track. This has been one of the hallmarks of your company whereby almost all projects undertaken by your company are implemented successfully despite of huge challenges faced during implementation of project. This year includes the operations of the subsidiary Instasafe Technologies Pvt. Ltd. ABM continues to operate from offices in New Delhi, Patna, Mumbai, Bhopal and office of the subsidiary in Bangalore.

3. DIVIDEND:

After considering earnings, requirement of funds and with the objective of rewarding the Shareholders, your Directors have recommended a Final Dividend of 25% (i.e.₹ 1.25/- per Equity Share of Face Value of ₹ 5/- each) for the year ended 31st March, 2018, subject to the approval of Members at the ensuing Annual General Meeting. The dividend, if approved, will result in a cash outflow of ₹ 3,00,92,710/- including dividend distribution tax.

4. TRANSFER TO RESERVES:

Your Directors do not propose to transfer any amount to the General Reserve out of the current year's profit.

5. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 2,93,627/- of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund (IEPF).

6. **SHARE CAPITAL:**

As on 31st March, 2018 the Authorized share capital of your Company was ₹ 12,50,00,000/- consisting of 2,50,00,000 Equity Shares of ₹ 5/- each and paid up equity share capital was ₹ 10,24,15,000/- consisting of 2,00,02,200 fully paid up equity shares and 6,97,800 forfeited equity shares of ₹ 5/- each.

During the year under review, the Company has not issued any shares or Bonus shares. The company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares. The Company has not bought back any of its equity shares.

7. **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

In accordance with the provisions of the Section 152 of Companies Act, 2013, Mrs. Supriya P. Rane, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment. Board recommends her re-appointment.

A brief profile of Mrs. Supriya P. Rane has been given in the Report on the Corporate Governance as well as in the Notice of the ensuing Annual General Meeting of the Company.

Pursuant to provisions of Section 149 of the Companies Act, 2013, your Board of Directors are seeking the appointment of Mr. Devendra Parulekar as an Independent Director for 5 (five) consecutive years commencing 10th August, 2018 up to 9th August 2023.

The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at www.abmindia.com. The Company has issued a formal letter of appointment to the Independent Director in the manner as provided in the Companies Act, 2013. The terms and conditions of the appointment have been disclosed on the website of the Company.

There has been no change in the Key Managerial Personnel (KMPs) of your Company during the year under review.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees, forms part of the Corporate Governance Report of this Annual Report. Annual Board Evaluation process for Directors has also been provided under the Report on Corporate Governance.

8. **MEETINGS:**

During the year five Board Meetings and five Audit Committee Meetings were convened and held. For the details of the meetings of the Board and its Committees, please refer to the Report on Corporate Governance, which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

9. PUBLIC DEPOSITS:

During the year under review, your Company did not accept any public deposits under Chapter V of Companies Act, 2013 and no amount on account of principal and interest on public deposits was outstanding on the date of the balance sheet.

10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

InstaSafe Technologies Private Limited ("InstaSafe"), a subsidiary of your Company, is a leading Cloud based Security-as-a-Service solution provider delivering comprehensive and uncompromising protection to mobile and remote workers enabling them to safely and securely access enterprise apps, email and web from anywhere on any network.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiary company in Form AOC 1 is attached herewith. The separate audited financial statements in respect of the subsidiary company shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any member of the Company interested in obtaining the same.

As on 31st March, 2018 the Company does not have any Joint venture or Associate Company.

11. PERFORMANCE OF SUBSIDIARY COMPANY:

Cybersecurity is one of the foremost challenges of the digital age. The global growth of networks and data, fuelled by technological innovation, has enabled society to make quantum leaps & breakthroughs. This rapid, sweeping change has also created a long-term challenge: managing inherent security risks in an increasingly interconnected world economy as hacking threats escalate. InstaSafe was founded with the mission to make organizations more safe, secure & productive by leveraging the power of the cloud by an experienced cross functional team.

InstaSafe products include:

InstaSafe Secure Access - (A Next Generation Cloud Based Secure Access Solution) - InstaSafe Secure Access solution provides an identity based granular access control solution based on the principles of Software Defined Perimeter (SDP). SDP concepts have been derived from the military, especially the Defense Information Systems Agency (DISA), where every device is pre-attested before it can 'connect' to the network followed by verification of the identity of the user using MFA leading to knowing exactly what device was being used and by whom to access the application. With the device & user's knowledge, we are able to ensure that the device and the user are able to only 'see' and 'access' the data, that they have 'prior approval' to see or access –the 'need-to-know' access model.

SafeHats - (Managed Bug Bounty and Vulnerability Coordination Platform) - The SafeHats Launchpad platform connects security conscious Enterprises, Financial Institutions and Governments with the WhiteHat hacker community to have their products tested against vulnerabilities. SafeHats is a cybersecurity marketplace platform where on one side there are enterprises that want to do security testing of their application and on another side there are Security researchers / Ethical Hackers who work as on-demand basis and perform security penetration testing of the application.

InstaSafe in this financial year has doubled its customer base and protected Microfinance institutions, Financial Services, Manufacturing, Retail & security conscious start-ups. InstaSafe in this period, has gained significant geographical spread and has now end-user deployment footprint across India, China, Canada, UK, USA. To ensure high availability and optimal performance, Instasafe has opted for data centres available across USA, India, Singapore, Hong Kong & South Africa. It has grown at 60% YoY, while the net loss decreased to ₹ 63 lacs from ₹ 117 lacs.

IntsaSafe has been selected as part of the Oracle Startup Cloud Accelerator (OSCA), received 2nd best workplace in India under BWpeople "Best workplaces among startups" ; been the recipient of the prestigious CIO Choice awards for the fourth consecutive time; winners of the Yourstory Top Tech 30 awards, Cybersecurity Excellence Award finalists for Cybersecurity Product of the Year; Cybersecurity Excellence Award for Cybersecurity Team of the Year (Asia/Pacific). InstaSafe has partnered with leading data centres including IBM, AWS, Microsoft azure to offer best-in-class product offerings.

Given that the Cloud Security space is still in its early stages & evolving, InstaSafe is in the initial phase of development and is positioned for long term value creation. This causes some short term fiscal stress. This is by design and inherent to the cybersecurity industry in its early stages of growth. InstaSafe continues to invest into building scalable products and scale globally.

The outlook for the coming financial year, is to expand into international markets and scale the product, sales & marketing efforts with global partnerships & alliances. Instasafe expects operating expenses to increase significantly over the next several years, particularly in fiscal 2019, as we continue to hire additional personnel, particularly in sales and marketing, expand our operations and infrastructure, both domestically and internationally, and continue to develop our platform.

12. AUDITORS :

M/s. Borkar & Muzumdar, Chartered Accountants were appointed as Statutory Auditors of the your Company at the Annual General Meeting held on 18th September, 2014 for a term of five consecutive years. As per the provisions of Section 139 of Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

13. AUDITORS' REPORT :

The Report given by the Auditors on the Financial Statements of the Company is part of Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Hence, it is an unmodified opinion in terms of the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

14. SECRETARIAL AUDIT REPORT :

The Board had appointed Mr. Upendra Shukla, Practicing Company Secretary as Secretarial Auditor to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18. The Secretarial Audit Report issued by Mr. Upendra Shukla in Form No. MR-3 forms part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

15. COMPLIANCE WITH SECRETARIAL STANDARDS :

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

16. INTERNAL AUDIT AND INTERNAL CONTROL SYSTEMS :

The Company has laid down certain guidelines and processes which enables implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting. The Management duly considers and takes appropriate action on recommendations made by the Statutory Auditors, Internal Auditors and Audit Committee of the Board of Directors.

The Company has appointed M/S. S.P. Sule & Associates, Chartered Accountants as Internal Auditor of the Company for the financial year 2017-2018.

17. CORPORATE GOVERNANCE :

Corporate Governance is a continuous process at ABM. It is about commitment to values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to effectively meet the challenges of rapid growth in a dynamic external business environment. Your Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability paving the way in building confidence among all its stakeholders for achieving sustainable long term growth and profitability. Your Company has complied with the governance requirements provided under the Companies Act, 2013 and listing regulations.

A separate Report on Corporate Governance together with Auditor's Certificate confirming compliance with the conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. Industry Structure and Development:

Last year, the IT industry faced significant challenges on account of adverse changes in visa policies in important markets for software companies engaged in export. Another challenge faced by IT industry is on account of new technologies leading to automation of processes causing serious impact on the growth of jobs and need for re-skilling the existing employees on new technologies.

The domestic market dominated by govt. sector continues to face the age old challenges of cost and time overruns, payment delays, tenders with difficult terms and conditions etc. There is a lot of attention seemingly given to the use of IT in govt. operations. However there is a need for institutionalized mechanism whereby the important aspects like proper budgeting, fair terms for tendering, vendor finalization using blend of quality and cost parameters, time bound implementation and sustenance etc. are achieved to attract capable IT companies to govt. segment. There are some bright spots where a few companies like ABM have successfully executed e governance projects. This has built confidence that e governance projects are capable of delivering good results and can give good RoI to all stake holders including govt. and citizens.

Govt has shown willingness to support startups to boost innovation and adoption of new technologies. However, the same needs to be well supported by necessary procurement processes. There are massive initiatives being taken for re-skilling which is a good step forward.

On one hand there are many tenders which do not get adequate bidders and on the other hand there are some regional companies which continue to bid aggressively by quoting unviable prices and finally resulting into project failures in most of such cases. Important projects like Smart Cities are rolled out but the progress is not as satisfactory as expected by govt compared to the support given by central govt.

In general, there is willingness and even availability of budget from govt. to push e-governance but there is a need to create a conducive environment for IT industry to participate in the govt. programs with more interest and enthusiasm.

B. Existing Opportunities and Outlook :

The last year has been particularly challenging as some of the big long term contracts of your company have seen tapering of scope as well as some contracts have come to an end. This is in line with outlook mentioned in the last annual report as a known business threat. This has impacted topline and bottom line. However, even in general for past couple of years your company has been following a cautious approach of doing selective bidding by giving higher priority to ability of the company to execute the project "successfully and profitably".

ABM understands the huge opportunity offered by this market segment and would like to harness it with utmost caution rather that uncalled for aggressiveness. As mentioned in the earlier annual report as per Gartner (Source: All Press Release on February 13, 2017 on Gartner Website), the governments in India could have spent $7.8 billion (9.5 percent growth over previous year) on IT products and services last year. This included spending on internal services, software, IT services, data centers, devices and telecom services by local, state and Union governments. IT services would include consulting, software support, business process outsourcing, IT outsourcing and implementation.

However, there are several IT companies who have shown limited understanding of this market segment resulting into catastrophic impact on their business during last 3-5 years. This includes many MNCs who were new entrants into the market as well established large and SMEs in India. Difficulties faced by such companies offer immense learning to established companies like ABM about the avoidable errors. This aspect shapes the ongoing business strategies of your company.

The approach of selective bidding adopted by your company has surely limited the opportunities where ABM participates. This can impact business in short to medium term. Considering the current market conditions, ABM feels that it is necessary to focus on some of the niche areas where company has strengths and conserve resources for implementation of growth plans being evolved and experimented. Your company is one of the few IT companies in e government sector in India which has five state-wide roll out projects, 3 of which have been successfully executed and rest under implementation. All the existing customers have shown preference to remain associated with ABM subject to following due process of procurement. Your company has managed to keep its outstanding payment under control and ensured that resources will not be inadequate for right opportunities. This kind of profile is not enjoyed by many IT companies dealing in e government market space.

C. Business Threats :

As we have been outlining in most of the annual reports the company faces various risks and threats associated with e government business. It includes possible payment delays, Time and Cost overruns, Disruptions in the project when head of the organization is changed, challenges in attracting good talent to work in less developed states and in interior regions of India etc. You company has been adopting a cautious approach of building business brick by brick rather than a big bang approach. Inexperienced competition remains a threat and results into loss some of the opportunities.

D. Business Strategies and Planning:

As mentioned above, the business strategy will be dominated by avoidance of mistakes made by fellow travellers in this market segment on one hand and careful exploitation of the immense opportunity offered by this segment on the other hand. Focus will remain on successful completion of the projects on hand and minimizing cost overruns / payment outstanding.

The focus segment will be e Municipality where your company is a leader in India with impeccable record. Smart Cities will also be a focus on case to case basis. Many municipalities which are already automated by your company are part of the smart city and those projects are tendered without the component of the e governance.

The need and scope for cybersecurity is discussed in this report while explaining the performance of the subsidiary. Cybersecurity solutions from our subsidiary will also be part of the focus for upselling and cross selling to govt. segment. We have noticed good interest from govt. customers in our initial go to market initiatives and efforts will be done to build on the initial traction.

ABM is planning to develop solution for Smart Water Management. Water is crucial for a country's development and economic growth. Though India is endowed with bounty of rainfall, unplanned development and management of water is leading to water scarcity, economic and environmental strain which may increase manifold in the coming decades. Some of the major issues with Water Management are related to Water source and extraction, storage & purification, water distribution, consumption & billing and waste water management. ABM has a strong track record providing solution for automation of water billing, accounting and MIS. This strength will be leveraged for building a Smart Water Management System. This system will be using various ICT interventions to achieve effective water management end-to-end water management i.e. from source to tap. Use of technologies like IoT will be the core to the strategy of building this solution.

Your company will also consider developing competence in the new technology areas. Pilot projects for implementing block chain are won by ABM through its subsidiary. Avenue for further acquisitions in the new technologies like Analytics, IoT and AI will be examined subject to availability of right companies.

The strategy of working closely with existing prestigious customers and retaining them will continue with due consideration to the increased competition in some of the key accounts of your company.

E. Human Resource Management:

Aim of Human Resource Management

- To enable ABM to attract, integrate, develop and retain the best talent to deliver business growth.
- Fulfill business demand, deliver consistently high utilization rates and keep manpower costs within the desired range as per Business plan.
- Deploy meaningful practices to enhance the engagement, capability and competitiveness of our workforce.

i) Headcount

S. No.	Year	Current Headcount
1	April 2016 - March 2017	769
2	April 2017 - March 2018	434

ii) HR Events

- Quarterly mentorship & feedback program.
- "Saturday Funday" challenge was endorsed to hunt the hidden talent within the team.
- Employee get-together was organized at many locations.

iii) Recognition

- Career Enhancement opportunities
- Recognized employees' performance with an appreciation letter to family.
- Hired talented Professional Graduates from the reputed universities and Institutes.

iv) Motivational and Focus Areas

- The Company continues to invest in the form of training for enhancing its Human Capital by providing opportunities to its employees to develop their skills and competencies relevant to the business requirements.
- We follow Equal Opportunities & Non Discrimination Policy and do not discriminate on basis of race, color, gender,

caste or religion.

- The Company's relentless pursuit to connect with employees on a regular basis, communicate in an open and transparent manner, provide opportunities to learn and grow within the organization are yielding desired results as is evident from the high retention rate and the motivation and engagement levels of the employees.

F. Discussion on financial performance with respect to the operational performance (Standalone):

(In ₹ Thousand)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Gross Income	7,40,218	11,25,834
Less: Service Tax /GST	1,10,479	1,45,926
Gross Income (net of Service Tax/GST)	6,29,739	9,79,908
Less : Total expenditure	4,54,101	7,24,657
Gross profit before Depreciation & Taxation	1,75,638	2,55,251

There is significant impact of various factors on performance of your company. These are discussed in detail in the Management Discussion and Analysis.

19. RISK MANAGEMENT:

The Company has developed and adopted a Risk Management Policy. This policy identifies all perceived risk which might impact the operations and on a more serious level also threaten the existence of the Company. Risks are assessed department wise such as financial risks, information technology related risks, legal risks, accounting fraud, etc. The Risk Management Committee assists the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee also ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

The details of the Committee and its terms of reference are set out in the Corporate Governance report forming part of this report.

The following elements of risks which in the opinion of the Board can impact the performance of the company.

1. **Industry:** Industry risks are competition, newer business models like PPP, and disruptive technologies like Artificial Intelligence, Machine Learning, Virtual Reality (VR) and Augmented Reality (AR), Automation, slower decision making due to impending elections in coming year.

2. **Supply side risk for talent acquisition:** With growing customer base and mission critical projects, unavailability of right skilled resources at right time in right quantity can pose a risk. The company constantly trains and re-trains existing resources for different skills and technologies. Suitable HR practices are adopted to minimise the attrition rate. Lateral hiring is done to bring in fresh leaders.

3. **Operational efficiency:** The operational risk is mainly associated with client acquisition, execution of projects, information security and continuity of customer's business operations. The company has project level monitoring where such risks are identified and escalated to board for suitable corrective measures on time.

4. **Reputation:** The Company's projects are in Government sector which are necessarily funded by public finance. This may expose the company to the risk of motivated public scrutiny from elements which are adversely affected by success of project leading to transparency as well as some times by competition. The company strictly follows the Govt. processes of procurement and executes the projects with highest possible standards of ethics and best industry processes. Employees are made well aware of the company policy and ensure the proper code of conduct is followed across projects uniformly. Company has published its own code of conduct for benefit of employees. This has been helping company so far to win over the confidence of customers, even in the situations of motivated public scrutiny which is aimed at hurting reputation of the Company.

20. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There are no planned material changes or commitments made by company that will affect the financial position of the company during the above mentioned period except the balance investment commitment of approximately ₹ 4 crores in the subsidiary subject to satisfactory progress. The liquid cash available with the company may also be utilized if the plans for acquisition fructify faster than envisaged.

21. CODE OF CONDUCT:

The Company has adopted the Code of Conduct and ethics for all Board Members and Senior Management and this is strictly adhered to. A copy of the Code of Conduct is available on the website of the Company www.abmindia.com. In addition, members of the Board and Senior Management also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board. The members of the Board inform the Company of any change in their directorship(s), chairmanship(s) / membership(s) of the Committees, in accordance with the requirements of the Companies Act, 2013 and Listing Regulations.

The members of the Board and Senior Management have affirmed their compliance with the code and a declaration signed by the Managing Director is annexed to this report.

22. AUDIT COMMITTEE COMPOSITION:

The Composition of the Audit Committee is as described in the Corporate Governance Report, which forms part of this report. During the year all the recommendations of the Audit Committee were accepted by the Board.

23. VIGIL MECHANISM:

Pursuant to the provisions of Section 177(9) of the Act and rules made thereunder, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower Policy to provide a mechanism for the Directors and employees to report their grievances, genuine concerns about unethical behaviour, actual or suspected fraud, and violation of the Company's Code of Conduct. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Brief details about the policy are provided in the Corporate Governance Report attached to this Report. The Whistle Blower Policy is available on the website of the Company.

24. PREVENTION OF INSIDER TRADING:

In compliance with the SEBI regulations on prevention of insider trading, the Company has in place (1) (i) a Code of Conduct to Regulate, Monitor and Report Trading by Insiders, the disclosure requirements and procedure thereto, Preservation of Price Sensitive Information, Trading while in possession of unpublished Price Sensitive Information, Prevention of misuse of Price Sensitive Information, etc.; and (2) a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information detailing the principles of fair disclosure. The same has been circulated to Directors and designated employees of the Company. They are regularly reminded about their obligation under the policies and also informed about prevention of insider trading into the securities of the Company.

The Company Secretary is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

25. RELATED PARTY TRANSACTIONS:

In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website www.abmindia.com. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis, which is reviewed and updated on quarterly basis.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

26. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is appended as an Annexure to this Annual Report.

27. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy which is published on its website www.abmindia.com.

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There were no loans or guarantees given by the Company under Section 186 of the Companies Act, 2013 during the year under review. The Particulars of investments have been disclosed in the Financial Statements.

29. PREVENTION OF SEXUAL HARASSMENT (POSH) AT WORKPLACE:

The Company has adopted a Policy for prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules thereunder. Company has formed an "Internal Complaints Committee" for prevention and redressal of sexual harassment at workplace. The Company has ensured a wide dissemination of the Policy and have conducted various awareness programmes in the organization. The Company has not received any complaint of sexual harassment during the financial year 2017-18.

30. PARTICULARS OF EMPLOYEES:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been appended as Annexure to this Report. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

31. CONSERVATION OF ENERGY:

Your Company consumes energy mainly for the operation of its software development, thus the consumption of electricity is negligible. In order to conserve the electricity, the air conditioners are kept at a moderate temperature and all the electrical equipments are turned off, whenever they are not required by the office staff.

32. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION AND RESEARCH AND DEVELOPMENT:

Your Company has continued its focus on 'Productisation of Services' by innovative business models. Company is putting in efforts to adopt the latest technologies to address the demand for "Digital Business". The flagship products of the company have progressed well with respect to upgradation to the latest technology for reducing the total cost of ownership for customers and becoming more competitive in market. PoCs in block chain for application in govt space are undertaken.

33. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your company did not have any Foreign Exchange earnings or outgo in last year.

34. LISTING FEES:

Your Company's shares are listed in The Bombay Stock Exchange Limited, Mumbai and the Annual Listing fees for the year under review have been paid.

35. DIRECTORS ' RESPONSIBILITY STATEMENT:

The Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the Annual Accounts on a going concern basis;

e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and

f) they have devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

35. ACKNOWLEDGEMENT:

Your Board places on record their deep appreciation to employees at all levels for their perseverance, loyalty and unflinching efforts by their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an innovative leader in Software & Services segment of Indian IT Industry. The Board places on record its appreciation for the support and co-operation your Company has been receiving from its business partners and others associated with our various software projects and services.

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Bankers, Central and State Government Organizations, Regulatory Authorities, for their continued support which was a great help to us in managing our continued growth. We acknowledge their contributions and commit ourselves to continue and strengthen this fruitful alliance in all times to come.

For and on behalf of the Board

Date : 30th May, 2018
Place: Mumbai

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra D. Abhyankar
Director
(DIN: 00108866)

ANNEXURE TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

(Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A Brief Outline of the Company's Corporate Social Responsibility (CSR) Policy:

The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. Company is always Committed in finding means to give back to Society, in all possible ways. The Company has identified education & livelihood, animal welfare, environment protection, protection of art & Culture as the areas, health where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass-root level during the year. The contributions in this regard have been made to the registered trust which is undertaking these schemes.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.abmindia.com.

2. Composition of CSR Committee :

Mrs. Supriya P. Rane, Chairperson
Mr. Sharadchandra D. Abhyankar, Member
Mr. Sanjay Mehta, Member

3. Average Net Profit of the Company for last three financial years: ₹ 29,42,88,325

4. Prescribed CSR Expenditure: ₹ 58,85,766

5. Previous year unspent amount : Nil

6. Details of CSR spent during the financial year

a) **Total amount to be spent for the financial year:** ₹ 58,85,766

b) **Total amount spent during the year:** ₹ 58,91,578

c) **Amount unspent as on 31st March, 2018:** Nil.

d) **Manner in which the amount was spent during the financial year 2017-2018 is detailed below:**

(₹ In Thousand)

Sr. No.	Project/ Activities	Sector	Projects/ Programmes coverage	Amount Outlay	Amount spent on the project/ programs	Cumulative expenditure upto 31st March,2018	Amount Spent Direct / through implementing agency*
1	Promotion of Education	Education	Mumbai Maharashtra	5,000	4,942	4,942	4,942
2	Ethnicity	Protection art and culture	Mumbai Maharashtra	100	50	50	50
3	Environment Sustainability	Animal welfare	Maharashtra	1,000	900	900	900
			Total	**6,100**	**5,892**	**5,892**	**5,892**

***Details of implementing agencies :**

The Company's CSR Projects are implemented through following agencies :

NGO/Trust like Blue Cross of India, Tiger Conservation & Research Centre, Kai Bhausaheb Hiray Smaranika Samiti Trust etc.

7. CSR Committee Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

Date : 30th May, 2018 **Place: Mumbai**	**Prakash B. Rane** **Managing Director** **(DIN: 00152393)**	**Supriya P. Rane** **Chairman, CSR Committee** **(DIN: 00152890)**

ANNEXURE TO THE DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN
FORM NO. MGT 9

As on financial year ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L67190MH1993PLC113638
2	Registration Date	2nd March, 1993
3	Name of the Company	ABM Knowledgeware Limited
4	Category/Sub-category of the Company	Public Company – Limited by shares
5	Address of the Registered office & contact details	ABM House, Plot No. 268, Linking Road, Bandra (W), Mumbai- 400050. Tel. No.: 022-42909700 Fax : 022-42909701 Email: egovernance@abmindia.com Website: www.abmindia.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093 Tel No: 022-28207203 Fax: 022-28207207 Email: gamare@unisec.in Website: www.unisec.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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer Programming, consultancy and related activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

i) **Holding & Associate Company:** Not Applicable.

ii) **Subsidiary Company Details are as follows :**

Name & Address of the Company	CIN	% of shares held	Section
Instasafe Technologies Pvt. Ltd. Reg. Off: C 1003, Salarpuria Symphony House Road, Electronic City, P.O. Bangalore, Karnataka - 560100	U72200KA2012PTC066848	20.82	2(87)

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

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	12005679	-	12005679	60.02	12005679	-	12005679	60.02	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	981500	-	981500	4.91	981500	-	981500	4.91	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI- 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)	**12987179**	**-**	**12987179**	**64.93**	**12987179**	**-**	**12987179**	**64.93**	**0.00**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII / Foreign Portfolio Investor	16100	-	16100	0.08	-	-	-	-	0.08
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	**16100**	**-**	**16100**	**0.08**	**-**	**-**	**-**	**-**	**0.08**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	822989	247400	1070389	5.35	1116860	5000	1121860	5.61	-0.26
ii) Overseas	-	2000000	2000000	10.00	-	2000000	2000000	10.00	0.00
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1974308	328124	2302432	11.51	1953098	197324	2150422	10.75	0.76
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	945036	-	945036	4.73	845517	-	845517	4.23	0.50
c) Others: NBFCc registered with RBI	350	-	350	0.00	300	-	300	0.00	0.00
Non Resident Indians	392092	-	392092	1.96	366012	-	366012	1.83	0.13
Clearing Members	69162	-	69162	0.35	84493	-	84493	0.42	-0.07

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
Directors & Relatives	-	42600	42600	0.21	-	-	-	-	0.21
HUF	176860	-	176860	0.88	183095	-	183095	0.91	-0.03
IEPF Suspense A/c	-	-	-	-	263322	-	263322	1.32	-1.32
Sub-total (B)(2):-	**4380797**	**2618124**	**6998921**	**34.99**	**4812697**	**2202324**	**7015021**	**35.07**	**-0.08**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**4396897**	**2618124**	**7015021**	**35.07**	**4812697**	**2202324**	**7015021**	**35.07**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**17384076**	**2618124**	**20002200**	**100.00**	**17384076**	**2618124**	**20002200**	**100.00**	**0.00**

B) Shareholding of Promoter:

Sr. No.	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	Prakash B. Rane	9542300	47.71	-	9542300	47.71	-	0.00
2.	Supriya P. Rane	2454000	12.27	-	2454000	12.27	-	0.00
3.	Baburao B. Rane	5000	0.02	-	5000	0.02	-	0.00
4.	Sunita B. Rane	2500	0.01	-	2500	0.01	-	0.00
5.	Sharada Rane	1879	0.01	-	1879	0.01	-	0.00
6.	Lipsita Properties Private Limited	981500	4.91	-	981500	4.91	-	0.00
	Total	**12987179**	**64.93**	**-**	**12987179**	**64.93**	**-**	**0.00**

C) Change in Promoters' Shareholding: There is no change in the Promoters' Shareholding during the Financial Year 2017-2018.

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Top 10 Shareholders	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	**New Computer Era Limited**				
	At the beginning of the Year	1000000	5.00	1000000	5.00
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	1000000	5.00
	At the end of the Year			**1000000**	**5.00**
2	**Computer Digital Network Limited**				
	At the beginning of the Year	500000	2.50	500000	2.50
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	500000	2.50
	At the end of the Year			**500000**	**2.50**

Sr. No.	Name of the Top 10 Shareholders	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
3	**Rosewell Group Services Limited**				
	At the beginning of the Year	500000	2.50	500000	2.50
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	500000	2.50
	At the end of the Year			**500000**	**2.50**
4	**Aegis Transportation Pvt. Ltd.**				
	At the beginning of the Year	400000	2.00	400000	2.00
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	400000	2.00
	At the end of the Year			**400000**	**2.00**
5	**Dr. Sanjeev Arora**				
	At the beginning of the Year	251310	1.26	251310	1.26
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	251310	1.26
	At the end of the Year			**251310**	**1.26**
6	**Mohan Datar**				
	At the beginning of the Year	211230	1.06	211230	1.06
	Increase / Decrease in Shareholding during the year (Transfer)				
	16/06/2017	(262)	0.00	210968	1.05
	23/06/2017	(1000)	0.00	209968	1.05
	At the end of the Year			**209968**	**1.05**
7	**Meridian Corporate Services Ltd.**				
	At the beginning of the Year	165000	0.82	165000	0.82
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	165000	0.82
	At the end of the Year			**165000**	**0.82**
8	**Kashish Jain**				
	At the beginning of the Year	21955	0.11	21955	0.11
	Increase / Decrease in Shareholding during the year (Transfer)				
	14/04/2017	10889	0.05	32844	0.16
	28/04/2017	37021	0.19	69865	0.35
	05/05/2017	7699	0.04	77564	0.39
	12/05/2017	26345	0.13	103909	0.52
	19/05/2017	25711	0.13	129620	0.65
	26/05/2017	8147	0.04	137767	0.69
	02/06/2017	6197	0.03	143964	0.72
	09/06/2017	843	0.00	144807	0.72
	16/06/2017	215	0.00	145022	0.73
	At the end of the Year			**145022**	**0.73**
9	**Shree Krishna Agro Ind. Ser. Pvt. Ltd.**				
	At the beginning of the Year	142600	0.71	142600	0.71
	Increase / Decrease in Shareholding during the year (Transfer)				
	25/01/2018	(568)	0.00	142032	0.71
	At the end of the Year			**142032**	**0.71**

Sr. No.	Name of the Top 10 Shareholders	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
10	**Veena Kothari**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year (Transfer)				
	28/07/2017	11730	0.06	11730	0.06
	04/08/2017	10915	0.05	22645	0.11
	11/08/2017	43460	0.22	66105	0.33
	18/08/2017	2412	0.01	68517	0.34
	25/08/2017	10983	0.05	79500	0.40
	01/09/2017	5540	0.03	85040	0.43
	23/03/2018	(40)	0.00	85000	0.42
	At the end of the Year			**85000**	**0.42**

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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	**Prakash B. Rane, Managing Director**				
	At the beginning of the Year	9542300	47.71	9542300	47.71
	Increase / Decrease in Shareholding during the year	-	-	9542300	47.71
	At the end of the Year			**9542300**	**47.71**
2	**Supriya P. Rane, Non-Executive Director**				
	At the beginning of the Year	2454000	12.27	2454000	12.27
	Increase / Decrease in Shareholding during the year	-	-	2454000	12.27
	At the end of the Year			**2454000**	**12.27**
3	**Sharadchandra Abhyankar, Non-Executive Director**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**
4	**Sanjay Mehta, Non-Executive Director**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**
5	**Dr. Sumit Chowdhury, Non-Executive Director**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**
6	**Paresh Golatkar, CFO**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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
7	**Sarika Ghanekar, Company Secretary**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			-	-

V. INDEBTEDNESS:

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the financial year 2017-18.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ In Thousand)

Sr. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Prakash B. Rane	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		9,086.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		65.54
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		1,220.00
5	Others, please specify		-
	Total (A)		**10,371.54**
	Ceiling as per the Act		**10,374.20**

B. Remuneration to other directors:

(₹ In Thousand)

Sr. No.	Particulars of Remuneration	Name of Director			Total Amount
1	**Independent Directors**	**Dr. Sumit Chowdhury**	**Sharadchandra Abhyankar**	**Sanjay Mehta**	
	Fee for attending Board / Committee meetings	40.00	48.00	64.00	152.00
	Commission	140.78	187.70	140.78	469.25
	Others, please specify	-	-	-	-
	Total (1)	**180.78**	**235.70**	**204.78**	**621.25**
2	**Other Non-Executive Directors**	**Supriya P. Rane**			
	Fee for attending Board / Committee meetings	44.00			44.00
	Commission	1,407.75			1,407.75
	Others, please specify	-			-
	Total (2)				**1,451.75**
	Total (B)=(1+2)				**2,073.00**
	Total Managerial Remuneration				**12,444.54**
	Overall Ceiling as per the Act				**12,449.04**

C. **Remuneration To Key Managerial Personnel Other Than MD / Manager / WTD :**

(₹ In Thousand)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Sarika Ghanekar, Company Secretary	Paresh Golatkar, CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	854.76	728.40	1,583.16
	(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	-	-	-
5	Others, please specify	-	-	-
	Total	**854.76**	**728.40**	**1,583.16**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board

Date : 30th May, 2018
Place: Mumbai

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra D. Abhyankar
Director
(DIN: 00108866)

ANNEXURE TO THE DIRECTORS' REPORT

Statement of Disclosure of Remuneration Under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014

1 **The Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2017-2018, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the financial year 2017-2018**

The percentage increase in remuneration of each Director, Chief financial Officer and Company Secretary during the financial year 2017-2018, ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2017-2018 as under:

Sr. No.	Name of Directors and Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase / decrease in remuneration in the Financial Year 2017-2018
1	Prakash B. Rane	Managing Director	64.32	-32.22
2	Supriya P. Rane	Non-Executive Director	9.00	-32.84
3	Sharadchandra D. Abhyankar	Non-Executive Director	1.46	-28.47
4	Sanjay B. Mehta	Non-Executive Director	1.27	9.65
5	Dr. Sumit D. Chowdhary	Non-Executive Director	1.12	13.87
6	Paresh M. Golatkar	Chief Financial Officer	4.52	14.10
7	Sarika A. Ghanekar	Company Secretary	5.30	11.77

2 **The Percentage increase in the median remuneration of employees in the financial year:** The Median remuneration of the employees in the financial year decreased by 14.61%. Large recruitment was done during the year at entry level causing lower Median Remuneration.

3 **The Number of permanent employees on the rolls of Company:** 434 employees as of March, 2018.

4 **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average percentile increase of employees other than managerial personnel is approximately 5.30%. Managerial remuneration during the year has decreased by 32.22%.

5 **The key parameters for any variable component of remuneration availed by the directors:** Commission to Executive and Non-executive directors is the variable component of their remuneration. Key parameters for determining the same are provided in the remuneration policy of the Company.

6 **Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes, the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Date : 30th May, 2018
Place: Mumbai

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra D. Abhyankar
Director
(DIN: 00108866)

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a philosophy. This philosophy is shaped by the values of transparency, professionalism and accountability. The Company's philosophy on Corporate Governance is based on the principles like composition of the Board to add value, promote ethical and responsible decision-making, safeguard integrity in financial reporting, make timely and balanced disclosures, recognise and manage business risks, respect the rights of the shareholders, recognise the legitimate interest of the stakeholders and legal and statutory compliances in letter and spirit.

Our corporate governance is a foundation of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key factors to our corporate governance to ensure that we gain and retain the trust of our stakeholders at all times.

The Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company confirms the compliance of Corporate Governance as contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of which are given below:

I. BOARD OF DIRECTORS :

The Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board. The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting mechanism & accountability and decision making process to be followed. The Committee of the Board such as Audit Committee, Nomination & Remuneration Committee, CSR Committee and Risk Management Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities and the risk management framework. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

The Board of Directors of the Company is constituted with optimum combination of Executive and Non- executive Directors including Independent Directors. As on date of this Report, the Board consists of Five Directors comprising one Executive Director, Three Independent Directors and one Non-Executive Woman Director. The Independent Directors of the Company have been appointed for a term of 5 years in accordance with the relevant provisions of the Companies Act, 2013 and are not eligible to retire by rotation.

The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and highly renowned persons from various fields. They take active part at the Board and Committee Meetings by providing valuable guidance & expert advice to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors. The Company has also devised a policy on board diversity which is available on website of the Company.

During the year under review, five Board Meetings were held on 17th April, 2017, 20th May, 2017, 12th September, 2017, 18th November, 2017 and 9th February, 2018. The previous Annual General Meeting (AGM) of the Company held on 27th July, 2017 was attended by all the Directors except Dr. Sumit D. Chowdhury.

The Details of the Board of Directors of the Company as on 31st March, 2018 is given below:

Name of the Directors	Executive / Non- Executive	Promoter / Independent	Number of Board Meeting attended	Other Directorship #	Memberships/ Chairmanship in Committees of Board of other Public Companies ##
Mr. Prakash B. Rane	Executive- Managing Director	Promoter	5	Nil	Nil
Mrs. Supriya P. Rane	Non- Executive	Promoter	5	Nil	Nil
Mr. Sharadchandra D.Abhyankar	Non- Executive	Independent	5	2	2
Mr. Sanjay B. Mehta	Non- Executive	Independent	5	Nil	Nil
Dr. Sumit D. Chowdhury	Non- Executive	Independent	5	Nil	Nil

excluding Private Limited Companies, Unlimited Companies, section 25 Company and Foreign Companies

Includes only Audit Committee and Stakeholders' Relationship Committee.

All the Directors have made disclosures regarding their directorship and memberships on various Committees across all Companies in which they are directors and / or members. The number of Directorships, Committee Memberships / Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations). None of the Directors are related to each other except Mr. Prakash B. Rane and Mrs. Supriya P. Rane, who are husband and wife.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. Board meeting dates are finalized in consultation with all directors. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Managing Director of the Company and agenda papers with detailed notes and other background information, which are essential for the Board to effectively and reasonably perform their duties and functions, are circulated well in advance before the meeting thereby enabling the Board to take proper decisions. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting. Time gap between two Board meetings were not more than four months.

The minutes of the Board Meetings are circulated in advance to all Directors and confirmed at subsequent Meeting. The Board also reviews the declarations made by all departmental heads of the Company regarding compliance of all applicable laws on a quarterly basis.

All newly appointed Directors are taken through a detailed induction and familiarization program which covers the history, culture, background of the Company and its growth over the last several years, milestones of the Company, present structure and an overview of the businesses and functions. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. They are familiarized with the Company's operation. A familiarization policy in this regard has been framed by the Company and hosted on the Company's Website at www.abmindia.com.

CODE OF CONDUCT:

The Board of Directors have laid down Code of Conduct for Directors and Senior Management, ("the Code") for all the Board members and Senior Management Personnel. The Code has been displayed on the Company's website www.abmindia.com.

All the Board members and senior management have confirmed compliance with the Code for the year ended 31st

March, 2018. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

SEPERATE INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 8th January, 2018, inter alia, to discuss:

1. evaluation of the performance of Non -Independent Director and the Board of Directors as a Whole;
2. evaluation of the performance of the Managing Director of the Company, taking into account the views of the Non-Executive Directors.
3. evaluation of 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 its duties.

All the Independent Directors were present at the meeting.

BOARD EVALUATION:

Pursuant to the provisions of The Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Peer evaluation of the Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement. As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings. The evaluation exercise also suggested that the Board succession planning exercise has been embedded well in the Board processes.

The outcome of the Evaluation was shared with the Board, Chairman of respective Committees and individual Directors. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members. The Board expressed its satisfaction on the process as well as performance of all Directors, Committees and Board as a whole.

II. COMMITTEES OF DIRECTORS:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The Minutes of the Meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. The Board has established the following Committees:-

A) AUDIT COMMITTEE :

The role of the Audit Committee is in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the terms of reference specified under Section 177 of the Companies Act, 2013. All the Members of the Committee have relevant experience in financial matters. Primary objective of the Committee is to monitor and provide effective supervision of management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity & quality of financial reporting and minimization of risk.

As on date of this report, the Audit Committee consists of three (3) Independent Directors. All the members of the Committee have relevant experience in financial matters.

The Committee meets once in every quarter to carry out its business. During the financial year 2017-2018, the Committee met five times on 17th April, 2017, 20th May, 2017, 12th September, 2017, 18th November, 2017 and 9th February, 2018.

Following are the details regarding the Composition and attendance of the Committee during the year :

Name	Categories of Director	No. of Committee Meetings attended
Mr. Sharadchandra D. Abhyankar, Chairman	Independent and Non-Executive Director	5
Mr. Sanjay B. Mehta, Member	Independent and Non-Executive Director	5
Dr. Sumit D. Chowdhury, Member	Independent and Non-Executive Director	5

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The gap between the Audit Committee meetings was in compliance with the provisions contained in the Act and the Listing Regulations. The Audit Committee also reviews the functioning of the Whistle Blower Policy of the Company and cases reported thereunder. The recommendations of Audit Committee are duly approved and accepted by the Board.

Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examination with management the quarterly financial results before submission to the Board;
- reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- scrutiny of inter-corporate loans and investments made by the Company;
- review management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- 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;
- reviewing management letters / letters of internal control weaknesses issued by the statutory auditor.
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Whistle Blower mechanism.

Powers of Audit Committee :

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B) STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The Stakeholder's Relationship 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. The Committee also looks into requests received for issue of duplicate share certificates on account of loss / mutilated certificates, non-receipt of annual report and non-receipt of declared dividends and the performance of the Company's Registrars and Transfer Agents etc.

The Stakeholders' Relationship Committee comprises of two Non-Executive Directors of the Board. During the year the Committee met four times on 17th April, 2017, 15th July, 2017, 26th October, 2017 and 9th February, 2018.

The attendance of the Members of Stakeholders' Relationship Committee was as under:

Name	Status	No. of total 4 Meetings the attended is
Mr. Sanjay B. Mehta, Chairman	Independent and Non-Executive Director	4
Mrs. Supriya P. Rane, Member	Non-Executive Director	4

In order to serve the shareholders expeditiously, the Board delegated its powers to approve the transfers / transmissions / dematerialisation / rematerialisation and address the shareholders complaints / requests, to the Managing Director and / or the Company Secretary of the Company. The Company attends to the shareholders'/ Investors' grievances / correspondence expeditiously.

The total numbers of correspondences were received from investors and resolved during the year under review were 28. No complaints were received during the year.

The Company has designated an e-mail ID egovernance@abmindia.com for registering the complaints by investors / shareholders. Mrs. Sarika Ghanekar, Company Secretary is the Compliance Officer.

M/s Universal Capital Securities Pvt. Ltd. is the Registrar and Share Transfer Agent of the Company. All grievances can be addressed to the Registrar and Share Transfer Agent at 21, Shakeel Niwas, Mahakali Caves Road, Andheri (E), Mumbai 400 093. Contact Number: 28207203-05 / 28257641.

C) NOMINATION AND REMUNERATION COMMITTEE :

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Regulation 19 of SEBI (LODR) Regulations, 2015 and Companies Act, 2013. Apart from the above, the Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time. The Nomination and Remuneration Committee presently comprises of three Directors.

During the year under review, two Committee meetings were held on 22nd May, 2017 and 29th January, 2018.

The attendance of the Members of Nomination & Remuneration Committee was as under :

Name	Status	Out of total 2 Meetings the attendance is
Mr. Sharadchandra D. Abhyankar, Chairman	Independent and Non-Executive Director	2
Mrs. Supriya P. Rane, Member	Non-Executive Director	2
Mr. Sanjay B. Mehta, Member	Independent and Non-Executive Director	2

The Committee is entrusted with the following functions :

(i) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and senior management. While formulating the aforesaid policy the Committee is to ensure that -

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(ii) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.

(iii) Devise a policy on diversity of Board of Directors.

(iv) Identify persons who are qualified to become Directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and / or removal.

(v) Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

(vi) Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Managing Director on an annual basis as well on his reappointment, wherever applicable.

(vii) Recommend to the Board, the sitting fee (including any change) payable to the Non-Executive Directors for attending the meetings of the Board, Committees thereof, and, any other benefits such as commission, if any, payable to the Non-Executive Directors.

POLICY FOR SELECTION, APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee ("N&R Committee") and approval of the Members at the General Meetings. The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. For the purpose of appointment of any Executive Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee shall also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level. The Non- Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, information technology, governance and general management.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors in relation to the Company so as to enable the Board to discharge its function and duties effectively. The N&R Committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Non-Executive Director.

i) Qualification, experience and expertise of the Non-Executive Directors in their respective fields;
ii) Personal, professional or business standing;
iii) Diversity of the Board.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under law.

The Company's Nomination and Remuneration Policy considers human resources as its invaluable assets. The said Policy aims to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company. The Remuneration Policy for all employees is designed to attract talented personnel and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization.

The Company pays remuneration by way of salary, perquisites and allowances and commission (variable component) to its Managing Director. Salary is paid based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors, subject to the approval of the shareholders within the limits stipulated by the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to the Managing Director is determined keeping in view the industry benchmark and the relative performance of the Company compared to the industry performance.

Any person who becomes Director or Officer, including an employee who is acting in managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance policy. The Company has provided insurance cover in respect of legal action against its Directors and employees under the Directors' and Officers' Liability Insurance.

The remuneration to Non-Executive Directors comprises of sitting fees and variable commission. The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on matters other than at meetings.

Remuneration paid to the Board of Directors during the year under review is as follows:

(₹ In Thousand)

Name of the Director	Status	Salary & Perquisites	Commission	Sitting Fees
Mr. Prakash B. Rane	Managing Director	9,151.54	1,220.00	Nil
Mrs. Supriya P. Rane	Director	Nil	1,407.75	44.00
Mr. Sharadchandra D. Abhyankar	Director	Nil	187.70	48.00
Mr. Sanjay B. Mehta	Director	Nil	140.78	64.00
Dr. Sumit D. Chowdhury	Director	Nil	140.78	40.00
Total		**9,151.54**	**3,097.01**	**196.00**

Directors

Detailed profile of Director being appointed and Director retiring by rotation and being eligible, seeking re-appointment is as below. The same has also been covered under Notice which is forming part of the Annual Report of the Company.

Mr. Devendra Parulekar: Mr. Devendra Parulekar is management graduate with over 18 years' experience in Information Technology industry with reputed consultancy firm like Ernst and Young (E and Y). He founded Cyber Security practice in E and Y, India and grew it exponentially as Partner and Practice Leader-Cyber Security before moving on to launch his own start up. He also nationally led the eGRC practice in E and Y.

He is passionate about technology, coding, photography, playing tennis, swimming and trekking. However, his real strength lies in identifying, attracting and nurturing talent all the way through and inspiring his team to deliver at their highest levels of performance.

Mrs. Supriya P. Rane: Mrs. Supriya P Rane is a Promoter and Non-Executive Director of the Company. She has been associated with the Company from its inception. She is an Electronics Engineer with a Post Graduate Diploma in System Management. She has considerable management experience, particularly in systems and processes. She provides advice and guidance to the Company for its overall growth to make it a dynamic and progressive organization. The Company has been benefited from her rich experience.

D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The role of Corporate Social Responsibility (CSR) Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR. Our CSR is not limited to philanthropy but encompasses holistic community development, institution-building and sustainability related initiatives with an aim to fulfil the needs and expectations of the communities around us.

The composition of the Corporate Social Responsibility Committee and the details on the number of Meetings held and attended by the Members during the financial year 2017-2018 are given below:

Name	Status	Out of total 4 Meetings the attendance is
Mrs. Supriya P. Rane, Chairperson	Non-Executive Director	4
Mr. Sanjay B. Mehta, Member	Independent and Non-Executive Director	4
Mr. Sharadchandra D.Abhyankar, Member	Independent and Non-Executive Director	4

During the Financial Year ended 31st March, 2018, the Committee met four times on 17th April, 2017, 15th July, 2017, 8th November, 2017 and 7th February, 2018.

The minutes of each Corporate Social Responsibility Committee meeting are placed at the subsequent meeting of the Committee and the Board. The Committee reports regularly to the Board such matters as are relevant to the Company. The Company Secretary acts as Secretary to the Corporate Social Responsibility Committee. Report on Corporate Social Responsibility activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as an Annexure to this Report. The CSR Policy is uploaded on Company's website.

E) RISK MANAGEMENT COMMITTEE :

The Committee is required to lay down the procedures to review the risk assessment and minimization procedures and is responsible for framing, implementing and monitoring the risk management plan of the Company. The Board regularly reviews the effectiveness of the Company's system of internal controls, including financial, operational and compliance controls, risk management and the Company's high-level internal control arrangements. This Committee of the Company comprises of Mr. Prakash B. Rane as the Chairman and Mr. Sanjay B. Mehta and Mr. Govind Singh Chauhan as members of the Committee.

During the Financial Year ended 31st March, 2018, the Committee met twice on 19th May, 2017 and 6th February, 2018 for reviewing the Company level risks and mitigation plans and actions.

Code for prevention of insider-trading practices:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices And Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mrs. Sarika Ghanekar, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

Whistle Blower Policy:

The Companies Act, 2013 and the listing regulations require all the listed companies to institutionalize the vigil mechanism and whistle blower policy. The Company, since its inception believes in honest and ethical conduct from all the employees and others who are directly or indirectly associated with it. The Audit Committee is also committed to ensure fraud-free work environment and to this end the Committee has laid down a Whistle Blower Policy.

This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. The Policy is expected to help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions. Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. Audit Committee periodically reviews the existence and functioning of this mechanism. The Company has provided dedicated email address whistleblower@abmindia.com for reporting such concerns. The details of establishment of vigil mechanism are available on the website of the Company.

Certification by Chief Executive Officer:

The certificate of Chief Executive Officer and Chief Financial Officer on the financial statements and the cash flow statement for the year is annexed at the end of the report on Page No. 50. The said certificate is signed by Mr. Prakash B. Rane, Managing Director and Mr. Paresh Golatkar, Chief Financial Officer of the Company.

III. SHAREHOLDERS' INFORMATION:

a) General Information:

25th Annual General Meeting

Date	:	8th August, 2018
Time	:	10.30 a.m.
Venue	:	1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai- 400 014
Date of Book Closure	:	2nd August, 2018 to 8th August, 2018 (both days inclusive)
Dividend Payment Date	:	On or before September 6, 2018 (Subject to shareholders' approval)
Corporate Identity Number (CIN) of the Company	:	L67190MH1993PLC113638

b) Address for Correspondence :

Registered Office of the Company

Shareholder can correspond at the Registered Office of the Company at Mumbai i.e. ABM House, Plot No. 268, Linking Road, Bandra (West), Mumbai- 400 050.

c) Share Transfer Agent :

Registrar & Share Transfer Agents: M/s. Universal Capital Securities Private Limited, 21, Shakeel Niwas, Mahakali Caves Road, Andheri (E), Mumbai- 400 093. Contact Number: 28207203-05/28257641.

d) General Body Meetings:

The last three Annual General Meetings (AGM) of the Company were held on the following dates and time:

Date	Time	Address	Special Resolution
22nd AGM on 20.08.2015	11.00 a.m.	Dadar Bhagini Samaj, 1st Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	Special Resolution passed for Re-appointment of Mr. Prakash B. Rane as a Managing Director of the Company and revision of his remuneration.
23rd AGM on 12.08.2016	11.00 a.m.	Dadar Bhagini Samaj, 1st Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	Special Resolution passed for approval for payment of commission to Non-Executive Directors not exceeding 1% of the net profit of the Company.
24th AGM on 27.07.2017	11.00 a.m.	Dadar Bhagini Samaj, 1st Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	-

Postal Ballot:

Whether any special Resolutions:-

i) Were put through Postal Ballots last year	:	No
ii) Details of voting pattern	:	N.A.
iii) Person who conducted the Postal Ballot exercise	:	N.A.
iv) Are proposed to be conducted through Postal Ballot	:	No
v) Procedure for Postal Ballot	:	N.A.

e) **Financial Calendar 2018-2019**
(Tentative and subject to change)

- Financial Results for the:

Quarter ending 30th June, 2018	Within 45 days of end of respective quarter
Quarter ending 30th September, 2018	
Quarter ending 31st December, 2018	
• **Year ending 31st March, 2019**	By 30th May, 2019
• **Annual General Meeting 2018-2019**	By September, 2019

IV. OTHER DISCLOSURES:

The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules while preparing financial statements.

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

Disclosure on Materially Significant Related Party Transactions:

During the year, there were no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiary that had potential conflict with the interest of the Company at large. All related party transactions are mentioned in the Notes to Accounts. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.abmindia.com.

Risk Management:

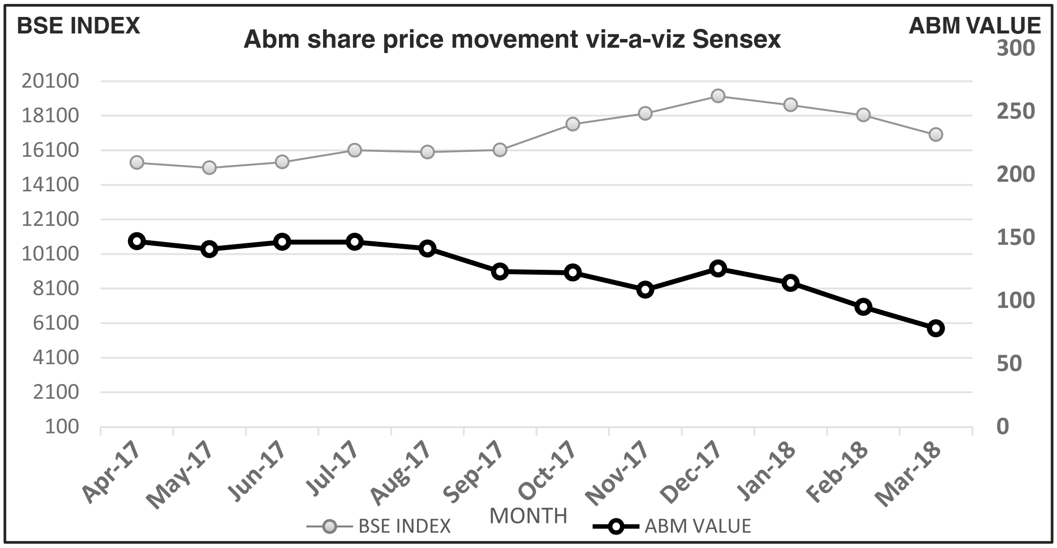
The Company has a Risk Management frame work, by which the information of any risk assessment and minimization activity would be informed to the Board. A Risk Management Plan of the Company is in placed prescribing various probable risks, their assessment and mitigation.

Listing At Stock Exchange:

The Equity Shares of the Company are listed at The Bombay Stock Exchange Limited, Dalal Street, Fort, Mumbai Code No. ABMKNOWLEDGE: 531161.

Listing and Market Price Data:
The high and low prices of every month during the financial year 2017-2018 are given below:

Month	High	Low	Close	Volume (Number)
April 2017	159.00	146.00	147.00	1,31,678
May 2017	154.90	140.40	140.80	1,60,780
June 2017	158.85	135.40	146.45	1,07,101
July 2017	156.90	135.00	146.25	2,56,767
August 2017	159.50	134.30	141.25	1,30,309
September 2017	142.00	116.00	123.00	1,29,389
October 2017	127.00	115.30	122.15	71,805
November 2017	124.45	104.00	108.65	2,05,667
December 2017	128.90	101.10	125.25	2,18,756
January 2018	142.00	111.10	114.00	5,42,043
February 2018	116.75	94.50	94.95	3,54,041
March 2018	102.00	77.50	77.95	5,09,009



Share Transfer System:

Share Transfers in Physical form shall be lodged with M/s. Universal Capital Securities Pvt. Ltd., Registrar & Share Transfer Agent of the Company. Transfer / Transmission of shares held in physical mode and related matters are approved by Stakeholders Relationship Committee. Transfer of shares is effected and share certificates are dispatched within a period of 15 days from the date of receipt of relevant documents, provided they are complete in all respects. Total number of shares transferred in physical form during the year were 19400. As on 31st March, 2018, no request for transfer of shares was pending.

In respect of shares held in dematerialized mode, the transfer takes place instantaneously between transferor and transferee at the depository participant(s) through electronic debit / credit of the accounts involved.

As per the Listing Regulations, the Company has obtained the half yearly certificates from the Company Secretary in Practice for compliance of share transfer formalities and the same have been submitted to the Stock Exchanges.

A qualified practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ("Depositories") and the total issued and listed capital. The said report confirms that the total issued / paid-up capital reconciles with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL. This report is sent to the Stock Exchange on a quarterly basis within 30 days from the end of the every quarter.

Shareholding Pattern and Distribution of Shares - as at 31st March, 2018:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING				
Category	No. of Shares	% to the Total Paid up Capital	Category of Shares	Shareholders		Respective Shareholding	
				Total	%	Total	%
Promoters	12987179	64.93	1-500	2711	73.729	413519	2.067
NRIs / OCBs	2366012	11.83	501-1000	473	12.864	386955	1.935
Indian Public	2995939	14.98	1001-2000	215	5.847	336193	1.681
Bodies Corporate	1121860	5.61	2001-3000	64	1.741	168248	0.841
Others:	-	-	3001-4000	47	1.278	174877	0.874
HUF	183095	0.92	4001-5000	35	0.952	163653	0.818
Clearing Members/ Foreign Nationals / Mutual Funds / NBFCs registered with RBI	84793	0.42	5001-10000	71	1.931	518236	2.591
IEPF A/c	263322	1.32	10001-Above	61	1.659	17840519	89.193
Total	**20002200**	**100.00**		**3677**	**100.00**	**20002200**	**100.00**

Dematerialization of Shares:

The Shares of the Company are compulsory traded in the dematerialized form on Stock Exchange by all investors. As on 31st March, 2018, 85.99% shares of the Company are held in dematerialized form.

The International Securities Identification Number (ISIN) allotted to the Company's equity shares is ISIN INE850B01026.

Shares held by Non-Executive Directors of the Company as on 31.03.2018:

Mrs. Supriya P. Rane	:	24,54,000
Mr. Sharadchandra D. Abhyankar	:	Nil
Mr. Sanjay B. Mehta	:	Nil
Dr. Sumit D. Chowdhury	:	Nil

Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF):

Pursuant to Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules 2016, dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more in the Demat Account of the IEPF Authority. The Company has communicated individually, to the concerned shareholders whose shares are liable to be transferred to the Demat Account of IEPF Authority under the said rules and also notice for the same was published in the newspaper. The Company has uploaded full details of such shareholders and shares due for transfer to Demat Account of IEPF Authority on Company's website.

Dates of declaration of dividends since 2006-2007 and the dates by which they can be claimed by the shareholders are given in the table below:

Financial Year	Date of Declaration	Last Date for claiming unpaid dividend (before)
2006-2007	26.09.2007	Transferred to IEPF
2007-2008	25.09.2008	Transferred to IEPF
2008-2009	25.08.2009	Transferred to IEPF
2009-2010	29.07.2010	Transferred to IEPF
2010-2011	25.08.2011	29.09.2018
2011-2012	25.07.2012	28.08.2019
2012-2013	24.07.2013	27.08.2020
2013-2014	18.09.2014	22.10.2021
2014-2015	20.08.2015	24.09.2022
2015-2016	12.08.2016	30.09.2023
2016-2017	27.07.2017	01.09.2024

Subsidiary Companies:

InstaSafe Technologies Private Limited ("InstaSafe") is subsidiary of ABM. The operations and performance of the subsidiary company is reviewed on a quarterly basis as under:

a) The minutes of the meetings of the Board of the Directors of the subsidiary company are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangement, if any entered into by the subsidiary company.

b) The Audit Committee of the Company reviews the financial statements, in particular the investment made by the subsidiary company.

The Company has adopted a Policy for determining Material Subsidiary in line with the requirements of the Listing Regulations and the same is disclosed on the website of the Company. The Company does not have a material subsidiary as on date of this report, having a net worth exceeding 20% of the consolidated net worth or income of 20% of the consolidated income of your Company.

Proceeds from Public Issues, Rights Issues, Preferential Issues etc.:

No money was raised through Public / Rights / Preferential Issues during the year.

Compliance with the discretionary requirements under Listing Regulations:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

i) Audit qualifications:

Company's financial statements are unqualified.

ii) Reporting of Internal Auditor:

The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchange, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

Disclosure on Website:

Following information has been disseminated on the website of the Company at www.abmindia.com;

1. Details of business of the Company.
2. Terms and conditions of appointment of Independent Directors.
3. Code of Conduct for Board of Directors and Senior Management Personnel.
4. Whistle Blower policy.
5. Nomination & Remuneration Policy.
6. Policy on dealing with Related Party Transactions.
7. Details of familiarization programmes imparted to Independent Directors.
8. Policy for determination of materiality of events.
9. Corporate Social Responsibility Policy.
10. Board Diversity Policy.
11. Code of Conduct to Regulate, Monitor and Report Trading by Insiders.
12. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
13. Policy for determining Material Subsidiary

Means of Communication:

a) The quarterly, half yearly and annual results are published in Navshakti (in Marathi) and Free Press Journal (in English) within 48 hours from the date of declaration. These are not sent individually to the Shareholders.

b) The Company's website www.abmindia.com contains a dedicated functional segment called "Investors" where all the information needed by the shareholders is available, including the Shareholding pattern, Financial Results, Annual Reports, Notices etc.

c) The Company's dedicated email address for Investors' Complaints and other communications is egovernance@abmindia.com.

d) All price sensitive information and matters that are material to Members are disclosed to the Stock Exchange where the securities of the Company are listed. The Quarterly Results, Corporate Governance Report, Shareholding Pattern and all other corporate communications to the Stock Exchange are filed through BSE Listing Centre, for dissemination on their website.

f) The Management Discussion & Analysis Report forms part of this Annual Report.

For and on behalf of the Board

Date: 30th May, 2018	**Prakash B. Rane**	**Sharadchandra D. Abhyankar**
Place: Mumbai	**Managing Director**	**Director**
	(DIN: 00152393)	**(DIN: 00108866)**

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of ABM Knowledgeware Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2018 and to the best of our knowledge and belief, we state that:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

3. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
   (i) significant changes, if any, in the internal control over financial reporting during the year;
   (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

For and on behalf of the Board

Date : 30th May, 2018
Place: Mumbai

Prakash B. Rane
Managing Director (DIN: 00152393)

Paresh Golatkar
Chief Financial Officer

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

[Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To The Members of

ABM KNOWLEDGEWARE LIMITED

We have examined the compliance of conditions of Corporate Governance by ABM KNOWLEDGEWARE LIMITED ('the Company') for the year ended 31st March, 2018, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchange.

The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of Management of the Company including preparation and maintenance of all relevant supporting records and documents. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.

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

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

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

Deepak Kumar Jain
Partner
(M.No. 154390)

Date: 30th May, 2018
Place: Mumbai

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018
FORM No. MR-3

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

To,
The Members,
ABM Knowledgeware Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ABM Knowledgeware Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the ABM Knowledgeware Limited for the financial year ended on 31st March, 2018 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing –not applicable since the Company does not have any FDI, ODI or ECB;

(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) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

I report that during the year under review there was no action / event in pursuance of –

a) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

c) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;

d) The Securities and Exchange Board of India (Employees Stock Option Scheme and employees Stock

Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.

e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

(vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India.

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I 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 year 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 proposal on agenda were sent in advance duly complying with the time limits specified and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports by respective department heads / Company Secretary, which are reviewed by the Managing Director and taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same is subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period, there was no other specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above, having major bearing on the Company's affairs.

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Place: Mumbai
Date :May 16, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ABM Knowledgeware Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of ABM KNOWLEDGEWARE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date and summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Standalone Ind AS Financial Statements based on our audit. In conducting 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 thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone Ind AS Financial Statements 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 March 31, 2018, and its Profits including Other Comprehensive Income, the Statement of Changes in Equity and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the 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 the 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. 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, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account.

   d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses and unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   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, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.31 to the financial statements;

      ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Deepak Kumar Jain
Partner
(M.No. 154390)

Date: 30th May, 2018
Place: Mumbai

ANNEXURE –A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended 31 March 2018, we report that:

i. FIXED ASSETS:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, Fixed assets have been physically verified by the management at reasonable intervals. We are informed that 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, all the title deeds of immovable properties are held in the name of the Company.

ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under Clause 3 (ii) of the Order is not applicable to the Company.

iii. Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under Clause 3 (iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 & 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provision of the Clause 3 (v) of the Order are not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of operations carried out by the Company. Thus, reporting under Clause 3 (vi) of the Order is not applicable to the Company.

vii. STATUTORY DUES:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, service tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹ 000's)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,880.37	F.Y. 2010-2014	Assistant Comm. Of ST
Finance Act, 1994	Service Tax	741.37	F.Y. 2014-2015	Assistant Comm. Of ST
Finance Act, 1994	Service Tax	581.33	F.Y. 2015-2016	Assistant Comm. Of ST
Finance Act, 1994	Service Tax	1,401.82	F.Y. 2014-2017	Assistant Comm. Of ST

viii. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank and government. The Company has not issued any debentures.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under Clause 3 (ix) of the Order is not applicable to the Company.

x. According to the information and explanations given by the management, there was no fraud noticed or reported by the company or any fraud on the Company by its officers or employees during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of the related party transactions have been disclosed in the standalone Ind AS financial statements as required by applicable Accounting Standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares / fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

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 non-cash transactions with its Directors or persons connected to its directors and hence provision of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of RBI Act, 1934.

For Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Deepak Kumar Jain
Partner
(M.No. 154390)

Date: 30th May, 2018
Place: Mumbai

ANNEXURE –"B" TO THE INDEPENDENT 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")

We have audited the internal financial controls over financial reporting of ABM KNOWLEDGEWARE LIMITED (" the Company") as of 31 March, 2018, in conjunction with our audit of the Standalone Ind AS 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 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 standalone IND As 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Deepak Kumar Jain
Partner
(M.No. 154390)

Date: 30th May, 2018
Place: Mumbai

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(In ₹ Thousand)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
1 Non-Current Assets				
a) Property, Plant and Equipment	2.03	4,61,375	4,70,602	4,88,048
b) Intangible Assets	2.03	3,280	6,302	9,452
c) Financial assets				
i) Investment	2.04	81,954	151	94
ii) Loans	2.05	11,989	2,770	2,848
iii) Others	2.06	21,713	52,391	3,396
d) Other Non-Current Assets	2.07	15,910	22,509	24,858
Total non-current assets		**5,96,221**	**5,54,725**	**528,697**
2 Current Assets				
a) Financial assets				
i) Investments	2.08	2,76,355	1,37,909	1,52,791
ii) Trade receivables	2.09	5,25,267	1,49,404	2,00,785
iii) Cash and cash equivalents	2.10	26,643	3,28,582	1,60,823
iv) Bank Balances other than cash and cash equivalents	2.11	17,599	1,36,461	1,40,000
v) Loans	2.12	11,796	15,521	13,034
vi) Others	2.13	7,017	18,669	22,847
vii) Current Tax Assets (Net)	2.14	49,391	34,448	16,571
b) Other current assets	2.15	61,083	93,904	1,13,802
Total current assets		**9,75,151**	**9,14,897**	**8,20,653**
TOTAL ASSETS		**15,71,372**	**14,69,622**	**13,49,350**
EQUITY AND LIABILITIES				
1. Equity				
a) Equity Share capital	2.16	1,02,415	1,02,415	1,02,415
b) Other equity	2.17	13,50,263	12,35,410	10,81,804
Total Equity		**14,52,678**	**13,37,825**	**11,84,219**
2. LIABILITIES				
Non-current liabilities				
a) Deferred tax liabilities (Net)	2.18	79,110	95,337	96,154
b) Other non-current liabilities	2.19	2,227	2,227	2,552
Total Non-current Liabilities		**81,337**	**97,564**	**98,706**
Current liabilities				
a) Financial liabilities				
i) Trade payables	2.20	11,756	8,891	46,860
ii) Other financial liabilities	2.21	7,278	14,005	11,717
iii)Other current liabilities	2.22	18,323	11,337	7,848
Total Current Liabilities		**37,357**	**34,233**	**66,425**
TOTAL EQUITY AND LIABILITIES		**15,71,372**	**14,69,622**	**13,49,350**
Significant Accounting Policies	1			

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For Borkar & Muzumdar ·
Chartered Accountants
Firm Registration No.:101569W
Deepak Kumar Jain
Partner
Membership No.: 154390
Mumbai
30th May, 2018

For and on behalf of the Board of Directors
Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(In ₹ Thousand)

Particulars	Note	Year ended 31st March, 2018	Year Ended 31st March, 2017
1. Income			
a) Revenue From Operations	2.23	**6,05,826**	9,50,811
b) Other Income	2.24	**23,912**	29,097
Total Income		**6,29,738**	9,79,908
2. Expenses:			
a) Operating expense		**35,160**	2,91,063
b) Employee benefits expense	2.25	**2,95,723**	3,01,577
c) Finance costs	2.26	**3,158**	2,438
d) Depreciation and amortisation expense	2.27	**15,931**	26,746
e) Rent		**9,664**	10,531
f) Travelling & Conveyance Expenses		**33,173**	18,939
g) Impairment Losses	2.28	**7,165**	30
h) Other expenses	2.29	**38,196**	46,587
Total Expenses		**4,38,170**	6,97,911
Profit before exceptional items and tax		**1,91,568**	2,81,997
Exceptional Items		**-**	-
3. Profit before tax (1-2)		**1,91,568**	2,81,997
4. Tax Expense:			
a) Current Tax	2.30	**63,252**	99,557
b) Deferred Tax		**(16,227)**	(816)
5. Profit for the year from continuing operations (3-4)		**1,44,543**	1,83,257
6. Other comprehensive income (OCI)			
OCI not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ Losses on defined benefit plans		**633**	590
Fair Value changes of investments in Equity Shares		**(19)**	57
Income tax effect on the above		**(212)**	(204)
Net OCI not to be reclassified to profit or loss in subsequent periods		**402**	443
OCI to be reclassified to profit or loss in subsequent periods		**-**	
Income tax effect on above			
Net OCI to be reclassified to profit or loss in subsequent periods			
Total OCI for the year, net of Tax		**402**	443
7. Total comprehensive income for the year (5+6)		**1,44,945**	1,83,700
8. Earnings per equity share (for continuing operations)			
a) Basic	2.33	**7.25**	9.18
b) Diluted	2.33	**7.25**	9.18
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Deepak Kumar Jain
Partner
Membership No.: 154390
Mumbai
30th May, 2018

For and on behalf of the Board of Directors
Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

Standalone Statement of changes in equity for the year ended 31st March 2018

Other Equity **(In ₹ Thousand)**

Particulars	A. Equity Share Capital	Other Equity			
		Reserve and Surplus		Items of OCI	Total
		General Reserve	Retained Earnings	Fair value Adjustment	
As at 1 April , 2016	1,02,415	30,805	10,50,999	-	10,81,804
Profit for the year		-	1,83,257	-	1,83,257
Re-measurement gains/ Losses on defined benefit plans		-	-	386	386
Fair Value changes of investments in Equity Shares		-	-	57	57
Income tax effect on the above					-
Equity Dividend and DDT			(30,093)		(30,093)
Balance as on March 31, 2017	**1,02,415**	**30,805**	**12,04,163**	**443**	**12,35,410**
As at 1 April , 2017	1,02,415	30,805	12,04,163	443	12,35,411
Profit for the year		-	1,44,543		1,44,543
Re-measurement gains/ Losses on defined benefit plans		-		421	421
Fair Value changes of investments in Equity Shares				(19)	(19)
Equity Dividend and DDT		-	(30,093)		(30,093)
Balance as on March 31, 2018	**1,02,415**	**30,805**	**13,18,613**	**844**	**13,50,263**

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For Borkar & Muzumdar ·
Chartered Accountants
Firm Registration No.:101569W

Deepak Kumar Jain
Partner

Membership No.: 154390
Mumbai
30th May, 2018

For and on behalf of the Board of Directors

Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(In ₹ Thousand)

Particulars	2017-2018	2016-2017
Cash flow from operating activities		
Profit Before Tax	**1,91,568**	2,81,997
Non-cash Adjustment to Profit Before Tax:		
Depreciation and amortization expense	**15,931**	26,746
Interest Income	**(13,269)**	(20,452)
Gain on sale of Investment	**-**	(86)
Loss on sale of asset	**-**	208
Loss on sale of investment	**-**	99
Impairment of Trade Receivable	**6,002**	30
Impairment on non current/Current assets	**1,163**	-
Remeasurement of Defined Benefit Obligation	**(633)**	(590)
Fair Valuation Loss on Pref Shares	**1,391**	-
Change in fair value of financial assets at fair value through profit or loss	**(1,346)**	(42)
Dividend classified as investing cash flows	**(8,249)**	(7,288)
Finance costs	**3,158**	2,438
Prior period Adjustment	**-**	78
	195,716	283,137
Change in operating assets and liabilities :		
Decrease/(increase) in trade receivables	**(376,942)**	51,381
Decrease/(increase) in loans and other financials assets	**45,778**	(47,225)
Decrease/(increase) in Other bank balance	**118,862**	3,539
Increase/(decrease) in trade payables	**2,864**	(37,969)
Decrease/(increase) in other non-current assets	**6,074**	2,549
Decrease/(increase) in other current assets	**32,070**	19,898
Increase/(decrease) in other financial Liability	**(6,727)**	2,288
Increase/(decrease) in other current liabilities	**6,986**	3,489
Increase/(decrease) in other Non Current liabilities	**-**	(325)
Cash generated from operations	**(1,71,034)**	(2,375)
Direct taxes paid (net of refunds)	**(81,331)**	(1,16,704)
Prior Period Adjustment	**-**	(78)
Net cash flow generated /(used in) operating activities (A)	**(56,649)**	1,63,980
Cash flow from investing activities		
Payments for acquisition of property, plant and equipment	**(3,681)**	(7,006)
Payments for purchase of investments	**(5,39,397)**	(8,21,588)
Proceeds from sale of investments	**4,02,314**	8,36,502
Investment in Subsidiaries	**(92,793)**	
Proceeds from sale of Motor car	**-**	661
Loss on sale of Assets	**-**	
Interest received	**13,269**	20,452
Dividends received	**8,249**	7,288
Net cash flow generated / (used in) investing activities (B)	**(2,12,040)**	36,309

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(In ₹ Thousand)

Particulars	2017-2018	2016-2017
Cash flows from financing activities		
Finance Cost	**(3,158)**	(2,438)
Dividends paid to equity shareholders	**(30,093)**	(30,093)
Net cash flow generated/(used in) in financing activities (C)	**(33,250)**	(32,531)
Net increase/(decrease) in cash and cash equivalents (A+B+ C)	**(3,01,939)**	1,67,759
Cash and cash equivalents at the beginning of the year	**3,28,582**	1,60,823
Cash and cash equivalents at the end of the year	**26,643**	3,28,582
Cash and cash equivalents Comprises of:		
Balance with Bank	**26,041**	3,27,957
Cash on hand	**602**	625
Total	**26,643**	3,28,582

As per our report of even date attached

For Borkar & Muzumdar ·
Chartered Accountants
Firm Registration No.:101569W

Deepak Kumar Jain
Partner

Membership No.: 154390
Mumbai
30th May, 2018

For and on behalf of the Board of Directors

Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

Notes to the Financial Statements for the year ended 31st March 2018

1. COMPANY BACKGROUND:

ABM Knowledgeware Limited (the 'Company") is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at, ABM House, Bandra West, Mumbai, India. The company has its primary listing on the Bombay Stock Exchange (BSE). The Company is one of the few information technology (IT) services companies with exclusive focus on e governance since 1998.

2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation of Financial Statements:

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (India Accounting Standard) (Amendment) Rules 2016 and other relevant provision of the Act. For all periods, up to and including the year ended 31st March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP') and other relevant provision of the Act.

The standalone financial statements of the Company have been prepared and presented in accordance with Ind AS. Previous year numbers in the standalone financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of standalone financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (" Previous GAAP") to Ind AS of Shareholders' equity as at 31 March 2017 and 1 April 2016 and of the comprehensive net income for the year ended 31st March 2017.

Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 2.35.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

b. Use of estimates, assumptions and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised, and future periods are affected.

Key source of estimation of uncertainty as at the date of standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

3. Summary of Significant Accounting Policies:

a) Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- It is expected to settle in the normal operating cycle.
- It is due to be settled within twelve months after the reporting date.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

Advance tax paid is classified as non-current assets.

b) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Sales tax/Value Added Tax (VAT)/Service Tax/ Goods and Service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity/service rendered by the seller on behalf of the government. Accordingly, it is initially included and subsequently gets excluded from the gross revenue.

The Company derives its revenues primarily from software development, maintenance of software/ hardware and related services, business process services, Sale of IT and other products.

Revenues from software services & projects comprise income from time-and-material and fixed price contracts.

Revenue from time and material contracts is recognized when the services are rendered in accordance with the terms of contracts with clients. Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

Maintenance revenue is recognized ratable over the period of underlying maintenance agreements.

Revenue from sale of services is shown as net of applicable discounts and pricing incentives to customer.

Revenues from sale of goods is recognized on transfer of significant risks and rewards where it is probable that economic benefits will flow to the Company and there is neither continuing managerial involvement nor effective control over the goods sold.

Revenue is recognized only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered, the cost incurred and cost to complete the transaction can be measured reliably and collectability of the resulting receivables is probable. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized as it accrues in the Statement of Profit and Loss using effective interest rate method.

Dividend income is recognized in the Statement of Profit and Loss only when the right to receive the dividend is established, it is probable that the economic benefit associated with the Dividend will flow to the Company, and the amount of the dividend can be reliably measure

c) Property, Plant and Equipment

Measurement and recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset etc. The estimated useful life of items of property, plant and equipment is mentioned below:

(In Year)

Assets	Useful life as per Companies Act, 2013	Useful life estimated by the management
Buildings (Other than factory buildings)	60	30-68
Plant and Equipment	15	05
Furniture and Fixtures	10	10
Office Equipment	5	5
Vehicles	8	8
Servers and Networks		
Computer Equipment	3	3/6
Lease hold improvements	Not applicable	As per the lease term
Purchased Software/ Internally developed for self-consumption	As per Ind AS 38	
Internally developed Software for sale	As per Ind AS 38	

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease. The Company, based on the historical experience & internal technical assessment and management estimate, depreciates certain items of property plant and equipment (as mentioned above) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013.The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

All assets Costing up to ₹ 5000/- are fully depreciated in the year of capitalization.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Intangible Assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Assets	Life
Software	**1 - 8 years**

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

d) Impairment of Assets:

Carrying Amount of Tangible assets, Intangible assets, Investment in Subsidiaries (which are carried at the cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

e) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. The corresponding rental obligation, net of finance charges, are included in borrowing or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce the constant periodic rate of interest on the remaining balance of the liability for each period.

f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement –Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortized cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortized Cost:

A financial asset is classified and measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI:

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at cost or at FVTOCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

h) Impairment of Financial Assets:

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition, an amount of reasonable provision is measured and recognized as loss of allowance on the basis of historical experience and internal technical analysis.

Classification and Subsequent measurement: Financial Liabilities

The Company's financial liabilities include trade and other payables, loans an borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognized in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Assets and Financial Liabilities:

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

i) Investment in Subsidiaries:

A Subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

The Company's investments in its Subsidiary and is accounted at cost.

j) Derivatives Financial instruments and hedge accounting

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy. The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of fair value hedge:

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value. Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

Derecognition: On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

k) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability Business

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

l) Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.
Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

m) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

n) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

o) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments

p) Gratuity and other post-employment benefits

a) Short-term obligations:

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post-employment obligations:

The Company operates the following post-employment schemes:

- Defined benefit plan such Gratuity and
- Define Contributions plans such as Provident Fund:

The liability or asset recognized in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement Profit and Loss as past service cost.

q) Defined contribution plans:

The Company contributes to Employee's State Insurance Corporation, Provident Fund which are considered as defined contribution plans. A contribution is made to Regional Provident Fund Commissioner for certain employees. In case of other employees covered under the Provident Fund Trust of the Company, the management does not expect any material liability on account of interest shortfall to be borne by the Company. The said contributions are charged to the Statement of Profit and Loss.

r) Other long-term employee benefit obligations:

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

s) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable was based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

t) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

u) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4. First-time adoption-mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening standalone Balance Sheet as per Ind AS as of the transition date by:

- recognizing all assets and liabilities whose recognition is required by Ind AS;
- not recognizing items of assets or liabilities which are not permitted by Ind AS;
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- applying Ind AS in measurement of recognized assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

i) Deemed cost for Office Equipment's, Computers, Furnitures, Motor Car and Intangible assets:

The Company has elected to continue with the carrying value of all of its Office equipment's, Computers, Furniture's, Motor Car and Intangible assets recognized as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous

- Investment in equity instruments carried at Fair value through profit or loss or Fair value through other comprehensive income;
- Impairment of financial assets based on expected credit loss model.

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.03 Property, Plant and Equipment

(In ₹ Thousand)

Assets	Gross Carrying Value					Depreciation				Net Block	
	As at 1st, April 2017	Additions during the Period	Deletion during the year	Adjustments	As at 31st march 2018	As at 1st, April 2017	For the year	Deduction or Adjustment	Upto 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Property, Plant & Equipments											
Computers	1,973	129	-	-	**2,101**	606	568	-	**1,174**	**927.21**	1,366
Office Equipments	6,514	80	-	-	**6,594**	2,262	2,275	-	**4,537**	**2,057**	4,252
Furniture	5,930	3,296	-	-	**9,226**	737	1,349	-	**2,086**	**7,140**	5,193
Motor Car	11,036	-	-	-	**11,036**	304	1,466	-	**1,770**	**9,266**	10,732
Office Premises	4,67,792	-	-	-	**4,67,792**	18,733	7,074	-	**25,807**	**4,41,985**	4,49,059
Total	**4,93,245**	**3,504**	**-**	**-**	**4,96,749**	**22,643**	**12,732**	**-**	**35,374**	**4,61,375**	4,70,602
Intangible Assets											
Software Products	9,452	177	-	-	**9,629**	3,150	3,199		**6,349**	**3,280**	6,302
Grand Total	**5,02,697**	**3,681**	**-**	**-**	**5,06,378**	**25,793**	**15,931**	**-**	**41,723**	**4,64,655**	4,76,905
Previous year	**4,97,500**	**7,006**	**1,810**	**-**	**5,11,808**	**-**	**26,746**	**954**	**34,903**	**4,76,905**	-

(In ₹ Thousand)

Assets	Gross Carrying Amount					Depreciation				Net Block	
	As at 1st, April 2016	**Additions during the Period**	**Deletion during the year**	**Adjustments**	**As at 31st march 2017**	As at 1st, April 2016	**For the year**	**Deduction or Adjustment**	**Upto 31st March, 2017**	**As at 31st March, 2017**	As at 1st April, 2016
Property, Plant & Equipments											
Computers	1,409	563	-	0.02	**1,973**	-	619	12	**606**	**1,366**	1,409
Office Equipments	5,665	849	-	0.01	**6,514**	-	2,262	-	**2,262**	**4,252**	5,665
Furniture	5,456	473	-	-	**5,930**	-	737	-	**737**	**5,193**	5,456
Motor Car	7,725	5,121	1,810	-	**11,036**	-	1,245	941	**304**	**10,732**	7,725
Office Premises	4,67,792	-	-	-	**4,67,792**	-	18,733	-	**18,733**	**4,49,059**	4,67,792
Total	**4,88,048**	**7,006**	**1,810**	**0.03**	**4,93,245**	**-**	**23,596**	**954**	**22,643**	**4,70,602**	**4,88,048**
Intangible Assets											
Software Products	9,452	-	-	-	**9,452**	-	3,150		**3,150**	**6,302**	9,452
Grand Total	**4,97,500**	**7,006**	**1,810**	**-**	**5,11,808**	**-**	**26,746**	**954**	**34,903**	**4,76,905**	**2,70,829**
Previous year	**3,22,202**	**9,782**	**3,144**	**-**	**3,28,839**	**42,455**	**16,808**	**(1,252)**	**58,011**	**2,70,829**	**2,79,747**

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.04 Non Current Investments (In ₹ Thousand)

Particulars	Face Value	As at 31st March, 2018 No	2018 Amount	2017 No	2017 Amount	As at 1st April, 2016 No	2016 Amount
Quoted							
Investments measured at Fair value through the statement of profit & Loss							
Other	10	500	132	500	151	500	94
Unquoted							
Investments in Equity Instruments							
Investment in Subsidiaries-Unquoted							
Instasafe Technologies Pvt Ltd	10	25,225	32,793	-	-	-	-
Investments in Compulsory Convertible Preference Shares -measured at Fair value							
Instasafe Technologies Pvt Ltd	170	71,259	49,030	-	-	-	-
Total (A+B)		96,984	81,954	500	151	500	94

Aggregate books value of quoted Investments	Nil
Aggregate market value of investments designated at FVTOCI	132
Aggregate amount of unquoted investments	81,822

Note 2.05 Non Current Loans (In ₹ Thousand)

Particulars	As at 31st March, 2018	2017	As at 1st April, 2016
Security Deposits			
Unsecured, considered good	2,410	2,770	2,848
Loans to related party			
Loan to Subsidiary Company			
Unsecured, considered good	9,579	-	-
Total	11,989	2,770	2,848

Note: 2.06 Others Non Current Financial Asset (In ₹ Thousand)

Particulars	As at 31st March, 2018	2017	As at 1st April, 2016
Bank Deposits with more than 12 months	21,713	20,486	3,396
Advance paid for Securities pending allotment	-	31,905	-
Total	21,713	52,391	3,396

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.07 Other Non Current Assets **(In ₹ Thousand)**

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
Capital Advance	**-**	3,199	3,476
Advance Other than capital advance			
Cenvat/Vat Receivable	**540**	1,443	4,187
Security/Margin Deposit	**2,227**	2,227	2,227
Employee Benefit assets	**1,642**	2,859	2,239
Prepaid Expenses	**1,526**	2,281	2,229
	5,935	8,810	10,882
Advance to other Parties			
Unsecured, considered good	**9,975**	10,500	10,500
Unsecured, considered doubtful	**525**	-	200
Less: Provision for doubtful advance	**(525)**	-	-200
	9,975	10,500	10,500
Total	**15,910**	22,509	24,858

Note 2.08 Current Investment **(In ₹ Thousand)**

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
Quoted			
Investments carried at fair value through the statement of Profit and Loss:			
Investments in Mutual Funds			
(i) Reliance Money Manager Fund- Dividend reinvestment (March 2017: 58,170 Units, April 1,2016 : 50,908 units)	**-**	58,607	51,120
(ii) 37,207 Units of Baroda Pioneer Mutual fund- Dividend reinvestment (March 2017 :5680, April 1 2016 :100,774 units)	**37,538**	5,731	101,671
(iii) Canara Rebeco liquid-Regular - Dividend reinvestment (March 2017 : 7176 units)	**-**	7,215	-
(iv) 2,50,000 Units Canara Rebeco -Capital Protection Fund - Dividend Reinvestment (March 2017: 2,50,000 units)	**2,734**	2,596	-
(v) 250,000 Units of Canara Rebeco -Capital Protection Fund - Series 8	**2,610**	-	-
(vi) 100,000 Units of Canara Rebeco -Capital Protection Fund - Series 9	**1,007**	-	-
(vii) 16,83,977 Units of Canara Rebeco Savings Plus Fund - Regular Growth	**45,781**	-	-
(viii) 1,71,95,188 Units of Canara Rebeco Savings Plus Fund - Dividend reinvestment (March 2017: 62,12,823 units)	**176,423**	63,744	-
(ix) 11 units of Reliance Liquid Fund-Teasury Plan - Dividend reinvestment (March 2017 :11 units)	**17**	17	-
Unquoted			
Investments carried at fair value through the statement of Profit and Loss:			
(x) Trivantage capital Management pvt ltd	**10,245**	-	-
Total	**276,355**	137,909	152,791
Aggregate books value of quoted Investments	**266,110**	137,909	152,791
Aggregate market value of investments designated at FVTOCI	**Nil**	Nil	Nil
Aggregate amount of unquoted investments	**10,245**	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.09 Trade Receivable (In ₹ Thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade receivables			
Unsecured, considered good	**5,25,267**	149,404	200,785
Unsecured, considered doubtful	**6,079**	5,000	5,000
Less: Allowance for doubtful debts (expected credit loss)	**(6,079)**	(5,000)	(5,000)
Total	**5,25,267**	1,49,404	2,00,785

Note 2.10 Cash and Cash Equivalents (In ₹ Thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on hand	**602**	625	90
Balances with Banks			
(i) In current accounts #	**9,454**	149,197	145,858
(ii) Deposits with original maturity less than 3 months	**16,587**	178,760	14,875
Total	**26,643**	3,28,582	1,60,823

\# Above Overdrafts are payable on demand and are secured by:-

(a) Hypothecation of book debts of the company.

(b) Collateral:

i) EMT of Office premises at Swastik Chambers, Office No.514 and 515,5th floor, Umarshi Bappa Chowk, Chembur, Mumbai - 400071 Standing in the name of the company.

ii) EMT of Office Premises at Prabhadevi Unique Industrial Premises Co-op Soc. Ltd, Unit No.5,Ground Floor, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 standing in the name of the company.

iii) Three Fixed deposits in Canara Bank amounting to ₹ 313 thousand representing maturity value of 3 LIC policies which were earlier hypothecated to the bank.

iv) 5 KDR's having face value of ₹ 2.60 lac in the personal names of directors Mr.Prakash Rane and Mrs. Supriya Rane (Pledge).

v) Personal Guarantees from director –Mr. Prakash B. Rane.

Note 2.11 Bank Balances other than cash and cash equivalents (In ₹ Thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unclaimed Dividend	**2,587**	2,441	2,149
Term Deposits with original maturity for more than 3 months but less than 12 months	**-**	88,864	93,757
Term Deposits held as margin money against bank guarantee and other commitments	**15,012**	45,156	44,094
Total	**17,599**	1,36,461	1,40,000

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.12 Current Loans (In ₹ Thousand)

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
Deposits			
Unsecured, considered good	**11,,526**	12,947	12,348
Unsecured, considered doubtful	**638**	-	-
Less: Provision for doubtful WIP	**(638)**	-	-
	11,526	12,947	12,348
Loans and advances to Employees			
Unsecured, considered good	**250**	1,387	670
	250	1,387	670
Other loans and advances (specify nature)			
Other			
Unsecured, considered good	**19**	1,187	16
	19	1,187	16
Total	**11,796**	15,521	13,034

Note 2.13 others Financial Assets (In ₹ Thousand)

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
Accruals - Receivables	**7,017**	18,669	22,847
Total	**7,017**	18,669	22,847

Note 2.14 Current Tax Assets (Net) (In ₹ Thousand)

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
Tax Provision	**3,95,081**	5,73,737	4,73,976
Less: Tax Paid	**4,44,472**	6,08,184	4,90,546
Total	**49,391**	34,448	16,571

Note 2.15 Other Current Assets (In ₹ Thousand)

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
Prepaid Expenses	**3,798**	4,598	4,570
Project under Process(WIP)			
Unsecured, considered good	**56,103**	88,499	1,09,104
Unsecured, considered doubtful	**751**	-	-
Less: Provision for doubtful WIP	**(751)**	-	-
	56,103	88,499	109,104
Others	**1,183**	807	128
Total	**61,083**	93,904	1,13,802

Notes to Standalone Financial Statements for the year ended March 31, 2018

Amounts in the financial statements are presented in Rs thousand, except for per equity share data and number of shares are stated in absolute figures

Note 2.16 Equity Share capital

(In ₹ Thousand)

Particulars	As at 31st March,				As at 1st April,	
	2018		2017		2016	
	Number	Amount	Number	Amount	Number	Amount
Authorised Share Capital						
Equity Shares of ₹ 5/- each at par with voting rights	2,50,00,000	1,25,000	2,50,00,000	1,25,000	2,50,00,000	1,25,000
Issued						
Equity Shares of ₹ 5/- each at par with voting rights	2,07,00,000	1,03,500	2,07,00,000	1,03,500	2,07,00,000	1,03,500
Subscribed & Fully Paid up						
Equity Shares of ₹ 5/- each at par with voting rights	2,00,02,200	1,00,011	2,00,02,200	1,00,011	2,00,02,200	1,00,011
Subscribed but not fully Paid up	Nil	Nil	Nil	Nil	Nil	Nil
Forfeited Shares (amount originally paid-up)						
Equity Shares of ₹ 5/- each at par with voting rights Amount paid up	6,97,800	2,404	6,97,800	2,404	6,97,800	2,404
Total	**2,07,00,000**	**1,02,415**	2,07,00,000	1,02,415	2,07,00,000	1,02,415

Note 2.16(i) Reconciliation of the number of shares and the amout outstanding at the beginning and at the end of the reporting period.

(In ₹ Thousand)

Equity shares	As at 31st March,				As at 1st April,	
	2018		2017		2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,07,00,000	1,02,415	2,07,00,000	1,02,415	2,07,00,000	1,02,415
Outstanding at the end of the year	**2,07,00,000**	**1,02,415**	2,07,00,000	1,02,415	2,07,00,000	1,02,415

Note 2.16(ii) Details of Shares held by each shareholder holding more than 5% shares

(In ₹ Thousand)

Name of Shareholder	As at 31st March,				As at 1st April,	
	2018		2017		2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Prakash Baburao Rane	95,42,300	47.71	95,42,300	47.71	95,42,300	47.71
Supriya Prakash Rane	24,54,000	12.27	24,54,000	12.27	24,54,000	12.27
Total	**1,19,96,300**	**59.98**	1,19,96,300	59.98	1,19,96,300	59.98

Note 2.16(iii) Details of Shares forfeited

(In ₹ Thousand)

Class of shares	As at 31st March,				As at 1st April,	
	2018		2017		2016	
	No. of Shares	Amount paid up	No. of Shares	Amount paid up	No. of Shares	Amount paid up
Equity Shares with voting rights	6,97,800	2,404	6,97,800	2,404	6,97,800	2,404
Total	**6,97,800**	**2,404**	6,97,800	2,404	6,97,800	2,404

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.16 (iv) Rights, preferences and restrictions attached to Equity shares

The Company has a only one class of Equity Shares having par value of Rs. 5 per share . Each Shareholder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note 2.17 Other Equity (In ₹ Thousand)

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
General reserve	**30,805**	30,805	30,805
Retained earning	**13,19,458**	12,04,605	10,50,999
Total	**13,50,263**	12,35,410	10,81,804

Note 2.18 Deferred Tax Liabilities (Net)

(In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Deductible Expenditure		
Expenses allowed on provision for doubtful debts	**2,172**	-
Taxable Temproary Difference		
Depreciation adjustment as per Books and Income Tax	**81,282**	95,337
Net Deferred Tax Liability/Asset	**79,110**	95,337

(In ₹ Thousand)

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
2017-2018			
Deferred Tax Liability/Asset in Relation to unabosrbed depreciation as per Income tax	**95,337**	(14,055)	81,282
Expenses allowed on provision for doubtful debts	**-**	2,172	2,172
Total	**95,337**	16,227	79,110
2016-2017			
Deferred Tax Liability/Asset in Relation to unabosrbed depreciation as per Income tax	**96,154**	(817)	95,337
Expenses allowed on provision for doubtful debts	**-**	-	-
Total	**96,154**	(817)	95,337

(In ₹ Thousand)

The Analysis of Deferred tax Asset and Deferred tax Liability is as follows:	As at 31st March,	
	2018	2017
Deferred Tax Asset:		
Deferred Tax Asset to be recovered after more than 12 Month	**2,172**	-
Deferred Tax Asset to be recovered within 12 Month		
	2,172	-
Deferred Tax Liability:		
Deferred Tax Liability to be recovered after more than 12 Month	**81,282**	95,337
Deferred Tax Liability to be recovered within 12 Month		
Net Deferred Tax Liability/Asset	**81,282**	95,337

Notes to Standalone Financial Statements for the year ended March 31, 2018

(In ₹ Thousand)

Numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed	As at 31st March, 2018	As at 31st March, 2017
Accounting Profit	**191,568**	281,998
Tax at the domestic rate of 34.61% in 2018, (34.61% in 2017)	**66,298**	97,594
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	**(2,201)**	749
Expenses provided but allowable in Income Tax on payment/writeoff(net)		
Other than temporary Differences	**70.62**	1,419
Adjustments for current tax of prior periods	**(915)**	(204)
Mat Credit Utilisation	**-**	-
Tax Expense	**63,252**	99,557

Note 2.19 Other non-current liabilities (In ₹ Thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Disputed Liability	**2,227**	2,227	2,227
Sundry Creditors for Capital Goods	**-**	-	325
Total	**2,227**	2,227	2,552

Note 2.20 Trade Payables (In ₹ Thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total outstanding dues of micro and small enterprises	**-**	181	180
Total outstanding dues of creditors other than micro and small enterprises	**11,756**	8,710	46,680
Trade payable with related parties	**-**	-	-
Total	**11,756**	8,891	46,860

Note 2.21 Other financial liabilities (In ₹ Thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Salary Payable	**1,278**	484	623
Unclaimed Dividend	**2,587**	2,441	2,149
Liability for Expenses	**3,413**	11,080	8,945
Total	**7,278**	14,005	11,717

Note: 2.22 Other current liabilities (In ₹ Thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Remittances	**18,323**	7,126	7,698
Advance from Customer	**-**	4,211	-
Deposit from Member for nomination of Independent Director	**-**	-	100
EMD Refundable	**-**	-	50
Total	**18,323**	11,337	7,848

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.23 Revenue from Operations (In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Income from sale of products & Services	**7,16,305**	10,96,737
Less: GST/Servcie tax recovered	**1,10,479**	1,45,926
Net Revenue from Operation	**6,05,826**	9,50,811

Note 2.24 Other Incomes (In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Income related to financial asset		
Interest on Bank deposit	**13,269**	20,452
Dividend Income	**8,249**	7,288
Gain on Sale of Investment	**-**	86
Interest Income on Pref Share	**731**	-
Miscellaneous Income	**317**	1,229
Other Non -Operating Income		
Gain on investment through Profit and Loss account	**1,346**	42
Total	**23,912**	29,097

Note 2.25 Employee Benefit Expenses (In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Salaries and wages	**265,255**	270,100
Contribution to provident and other funds	**21,895**	19,290
Staff welfare Expenses	**8,573**	12,187
Total	**2,95,723**	3,01,577

Note 2.26 Finance Cost (In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Bank Interest	**224**	223
Other borrowing cost:-		
Bank Limit charges	**1,039**	302
Bank Guarantee Charges	**1,895**	1,913
Total	**3,158**	2,438

Note 2.27 Depreciation & Amortisation (In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Depreciation & Amortisation	**15,931**	26,746
Total	**15,931**	26,746

Note 2.28 Impairment Losses (In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Impairment loss allowance on trade receivable	**6,002**	30
Impairment loss allowance on other financial assets	**1,163**	-
Total	**7,165**	30

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note 2.29 (i)Other Expenses **(In ₹ Thousand)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Rates and Taxes	**3,207**	6,783
Repairs & Maintenance - Bldg/others	**1,343**	1,232
Electricity charges	**3,722**	3,760
Legal & Professional Fees	**4,193**	5,178
Printing & Stationery	**1,087**	1,368
Membership & subscription	**1,036**	1,017
Telephone charges	**1,446**	3,153
Advertising expenses	**1,235**	1,757
Donation/CSR	**5,892**	11,027
Insurance Expenses	**555**	606
Loss on Sale of Asset	**-**	208
Miscellaneous Expenses	**11,709**	9,974
Total	**35,424**	46,063

Note 2.29 (ii)Payment to Auditors **(In ₹ Thousand)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Auditors of the company and its Component	**-**	-
Audit of the Company:	**-**	-
Statutory Audit	**650**	425
Total	**650**	425

Note 2.29 (iii) Net gains /Losses on Fair value changes **(In ₹ Thousand)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Short Term Capital Loss(MF)	**-**	99
Net loss on fair value changes on other financial instrument classifie as FVTPL	**2,122**	-
Total	**2,122**	99

Note 2.30 Tax expenses **(In ₹ Thousand)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Income tax expenses :		
Current tax assets		
In respect of the current year	**64,167**	99,761
In respect of prior years	**(703)**	-
	63,464	99,761
Deferred tax		
In respect of the current year		
In respect of the Temproary Differences	**(16,227)**	(817)
In respect of the Unused Tax Loss	**-**	-
In respect of the Unused Tax Credit	**-**	-
	(16,227)	(817)
Total income tax expense recognised in the current year	**47,237**	98,944
(b) Income tax recognised in other comprehensive income		
Remeasurements of the defined benefit plans	**(212)**	(204)
	(212)	(204)

Notes to Standalone Financial Statements for the year ended March 31, 2018

(In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :		
Profit from continuing operations before income tax expense	**1,91,568**	2,81,998
Profit from discontinuing operations before income tax expense	**-**	-
Tax at the Indian tax rate of 30% (2015-2016 - 30%)	**66,298**	97,594
Adjustments for current tax of prior periods	**(915)**	(204)
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	**(2,201)**	749
Expenses provided but allowable in Income Tax on payment/writeoff(net)		
Other than temporary Differences	**71**	1,419
Adjustments for current tax of prior periods		
Income tax expense	**63,252**	99,557

Note 2.31 Contingent Liabilities and commitments (to the extend not provided for): (In ₹ Thousand)

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
(i) Contingent liabilties:			
(a) Claims against the company not acknowledged as debts [Refer Note 2.31 (i)]	**-**	2,227	2,227
(b) Bank Gurantees [Refer Note 2.31 (ii)]	**53,866**	1,15,429	51,814
(c) Property Tax of Office Premises at Bandra	**-**	4,243	4,411
(d) Service Taxes [Refer Note 2.31(iii)]	**4,881**	3,890	2,554
(ii) Capital Commitments			
(a) Estimated amount of contracts remaining to be excecuted on capital account and not provided for:			
-tangible Assets	**-**	-	
-Office interior [Refer note 2.31 (iv)]	**-**	10,603	10,589
(b) Other Commitments			
Investment in the shares of Instasafe technologies pvt Ltd. [Refer note 2.31 (iv)]	**40,000**	1,18,095	-

Note 2.31(i)

The amount mentioned pertains to the margin money paid to court against the Unique Value Case with interest at 9% p.a. against the court order received in June, 2005. Since the decision of the court is pending hence the same is shown as contingent laibility.

Note 2.31(ii)

The Overdrafts and Bank Gaurantee facility availed by the Company are payable on demand and are secured by:-

(a) Hypothecation of book debts of the company.

(b) Collateral:

i) EMT of Office premises at Swastik Chambers, Office No.514 and 515,5th floor, Umarshi Bappa Chowk, Chembur, Mumbai - 400071 Standing in the name of the company.

ii) EMT of Office Premises at Prabhadevi Unique Industrial Premises Co-op Soc. Ltd, Unit No.5, Ground Floor, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 standing in the name of the company.

iii) Three Fixed deposits in Canara Bank amounting to ₹ 313 thousand representing maturity value of 3 LIC policies which were earlier hypothecated to the bank.

Notes to Standalone Financial Statements for the year ended March 31, 2018

iv) 5 KDR's having face value of ₹ 2.60 lac in the personal names of directors Mr. Prakash B. Rane and Mrs. Supriya Rane (Pledge).

(c) Personal Guarantees from director – Mr. Prakash B. Rane.

Note 2.31 (iii)

The service tax amount shown of ₹ 4881 thousand pertains to the show cause notices received by the company for disallowances of cenvat credit for the F.Y. 2010-11 to 2016-17. The Company has contested or filed appeals in respect of the aforesaid disputed matters before the authorities. The management is hopeful that matters will be decided in favour of the Company.

Note 2.31(iv)

The Company at a Board Meeting held on 23rd January,2017 approved a strategic investment in InstaSafe Technologies Private Limited ("Instasafe"). Instasafe Provides innovative cloud based security-as-a-service solutions. ABM has executed definitive agreements including Share Purchase Agreement and Share Subscription & Shareholders' Agreement. The transactions will be completed subject to satisfactory fulfillment of certain conditions precedent.The aggregate investment would be upto INR 13.32 crore. As of 31st March, 2018 the Company completed an aggregate investment of Rs. 9.32 Cr in Instasafe Technologies Pvt Limited. Pursuant to the rights confered on ABM under the Shareholder's agreement and nomination of two Non-executive Directors on the Board of Directors of Instasafe, the said Company has became a subsidary of the Company.

Notes on Financial Statements for the Year ended 31st March, 2018

Note 2.32

During the year management has analysed the remaining useful life of asset and based on the technical valuation of the one class of property, plant and equipment viz. building and premises, life expectation has been changed from previous estimates. The changes in the life expectation has been changed from previous estimates. The changes in the life expectation has been accounted as per Para 38 of Ind AS 8, Accounting Policies, change in Accounting Estimates and Errors.

Note :2.33 Calculation of Earnings Per Share:- **(In ₹ Thousand)**

Particulars	As at 31st March,	
	2018	**2017**
Net profit after tax attributable to equity shareholders for Basic EPS	**1,44,945**	1,83,700
Add/Less: Adjustment relating to potential equity shares	**-**	-
Net profit after tax attributable to equity shareholders for Diluted EPS	**1,44,945**	1,83,700
Weighted average no. of equity shares(in thousand) outstanding during the year		
For Basic EPS	**20,002**	20,002
For Diluted EPS	**20,002**	20,002
Face Value per Equity Share (₹)	**5**	5
Basic EPS (₹) (Refer note (i) below)	**7.25**	9.18
Diluted EPS (₹) (Refer note (i) below)	**7.25**	9.18
Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	**20,002**	20,002
Add: Potential equity shares	**-**	-
No. of shares used for calculating Diluted EPS	**20,002**	20,002

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note : 2.34 Employee Benefits

A) Defined contribution Plans

Provident Fund:

The Company operated defined benefits contribution retirement benefits plans for all qualifying employees. The total expenses recognised in profit and loss of ₹ 13,909 thousand (for the year ended March 31, 2017 : ₹ 14448 thousand) represents contributions payable to Provident fund by the Company at rates specified in rules of the plans.

B) Defined Benefit plans:-

Gratuity:-

(In ₹ Thousand)

Particulars	As at 31st March,		As at 1st April,
	2018	2017	2016
Amount Recognised in the statement of P&L a/c			
Current Service cost	**3,399**	3,225	-
Net Interest	**(313)**	(297)	-
Past Service Cost -(vested benefits)	**1,331**	-	-
Total expense recognised in the Statement of profit /loss	**4,417**	2,927	-
Amount Recognised in Other Comprehensive Income(OCI)			
Actuarial (Gain)/Loss Recognised for the period	**(930)**	(1,055)	-
Return on Plan Assets excluding net Interest	**297**	464	-
Total Actuarial (Gain)/Loss recognised in OCI	**(633)**	(590)	-
Movements in Present Value of Obligation			
PVO at the beginning of period	**14,648**	13,713	11,162
Interest Cost	**919**	1,007	838
Current Service Cost	**3,399**	3,225	3,497
Past Service cost -vested Benefit	**1,331**	-	-
Benefit paid	**(4,484)**	(2,242)	(1,104)
Actuarial (Gain)/Loss on Obligation	**(930)**	(1,055)	(681)
PVO at the end of Period	**14,883**	14,648	13,713
Movements in Present Value of Planned Assets			
Fair Value at the Beginning of the year	**17,508**	15,952	13,391
Return on Plan Assets	**(297)**	(464)	47
Interest Income	**1,231**	1,305	1,113
Employer Contributions	**2,567**	2,957	2,505
Benefits Paid	**(4,484)**	(2,242)	(1,104)
Fair Value at the end of the year	**16,525**	17,508	15,953
Composition of the Plan Assets is as follow			
Equity instruments	**5.55%**	7.71%	-
Debt instruments			
Government bonds	**74.55%**	63.10%	-
Corporate bonds/debentures	**17.28%**	26.33%	-
Asset backed securities	**0.85%**	0.03%	-
Cash and cash equivalents	**1.77%**	2.83%	-
	100.00%	100.00%	-
Actuarial Assumptions			
Discount Rate	**7.67%**	7.44%	8%
Mortality	**IALM (2006-08) Ultimate**	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Expected Return on plan assets	**7.55%**	7.55%	8.00%
Salary Escalation	**5%**	5%	5%
Attrition Rate	**2%**	2%	2%

Notes to Standalone Financial Statements for the year ended March 31, 2018

Sensitive Analysis:

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

(In ₹ Thousand)

Particulars	As at 31st March,	
	2018	**2017**
Discount Rate+100 basic Points	**13,253**	13,069
Discount Rate-100 basic Points	**16,571**	16,535
Salary Increase Rate + 1%	**16,438**	16,564
Salary Increase Rate - 1%	**13,359**	13,022

Note: 2.35Related Party Disclosure

(A) Name of related parties and description of relationship

(i) Key Management Personnel:

Mr. Prakash Baburao Rane, Managing Director
Mr. Paresh Golatkar, Chief Financial Officer
Mrs. Sarika Ghanekar, Company Secretary

(ii) Non-Executive Directors

Mrs. Supriya P. Rane
Mr. M. N. Ahmed upto 4th February, 2017
Mr. Sharadchandra Abhyankar
Mr. Sanjay Mehta
Mr. Sumit Dutta Chowdhary

(iii) Subsidiaries

Instasafe Technologies Pvt Ltd

(iv) Enterprises over which Directors and Relatives of such personnel exercise significant influence:

Khaitan & Company LLP, Mumbai
Tipping Point Strategic Consultants (LLP)
Brand Hub Marketing (LLP)
Lipsita Projects & Services Private Limited
Gaia Smart Cities Solutions Pvt ltd
Blue Star Software Ltd

(B) Transactions with related parties

(In ₹ Thousand)

Nature of Transactions	As at 31st March,	
	2018	**2017**
Purchase of Materials / Services:		
Khaitan & Company LLP, Mumbai	**98**	570
Tipping Point Strategic Consultants (LLP)	**-**	300
Gaia Smart Cities Solutions Pvt ltd	**1,770**	-
Blue Star Software Ltd	**2,684**	-
Key Management Personnel		
Remuneration paid	**9,799**	11,737
Other Long Term Benefit	**1,335**	864
Dividend Paid to		
Mr.Prakash Rane	**11,928**	11,928
Mrs. Supriya Rane	**3,068**	3,068
Lipsita Projects & Services Private Limited	**1,227**	1227
M.N.Ahmed	**-**	53

Notes to Standalone Financial Statements for the year ended March 31, 2018

(In ₹ Thousand)

Nature of Transactions	As at 31st March,	
	2018	2017
Sitting Fees Paid to		
Mrs. Supriya P. Rane	**44**	80
Mr. M. N. Ahmed	**-**	80
Mr. Sharadchandra D. Abhyankar	**48**	52
Mr. Sanjay B. Mehta	**64**	48
Mr. Sumit D. Chowdhary	**40**	20
Commission Paid to		
Mr. Prakash B. Rane	**1,220**	4,960
Mrs. Supriya P. Rane	**1,408**	2,081
Mr. M. N. Ahmed	**-**	139
Mr. Sharadchandra D.Abhyankar	**188**	278
Mr. Sanjay B. Mehta	**141**	139
Mr. Sumit D. Chowdhary	**141**	139
Subscription of shares in Instasafe in which Director is partner in Brand Hub	**-**	6,565
Subscriptions of Compulsory Convertible Preference shares in Instasafe Technologies Pvt Ltd	**60,888**	-

Note : 2.36 First-time adoption of Ind AS

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (1st April, 2016)

(In ₹ Thousand)

Particulars	Notes to first-time adoption	Previous GAAP	Total Adjsutments	Ind AS
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	1	261,377	226,671	488,048
(b) Other Intangible Assets		9,452	-	9,452
(c) Financial Assets				-
(i) Investments	5	18	77	94
(ii) Loans		2,848	-	2,848
(iii) Others financial assets		3,396	-	3,396
(d) Other non-current assets	5	24,849	9	24,858
(2) Current Assets				
(a) Financial Assets				
(i) Investments	4	152,747	44	152,791
(ii) Trade Receivables		200,785	-	200,785
(iii) Cash and cash Equivalents		160,823	-	160,823
(iv) Bank balances other than (iii) above		140,000	-	140,000
(v) Loans		13,034	-	13,034
(vi) Others financial assets		22,847	-	22,847
(b) Current Tax Assets (Net)		16,571	-	16,571
(c) Other current assets		113,802	-	113,802
TOTAL ASSETS		**1,122,548**	**226,802**	**1,349,350**

Notes to Standalone Financial Statements for the year ended March 31, 2018

(In ₹ Thousand)

Particulars	Notes to first-time adoption	Previous GAAP *	Total Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		102,415	-	102,415
(b) Other Equity		907,215	174,589	1,081,804
Total Equity		1,009,630	174,589	1,184,219
Liabilities				
(1) Non-Current Liabilities				
(a) Deferred Tax Liabilities (Net)	1	13,848	82,306	96,154
(b) Other non-current liabilities		2,552	-	2,552
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables		46,860	-	46,860
(ii) Other Financial Liabilities		11,717	-	11,717
(b) Other Current Liabilities		7,848	-	7,848
(c) Provisions	3	30,093	(30,093)	-
Total Liabilities		1,12,918	52,213	1,65,131
TOTAL EQUITY AND LIABILITIES		**11,22,548**	**2,26,802**	**13,49,350**

* The Previous GAAP figures have been reclassified to conform to Ind As presentation requirement for the purpose of this note

Reconciliation of equity as at 31st March, 2017 (In ₹ Thousand)

Particulars	Notes to first-time adoption	Previous GAAP *	Total Adjustments	Ind AS
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	1	253,780	216,822	4,70,602
(b) Intangible Assets		6,302	-	6,302
(c) Financial Assets		-	-	-
(i) Investments	5	18	133	151
(ii) Loans		2,770	-	2,770
(iii) Others financial assets		52,391	-	52,391
(d) Other non-current assets		22,305	204	22,509

Notes to Standalone Financial Statements for the year ended March 31, 2018

(In ₹ Thousand)

Particulars	Notes to first-time adoption	Previous GAAP *	Total Adjustments	Ind AS
(2) Current Assets				
(a) Financial Assets				
(i) Investments	4	1,37,833	76	1,37,909
(ii) Trade Receivables		1,49,404	-	1,49,404
(iii) Cash and cash Equivalents		3,28,582	-	3,28,582
(iv)Bank balances other than (iii) above		1,36,461	-	1,36,461
(v) Loans		15,521	-	15,521
(vi) Others financial assets		18,669	-	18,669
(b) Current Tax Assets (Net)		34,448	-	34,448
(c) Other current assets		93,904	-	93,904
TOTAL ASSETS		**12,52,387**	**2,17,235**	**14,69,622**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		1,02,415	-	1,02,415
(b) Other Equity		10,97,728	1,37,682	12,35,410
Total Equity		12,00,143	1,37,682	13,37,825
Liabilities				
(1) Non-Current Liabilities				
(a) Deferred Tax Liabilities (Net)	1	15,784	79,553	95,337
(b) Other non-current liabilities		2,227	-	2,227
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables		8,8991	-	8,891
(ii) Other Financial Liabilities		14,005	-	14,005
(b) Other Current Liabilities		11,337	-	11,337
Total Liabilities		52,244	79,553	1,31,797
TOTAL EQUITY AND LIABILITIES		**12,52,387**	**2,17,235**	**14,69,622**

* The Previous GAAP figures have been reclassified to conform to Ind As presentation requirement for the purpose of this note

Notes to Standalone Financial Statements for the year ended March 31, 2018

Reconciliation of total comprehensive income for the year ended 31st March, 2017

(In ₹ Thousand)

Particulars	Notes to first-time adoption	Previous GAAP *	Total Adjustments	Ind AS
(A) CONTINUING OPERATIONS				
1 INCOME				
(a) Revenue from Operations		9,50,811	-	9,50,811
(b) Other Income	4	29,119	(22)	29,097
TOTAL INCOME		**9,79,930**	**(22)**	**9,79,908**
2 EXPENSES				
(a) Operating Expenses		2,91,063	-	2,91,063
(b) Employee Benefit expenses	2	3,00,986	591	3,01,577
(c) Finance Costs		2,438	-	2,438
(d) Depreciation and Amortisation expenses	1	16,898	9,848	26,746
(e) Rent		10,531	-	10,531
(f)Travelling & Conveyance expenses		18,939	-	18,939
(g) Impairment loss provided / (reversed)		30	-	30
(h) Other Expenses	2&4	46,834	(247)	46,587
TOTAL EXPENSES		**6,87,719**	**10,192**	**697,911**
PROFIT / LOSS BEFORE EXCEPTIONAL ITEMS		2,92,211	(10,213)	281,998
EXCEPTIONAL ITEMS		-	-	-
3 PROFIT / LOSS BEFORE TAX		**2,92,211**	**(10,213)**	**281,998**
4 TAX EXPENSE				
(a) Current Tax	5	99,761	(204)	99,557
(b) Deferred Tax	1	1,937	(2,753)	(816)
TOTAL TAX EXPENSE		1,01,698	(2,958)	98,740
5 PROFIT / LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		1,90,513	(7,256)	1,83,257
PROFIT / LOSS FOR THE PERIOD		**1,90,513**	**(7,256)**	**1,83,257**
6 OTHER COMPREHENSIVE INCOME				
(a) Remeasurements of Defined benefit plans	2		590	590
(b) Gains and Losses on Investments in Equity Instruments classified as FVOCI	4		57	57
(c) Income Tax relating to items that will not be reclassified to Profit or Loss	5		(204)	(204)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-	443	443
7 TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,90,513**	**(6,813)**	**1,83,700**

* The Previous GAAP figures have been reclassified to conform to Ind As presentation requirement for the purpose of this note

Notes to Standalone Financial Statements for the year ended March 31, 2018

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

(In ₹ Thousand)

Particulars	Notes to first time adoption	31st March, 2017	01st April, 2016
Total equity (shareholder's funds) as per previous GAAP		10,97,728	9,07,215
Adjustments:			
(a) Gain/Loss arising on financial asset designated through FVTPL	5	76	44
(b) Fair Valuation as deemed cost of Property, Plant and Equipment	1	226,671	226,671
(c) Increase in Depreciation on Property, Plant and Equipment on account of Fair Value as per Para D5 of IND AS 101	1	(9,848)	-
(d) Deferred Tax on increased book value of Asset	1	(79,553)	(82,306)
(e) Gain/Loss arising on financial asset designated through FVTPL	4	133	77
(f) Reversal of Proposed Dividend & Tax on dividend	3	-	30,093
(g) Tax & Other Adjustment	5	203	9
Total adjustments		1,37,682	1,74,589
Total equity as per Ind AS		**12,35,410**	**10,81,804**

Reconciliation of total comprehensive income for the year ended 31st March 2017

(In ₹ Thousand)

Particulars	Notes to first time adoption	31st March, 2017
Profit after tax as per previous GAAP		190,513
Adjustments:		
(a) Gain/Loss arising on financial asset designated through FVTPL	4	(31)
(b) Decrease in Depreciation	1	(9,848)
(c) Change in DTA/DTL (DTL reversed and additional DTA created)	1	2,753
(d) Employee Benefit expenses	2	(590)
(e) Others	5	195
(f) Tax Adjustment	5	265
Total adjustments		(7,256)
Profit after tax as per Ind AS		183,257
(g) Other comprehensive income		
(i) Remeasurements of Defined benefit plans	2	590
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	5	(204)
(iii) Fair Value measurement of Equity Shares	5	57
Total comprehensive income as per Ind AS		**183,700**

Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31st March 2017

(In ₹ Thousand)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	2,11,819	50,259	1,63,980
Net cash flow from investing activities	1,729	(34,371)	36,309
Net cash flow from financing activities	(32,240)	291	(32,531)
Net increase/(decrease) in cash and cash equivalents	1,81,308	13,550	1,67,758
Cash and cash equivalents as at 1st April 2016	3,04,219	1,43,396	1,60,823
Cash and cash equivalents as at 31st March 2017	**4,85,527**	**1,56,945**	**3,28,582**

Notes to Standalone Financial Statements for the year ended March 31, 2018

NOTES TO FIRST TIME ADOPTION:

1. **Property, Plant and Equipment**

   The Company has availed the exemption available given under para D7AA of Ind AS 101 - First Time Adoption of IND AS to continue the carrying value for all of its Property, Plant and Equipment and intangibles as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition, however, as informed to us by the Management, Company has applied Exemption given under Para D5 of IND AS 101- First Time Adoption of IND AS and accordingly measured an item of Property, Plant and Equipment i.e. Building and Office Premises at the date of Transition to IND AS at Fair Value and used as Deemed Cost at that date. Consequently, there was an increase in the fixed assets by Rs. 2,26,671.4 thousand as on April 1, 2016 and an increase in the amount of depreciation by Rs. 18,733.46 thousand for the year ended March 2017 ,which has been charged to Profit and Loss Statement.

2. **Defined Benefit Plans**

   Both under the previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plans on an actuarial basis. Under previous GAAP the entire cost, including actuarial gains and losses are charged to the Statement of Profit and Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income and the corresponding tax effect is also given in Other Comprehensive Income.

3. **Proposed Dividend**

   Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and related liability of Dividend Distribution tax of Rs 30093 thousand (Rs. 25003 thousand and Rs. 5090 thousand) as at April 01, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

4. **Valuation of Investments**

   Under the previous GAAP, investments in equity shares and investment in mutual funds were classified as long-term investments or current investments based on the intended holding period and realizability. Long-term investments and Current investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value/amortized cost. The resulting fair value changes/amortization of these investments have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss or Other comprhensive Income for the year ended March 31, 2017.

5. **Other comprehensive income**

   Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as ' other comprehensive income' includes remeasurements of defined benefit plans and fair value changes of investment in equity shares. The concept of other comprehensive income did not exist under previous GAAP.

Note 2.37 Capital Management

Risk management

The group's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

Notes to Standalone Financial Statements for the year ended March 31, 2018

(ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)
divided by
Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows : **(In ₹ Thousand)**

Particulars	As at 31[st] March,	
	2018	2017
Net debt	-	-
Total equity	1,452,678	1,337,825
Net debt to equity ratio	Nil	Nil

Note 2.38 Financial Instruments

Method and assumptions used to estimate the fair value

"A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company."

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy Based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities.
Level 2: Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability

March 31, 2018 **(In ₹ Thousand)**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
Financial assets	-	-	-	-	-	-	
Long Term Loans	11,989			11,989			
Trade Receivables	525,267			525,267			
Cash & Cash equivalents	26,643			26,643			
Other Bank Balances	17,599			17,599			
Short term Loans	11,796			11,796			
Other financial assets	28,729			28,729			
Investments	358,309	2,76,355	132	81,822	2,76,487		
	980,333	**2,76,355**	**132**	**703,846**	**2,76,487**	**-**	**-**
Financial Liabilities							
Borrowings	-			-			
Trade payables	11,755			11,755			
Other financial liabilities	18,323			18,323			
	30,078	**-**	**-**	**30,078**	**-**	**-**	**-**

Notes to Standalone Financial Statements for the year ended March 31, 2018

March 31, 2017

(In ₹ Thousand)

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
Financial assets	-	-	-	-	-	-	
Long Term Loans	2,770			2,770			
Trade Receivables	1,49,404			1,49,404			
Cash & Cash equivalents	3,28,582			3,28,582			
Other Bank Balances	1,36,461			1,36,461			
Short term Loans	15,521			15,521			
Other financial assets	71,060			71,060			
Investments	1,38,060	1,37,909	151	-	1,38,060		
	8,41,858	**1,37,909**	**151**	**703,798**	**1,38,060**	**-**	**-**
Financial Liabilities							
Trade payables	8,891			8,891			
Other financial liabilities	14,005			14,005			
	22,896	**-**	**-**	**22,896**	**-**	**-**	**-**

Financial Risk Management

The board of director has overall responsibility for the establishment & oversight of the company's risk management framework. The Board of director has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changed market conditions and the company's activities. The audit committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Note 2.39 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company meeting applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, and rural developement projects. A CSR committee has been formed by the company as per the act and the CSR funds are used in the areas mentioned above to some extent.

(In ₹ Thousand)

Particulars	As at 31st March,	
	2018	2017
Amount required to be spent by the company during the year	5,886	5,391
Shortfall of Previous two years	-	5,557
Gross amount required to be spent by the company during the year	5,886	10,948
Amount spent during the year	5,892	11,027
Excess amount spent	6	79

Notes to Standalone Financial Statements for the year ended March 31, 2018

Note: 2.40

Balance of Sundry Creditors, Debtors, Loans & Advances and Deposits are subject to confirmation and reconciliation if any. For the year, letters for confirmation of balances have been sent to various parties by the Company which have not been responded to. The Management however, does not expect any material changes therein. The balances are as per records available with the company.

Note: 2.41

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For Borkar & Muzumdar ·
Chartered Accountants
Firm Registration No.:101569W

Deepak Kumar Jain
Partner

Membership No.: 154390
Mumbai
30th May, 2018

For and on behalf of the Board of Directors

Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ABM Knowledgeware Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of ABM KNOWLEDGEWARE LIMITED (" the Holding Company"), its Subsidiary (the Holding company and its Subsidiary together referred to as " the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as " 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 (including Other Comprehensive Income), Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with the Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principle generally accepted in India..

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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. In conducting 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 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 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 auditor in terms of their report referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the separate financial statements and on the other financial information of Subsidiary, 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 March 31, 2018, and its Consolidated profits including Other Comprehensive Income, the Consolidate Statement of Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Other Matters

(i) We did not audit the financial statements of one Subsidiary included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 634.14 Lakhs as at March 31, 2018, total revenues of Rs. 184.13 Lakhs and net cash inflow amounting to Rs. 62.96 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management.

Report on Other Legal and Regulatory Requirements

As required by the section 143 (3) of the Act, based on our report and on consideration of report of the other auditors on separate financial statements and the other financial information of Subsidiary, as referred in the 'Other Matters' paragraph, we report, to the extent applicable that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b. In our opinion, proper books of account as required by law have been relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c. The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements;

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company incorporated in India, none of the directors of the Group Companies are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its Subsidiary, refer to our separate report in " Annexure A" to this report;

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 explanation given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the Subsidiary as noted in the 'Other Matters' paragraph:

   i. The Consolidated Financial Statements disclose the impact of pending litigation on the Consolidated Financial Position of the Group. Refer to Note 2.34 to the Consolidated Financial Statements;

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018.

For Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Deepak Kumar Jain
Partner
(M.No. 154390)

Date: 30th May, 2018
Place: Mumbai

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in the paragraph (f) under 'Report on Other Legal and Regulatory Requirements 'section of our report to the Members of ABM KNOWLEDGEWARE LIMITED of even date).

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

In conjunction with our audit of the Consolidated Financial Statements of the ABM KNOWLEDGEWARE LIMITED as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of ABM KNOWLEDGEWARE LIMITED (“ the Holding Company”) and its subsidiary 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 and its subsidiary 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 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its Subsidiary, which is Company incorporated in India, 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by 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 and audit evidence obtained by the other auditor in terms of their report referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

The 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, to best of our information and according to the explanation given to us, and based on the consideration of report of other auditor, as referred to in 'Other Matter' paragraph the Holding Company and its Subsidiary Company, which are companies incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to separate financial statements of one Subsidiary, which is Company incorporated in India, is based on the corresponding reports of the auditor of such subsidiary Company incorporated in India.

For Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Deepak Kumar Jain
Partner
(M.No. 154390)

Date: 30th May, 2018
Place: Mumbai

Consolidated Balance sheet as at 31st March, 2018

(In ₹ Thousand)

Particulars	Note	As at 31st March, 2018
ASSETS		
1 Non-Current Assets		
a) Property, Plant and Equipment	2.03	461,836
b) Intangible Assets	2.03	3,280
c) Capital Work in Progress	2.03	13,024
d) Goodwill	-	33,545
e) Financial assets		
i) Investments	2.04	132
ii) Loans	2.05	2,665
iii) Others	2.06	21,713
f) Deferred tax assets-Net	2.07	333
g) Other non-current assets	2.08	15,910
Total non-current assets		**552,437**
2 Current Assets		
a) Financial assets		
i) Investments	2.09	306,650
ii) Trade receivables	2.10	532,753
iii) Cash and cash equivalents	2.11	34,416
iv) Bank Balances other than cash and cash equivalents	2.12	17,599
v) Loans	2.13	11,903
vi) Others	2.14	7,017
b) Current Tax Assets (Net)	2.15	51,791
c) Other current assets	2.16	62,354
Total current assets		**1,024,483**
TOTAL ASSETS		**1,576,920**
EQUITY AND LIABILITIES		
Equity		
a) Equity Share capital	2.17	102,415
b) Other equity	2.18	1,349,543
c) Non -Controlling Interest	-	(5,599)
Total Equity		**1,446,359**
LIABILITIES		
Non-current liabilities		
a) Financial Liabilities:	-	-
b) Provisions	2.19	906
c) Deferred tax liabilities (Net)	2.20	79,110
d) Other non-current liabilities	2.21	2,227
Total Non-current Liabilities		**82,244**
Current liabilities		
a)Financial liabilities		
i) Trade payables	2.22	13,813
ii) Other financial liabilities	2.23	11,866
b) Provisions	2.24	26
c) Other current liabilities	2.25	22,611
Total Current Liabilities		**48,317**
TOTAL EQUITY AND LIABILITIES		**15,76,920**
Significant Accounting Policies	1	

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Deepak Kumar Jain
Partner
Membership No.: 154390
Place: Mumbai
Date: 30th May, 2018

For and on behalf of the Board of Directors

Prakash B. Rane - Managing Director
Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March ,2018

(In ₹ Thousand)

Particulars	Note	Year Ended 31st March, 2018
1 Income		
a) Revenue From Operations	2.26	6,23,136
b) Other Income	2.27	25,444
Total Income		**6,48,580**
2 Expenses:		
a) Operating expense	-	35,160
b) Employee benefits expense	2.28	3,05,431
c) Finance costs	2.29	3,166
d) Depreciation and amortisation expense	2.30	16,192
e) Rent	-	10,984
f) Travelling & Conveyance Expenses	-	35,529
g) Impairment Losses	2.31	7,165
h) Other expenses	2.32	46,668
Total Expenses		**4,60,294**
Profit before exceptional items and tax		**1,88,286**
Exceptional Items		-
3 Profit before tax (1-2)		**1,88,286**
4 Tax Expense:		
a) Current Tax	2.33	63,252
b) Deferred Tax		(15,972)
5 Profit for the year from continuing operations (3-4)		**1,41,006**
6 Other comprehensive income (OCI)		
OCI not to be reclassified to profit or loss in subsequent periods		
Re-measurement gains/ Losses on defined benefit plans		713
Fair Value changes of investments in Equity Shares		(19)
Income tax effect on the above		(212)
Net OCI not to be reclassified to profit or loss in subsequent periods		**482**
OCI to be reclassified to profit or loss in subsequent periods		
Income tax effect on above		
Net OCI to be reclassified to profit or loss in subsequent periods		
Total OCI for the year, net of Tax		482
7 Total comprehensive income for the year (5+6)		**1,41,488**
Profit / (loss) for the year attributed to		
a) Owners of the parent		1,43,807
b) Non controlling interest		(2,801)
Other comprehensive income / (loss) for the year attributed to		
a) Owners of the parent		418
b) Non controlling interest		64
Total comprehensive income / (loss) for the year attributed to		
a) Owners of the parent		1,44,225
b) Non controlling interest		(2,737)
Earnings per equity share (for continuing operations)	2.35	
a) Basic		7.21
b) Diluted		7.21
Significant Accounting Policies	1	

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Deepak Kumar Jain
Partner
Membership No.: 154390
Place: Mumbai
Date: 30th May, 2018

For and on behalf of the Board of Directors
Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

Statement of changes in equity for the year ended 31st March 2018

Other Equity (In ₹ Thousand)

Particulars	A. Equity Share Capital	Other Equity			
		Reserve and Surplus		Items of OCI	
		General Reserve	Retained Earnings	Fair value Adjustment	Total
As at 1 April , 2017	1,02,415	30,805	12,04,162.88	443	12,35,410
Profit for the year		-	1,43,807		1,43,807
Re-measurement gains/ Losses on defined benefit plans		-		418	418
Fair Value changes of investments in Equity Shares				-	-
Equity Dividend and DDT		-	(30,093)		(30,093)
Balance as on March 31, 2018	**1,02,415**	**30,805**	**13,17,877**	**861**	**13,49,543**

As per our report of even date attached
For Borkar & Muzumdar ·
Chartered Accountants
Firm Registration No.:101569W
Deepak Kumar Jain
Partner
Membership No.: 154390
Place: Mumbai
Date: 30th May, 2018

For and on behalf of the Board of Directors
Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2018

(In ₹ Thousand)

Particulars	2017-2018
Cash flow from operating activities	
Profit Before Tax	1,88,286
Profit before income tax including discontinued operations	1,88,286
Non-cash Adjustment to Profit Before Tax:	
Depreciation and amortization expense	16,210
Interest Income	(13,874)
Impairment of Trade Receivable	6,002
Remeasurement of Defined Benefit Obligation	(633)
Impairment on non current/Current assets	1,163
Fair Valuation Loss on Pref Shares	1,391
Change in fair value of financial assets at fair value through profit or loss	(1,346)
Dividend classified as investing cash flows	(8,249)
Finance costs	3,889
Other non-Cash item	(3,276)
	189,564
Change in operating assets and liabilities :	
Decrease/(increase) in trade receivables	(378,006)
Increase/(decrease) in trade payables	2,439
Decrease/(increase) in Other bank balance	118,862
Decrease/(increase) in other non-current assets	6,336
Decrease/(increase) in other current assets	31,824
Increase/(decrease) in provisions	237
Increase/(decrease) in other financial Liability	2,407
Increase/(decrease) in other current liabilities	7,736
Increase/(decrease) in other Non Current liabilities	49,030
Decrease/(increase) in long-term loans and advances	45,667
Cash generated from operations	(1,13,468)
Direct taxes paid (net of refunds)	(82,748)
Net cash flow generated /(used in) operating activities (A)	(6,653)
Cash flow from investing activities	
Payments for acquisition of property, plant and equipment	(3,936)
Payments for purchase of investments	(569,692)
Software Development Cost	(13,024)
Investment in Subsidiry	(92,793)
Proceeds from sale of investments	402,314
Interest received	13,874
Dividends received	8,249
Net cash flow generated/(used in) investing activities (B)	(2,55,008)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(In ₹ Thousand)

Particulars		2017-2018
Cash flows from financing activities		
Finance Cost		**(3,889)**
Dividends paid to equity shareholders		**(30,093)**
Net cash flow generated/(used in) in financing activities (C)		**(33,982)**
Net increase/(decrease) in cash and cash equivalents (A+B+ C)		**(2,95,643)**
Cash and cash equivalents at the beginning of the year		**3,30,059**
Cash and cash equivalents at the end of the year		**34,416**
Cash and cash equivalents Comprises of:		
Balance with Bank		**33,814**
Cash on hand		**602**
Total		**34,416**
Significant accounting policies	**1**	

As per our report of even date attached

For Borkar & Muzumdar ·
Chartered Accountants
Firm Registration No.:101569W

Deepak Kumar Jain
Partner

Membership No.: 154390
Mumbai
30th May, 2018

For and on behalf of the Board of Directors

Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

1. COMPANY BACKGROUND:

ABM Knowledgeware Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at, ABM House, Bandra West, Mumbai, India. The company has its primary listing on the Bombay Stock Exchange (BSE). The Company is one of the few information technology (IT) services companies with exclusive focus on e governance since 1998.

ABM Knowledgeware Limited along with its subsidiary, Instasafe Technologies Pvt Limited (hereinafter referred to as " Group") is engaged in providing activities in e-governance, information security, technology enabled applications through cloud services and other software services.

2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Consolidated Financial Statements:

These Consolidated Financial Statements are the separate Consolidated Financial Statements of the Group (also called Consolidated Financial Statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (India Accounting Standard) (Amendment) Rules 2016 and other relevant provision of the Act.

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

b) Use of estimates, assumptions and judgements

The preparation of the Consolidated Financial Statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised, and future periods are affected.

Key source of estimation of uncertainty as at the date of Consolidated Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

c) Principles of consolidation and equity accounting Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and Balance Sheet respectively.

d) Business Combinations:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interest in the acquiree. For each business combination, the Company elects whether it measures the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs which are administrative in nature are expensed out.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a Group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest's method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the consolidated financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

e) The Group has presented consolidated financial statements (CFS) for the first time this year, being the first year of CFS, comparable figures for the previous year are not presented.

3. Summary of Significant Accounting Policies:

a) Current vs non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.
An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- It is expected to settle in the normal operating cycle.
- It is due to be settled within twelve months after the reporting date.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

Advance tax paid is classified as non-current assets.

b) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Sales tax/Value Added Tax (VAT)/Service Tax/ Goods and Service tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity/service rendered by the seller on behalf of the government. Accordingly, it is initially included and subsequently gets excluded from the gross revenue.

The Group derives its revenues primarily from software development, maintenance of software/ hardware and related services, business process services, Sale of IT and other products.

Revenues from software services & projects comprise income from time-and-material and fixed price contracts.

Revenue from time and material contracts is recognized when the services are rendered in accordance with the terms of contracts with clients. Revenue from fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

Maintenance revenue is recognized ratable over the period of underlying maintenance agreements.

Revenue from sale of services is shown as net of applicable discounts and pricing incentives to customer.

Revenues from sale of goods is recognized on transfer of significant risks and rewards where it is probable that economic benefits will flow to the Group and there is neither continuing managerial involvement nor effective control over the goods sold.

Revenue is recognized only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered, the cost incurred and cost to complete the transaction can be measured reliably and collectability of the resulting receivables is probable. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized as it accrues in the Statement of Profit and Loss using effective interest rate method.

Dividend income is recognized in the Statement of Profit and Loss only when the right to receive the dividend is established, it is probable that the economic benefit associated with the Dividend will flow to the Group, and the amount of the dividend can be reliably measure

c) Property, Plant and Equipment

Measurement and recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset etc. The estimated useful life of items of property, plant and equipment is mentioned below:

(In Year)

Assets	Useful life as per Companies Act, 2013	Useful life estimated by the management
Buildings (Other than factory buildings)	60	30-68
Plant and Equipment	15	05
Furniture and Fixtures	10	10
Office Equipment	5	5
Vehicles	8	8
Servers and Networks		
Computer Equipment	3	3/6
Lease hold improvements	Not applicable	As per the lease term
Purchased Software/ Internally developed for self-consumption	As per Ind AS 38	
Internally developed Software for sale	As per Ind AS 38	

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease. The Group, based on the historical experience & internal technical assessment and management estimate, depreciates certain items of property plant and equipment (as mentioned above) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013.The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

All assets Costing up to Rs 5000/- are fully depreciated in the year of capitalization.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

d) Intangible Assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Assets	Life
Software	**1 - 8 years**

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

e) Impairment of Assets:

Carrying Amount of Tangible assets, Intangible assets, Investment in Subsidiaries (which are carried at the cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

f) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss. Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower. The corresponding rental obligation, net of finance charges, are included in borrowing or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce the constant periodic rate of interest on the remaining balance of the liability for each period.

g) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) Financial Instruments

Financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement –Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortized cost, fair value through Other Comprehensive Income (" FVTOCI") or fair value through profit or loss (" FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortized Cost:

A financial asset is classified and measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI:

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at cost or at FVTOCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

i) Impairment of Financial Assets:

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition, an amount of reasonable provision is measured and recognized as loss of allowance on the basis of historical experience and internal technical analysis.

Classification and Subsequent measurement: Financial Liabilities

The Group's financial liabilities include trade and other payables, loans an borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

j) Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognized in the Statement of Profit and Loss.

k) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

l) Derecognition of Financial Assets and Financial Liabilities:

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Derivatives Financial instruments and hedge accounting

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Group's Risk Management objective and strategy. The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of fair value hedge:

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value. Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

Derecognition: On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

m) Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability Business

For assets and liabilities that are recognized in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

n) Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

o) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.
Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

p) Provisions and Contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

q) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

r) Gratuity and other post-employment benefits

a) Short-term obligations:

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post-employment obligations:

The Group operates the following post-employment schemes:

- Defined benefit plan such as Gratuity and
- Define Contributions plans such as Provident Fund:

The liability or asset recognized in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The Gratuity plan for the Holding Company is funded whereas for the Subsidiary Company is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement Profit and Loss as past service cost.

s) Defined contribution plans:

The Group contributes toEmployee's State Insurance Corporation andProvident Fund which are considered as defined contribution plans. A contribution is made to Regional Provident Fund Commissioner for certain employees. In case of other employees covered under the Provident Fund Trust of the Group, the management does not expect any material liability on account of interest shortfall to be borne by the Group. The said contributions are charged to the Statement of Profit and Loss.

t) Other long-term employee benefit obligations:

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

u) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable was based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

v) Cash dividend to equity holders of the Group

The Group recognizes a liability to make cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

w) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

x) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Notes on financial statement for the year ended 31st March,2018

Note 2.03 Property, Plant and Equipment

(In ₹ Thousand)

Assets	Gross Carrying Value				Depreciation				Net Block
	As at 1st April, 2017	Addition	Acquisition through business combinations	As at 31st march 2018	As at 1st April, 2017	Acquisition through business combinations	For the year	Upto 31st March, 2018	As at 31st March, 2018
Property, Plant & Equipments									
Computers	1,973	328	583	**2,883**	606	171	807	**1,585**	**1,298**
Office Equipments	6,514	91	111	**6,716**	2,262	11	2,296	**4,569**	**2,147**
			-						
Furniture	5,930	3,296	-	**9,226**	737	-	1,349	**2,086**	**7,140**
Motor Car	11,036	-	-	**11,036**	304	-	1,466	**1,770**	**9,266**
Office Premises	4,67,792	-	-	**4,67,792**	18,733	-	7,074	**25,807**	**4,41,985**
Total	**4,93,245**	**3,714**	694	**4,97,654**	**22,643**	**182**	**12,993**	**35,818**	**4,61,836**
Intangible Assets									
Software Products	9,452	177	-	**9,629**	3,150	-	3,199	**6,349**	**3,280**
Capital work in progress		**13,024**	-	**13,024**	-	-	-	-	**13,024**
Grand Total	**5,02,697**	**16,915**	**694**	**5,20,306**	**25,793**	**182**	**16,192**	**42,166**	**4,78,140**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note 2.04 Non Current Investments (In ₹ Thousand)

Particulars	As at 31st March, 2018
Other	**132**
Total (A+B)	**132**

Note 2.05 Non Current Loans (In ₹ Thousand)

Particulars	As at 31st March, 2018
Security Deposits	
Unsecured, considered good	**2,665**
Total	**2,665**

Note: 2.06 Others Non Current Financial Asset (In ₹ Thousand)

Particulars	As at 31st March, 2018
Bank Deposits with more than 12 months	**21,713**
Total	**21,713**

Note: 2.07 Deferred tax assets-Net (In ₹ Thousand)

Particulars	As at 31st March, 2018
Deductible Expenditure	
Expenses allowed on provision for doubtful debts	**379**
Taxable Temporary Difference	
Depreciation adjustment as per Books and Income Tax	**47**
Net Deferred Tax Liability/Asset	**333**

(In ₹ Thousand)

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
2017-2018			
Deferred Tax Liability/Asset in Relation to unabosrbed depreciation as per Income tax	**43**	4	47
Expenses provided but allowable on payment basis	**(637)**	258	(379)
Total	**(595)**	262	(333)

The Analysis of Deferred tax Asset and Deferred tax Liability is as follows: (In ₹ Thousand)

Particulars	As at 31st March, 2018
Deferred Tax Asset:	
Deferred Tax Asset to be recovered after more than 12 Month	**379**
Deferred Tax Asset to be recovered within 12 Month	
	379
Deferred Tax Liability:	
Deferred Tax Liability to be recovered after more than 12 Month	**47**
Deferred Tax Liability to be recovered within 12 Month	
	47

Note 2.08 Other Non Current Assets (In ₹ Thousand)

Particulars	As at 31st March, 2018
Advance Other than capital advance	
Cenvat/Vat Receivable	**540**
Security/Margin Deposit	**2,227**
Employee Benefit assets	**1,642**
Prepaid Expenses	**1,526**
Total	**5,935**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

(In ₹ Thousand)

Particulars	As at 31st March, 2018
Advance to other Parties	
Unsecured, considered good	**9,975**
Unsecured, considered doubtful	**525**
Less: Provision for doubtful advance	**(525)**
	9,975
Total	**15,910**

Note 2.09 Current Investment (In ₹ Thousand)

Particulars	As at 31st March, 2018
Quoted	
Investments carried at fair value through the statement of Profit and Loss	
(i) 37,207 Units of Baroda Pioneer Mutual fund- Dividend reinvestment	**37,538**
(ii) 2,50,000 Units Canara Rebeco -Capital Protection Fund	**2,734**
(iii) 250,000 Units of Canara Rebeco -Capital Protection Fund - Series 8	**2,610**
(iv) 100,000 Units of Canara Rebeco -Capital Protection Fund - Series 9	**1,007**
(v) 27,98,326 Units of Canara Rebeco Savings Plus Fund- Regular Growth	**76,075**
(vi) 1,71,95,188 Units of Canara Rebeco Savings Plus Fund- Dividend reinvestment	**176,423**
(vii) 11 units of Reliance Liquid Fund-Teasury Plan- Divident reinvestment	**17**
Unquoted	
Investments carried at fair value through the statement of Profit and Loss:	
(viii) Trivantage capital Management pvt ltd	**10,245**
Total	**3,06,650**

Note 2.10 Trade Receivable (In ₹ Thousand)

Particulars	As at 31st March, 2018
Trade receivables	
Unsecured, considered good	**5,32,753**
Unsecured, considered doubtful	**6,079**
Less: Allowance for doubtful debts (expected credit loss)	**(6,079)**
Total	**5,32,753**

Note 2.11 Cash and Cash Equivalents (In ₹ Thousand)

Particulars	As at 31st March, 2018
Cash on hand	**602**
Balances with Banks	**-**
(i) In current accounts	**16,088**
(ii) Deposits with original maturity less than 3 months	**17,726**
Total	**34,416**

\# Above Overdrafts are payable on demand and are secured by:-

(a) Hypothecation of book debts of the company.

(b) Collateral:

i) EMT of Office premises at Swastik Chambers, Office No.514 and 515,5th floor, Umarshi Bappa Chowk, Chembur, Mumbai - 400071 Standing in the name of the company.

ii) EMT of Office Premises at Prabhadevi Unique Industrial Premises Co-op Soc. Ltd, Unit No.5,Ground Floor, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 standing in the name of the company.

iii) Three Fixed deposits in Canara Bank amounting to ₹ 313 thousand representing maturity value of 3 LIC policies which were earlier hypothecated to the bank.

iv) 5 KDR's having face value of ₹ 2.60 lac in the personal names of directors Mr.Prakash Rane and Mrs. Supriya Rane (Pledge).

v) Personal Guarantees from director –Mr. Prakash B. Rane.

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note 2.12 Bank Balances other than cash and cash equivalents (In ₹ Thousand)

Particulars	As at 31st March, 2018
Unclaimed Dividend	2,587
Term Deposits held as margin money against bank guarantee and other commitments	15,012
Total	**17,599**

Note 2.13 Current Loans (In ₹ Thousand)

Particulars	As at 31st March, 2018
Security Deposits	
Unsecured, considered good	11,526
Unsecured, considered doubtful	638
Less: Provision for doubtful deposits	(638)
	11,526
Loans and advances to Employees	
Unsecured, considered good	367
	367
Other loans and advances (specify nature)	
Other	
Unsecured, considered good	9
	9
Total	**11,903**

Note 2.14 others Financial Assets (In ₹ Thousand)

Particulars	As at 31st March, 2018
Accruals - Receivables	7,017
Total	**7,017**

Note 2.15 Current Tax Assets (Net) (In ₹ Thousand)

Particulars	As at 31st March, 2018
Tax Provision	3,95,081
Less: Tax Paid	4,46,872
Total	**51,791**

Note 2.16 Other Current Assets (In ₹ Thousand)

Particulars	As at 31st March, 2018
Prepaid Expenses	5,069
Project under Process (WIP)	
Unsecured, considered good	56,103
Unsecured, considered doubtful	751
Less: Provision for doubtful WIP	(751)
	56,103
Others	1,183
Total	**62,354**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Amounts in the financial statements are presented in ₹ thousand, except for per equity share data and number of shares are stated in absolute figures

Note 2.17 Equity Share capital

(In ₹ Thousand)

Particulars	As at 31st March, 2018	
	Number	Amount
Authorised Share Capital		
Equity Shares of ₹ 5/- each at par with voting rights	2,50,00,000	1,25,000
Issued		
Equity Shares of ₹ 5/- each at par with voting rights	2,07,00,000	1,03,500
Subscribed & Fully Paid up		
Equity Shares of ₹ 5/- each at par with voting rights	2,00,02,200	1,00,011
Subscribed but not fully Paid up	Nil	Nil
Forfeited Shares (amount originally paid-up)		
Equity Shares of ₹ 5/- each at par with voting rights	6,97,800	2,404
Amount paid up		
Total	**2,07,00,000**	**1,02,415**

Note 2.17(i) Reconciliation of the number of shares and the amout outstanding at the beginning and at the end of the reporting period.

(In ₹ Thousand)

Equity shares	As at 31st March, 2018	
	Number	Amount
At the beginning of the year	2,07,00,000	1,02,415
Outstanding at the end of the year	**2,07,00,000**	**1,02,415**

Note 2.17(ii) Details of Shares held by each shareholder holding more than 5% shares

(In ₹ Thousand)

Name of Shareholder	As at 31st March, 2018	
	No. of Shares	% of Holding
Prakash Baburao Rane	95,42,300	47.71
Supriya Prakash Rane	24,54,000	12.27
Total	**1,19,96,300**	**59.98**

Note 2.17 (iii) Details of Shares forfeited

(In ₹ Thousand)

Class of shares	As at 31st March, 2018	
	No. of Shares	Amount paid up
Equity Shares with voting rights	6,97,800	2,404
Total	**6,97,800**	**2,404**

Note 2.17 (iv) Rights, preferences and restrictions attached to Equity shares

The Company has a only one class of Equity Shares having par value of ₹ 5 per share . Each Shareholder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note 2.18 Other Equity

(In ₹ Thousand)

Particulars	As at 31st March, 2018
General reserve	**30,805**
Retained earning	**1,318,738**
Total	**1,349,543**

Note:2.19 Provision

(In ₹ Thousand)

Particulars	As at 31st March, 2018
Provision for Gratuity	**906**
Total	**906**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note 2.20 Deferred tax liabilities (Net) (In ₹ Thousand)

Particulars	As at 31st March, 2018
Deductible Expenditure	
Expenses allowed on provision for doubtful debts	**(2,172)**
Taxable Temporary Difference	
Depreciation adjustment as per Books and Income Tax	**81,282**
Net Deferred Tax Liability	**79,110**

The Movement in deferred tax Liability during the year ended March 31,2018 (In ₹ Thousand)

Particulars	Opening	Acquisition through business combinations	Recognised in Profit and Loss	Closing Balance
2017-2018				
Deffered Tax Liability/Asset in Relation to unabosrbed depreciation as per Income tax	95,337	49	(14,055)	81,282
Expenses provided but allowwable on payament basis	-	-	-	-
Other Temproroary differences	-	-	(2,172)	(2,172)
Total	**95,337**	**(49)**	**(16,227)**	**79,110**

The Analysis of Deferred tax Asset and Deferred tax Liability is as follows: (In ₹ Thousand)

Particulars	As at 31st March, 2018
Deferred Tax Asset:	
Deferred Tax Asset to be recovered after more than 12 Month	**2,172**
Deferred Tax Asset to be recovered within 12 Month	
	2,172
Deferred Tax Liability:	
Deferred Tax Liability to be recovered after more than 12 Month	**81,282**
Deferred Tax Liability to be recovered within 12 Month	
	81,282

(In ₹ Thousand)

Numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed	As at 31st March, 2018
Accounting Profit	**1,88,286**
Tax at the domestic rate of 34.61 % in 2018, (34.61% in 2017)	**65,162**
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	**(2,201)**
Expenses provided but allowable in Income Tax on payment/writeoff(net)	
Other than temporary Differences	**1206**
Adjustments for current tax of prior periods	**(915)**
Mat Credit Utilisation	
Total	**63,252**

Deferred Tax Assets and Deferred Tax Liabilites have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deffered tax assets and deffered tax liabilities relate to the Income taxes levied by the same taxation authority.

Note 2.20 deferred tax liabilities(net) (In ₹ Thousand)

Particulars	As at 31st March, 2018
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:	**654**
- unabsorbed depreciation with no expiry dates	
- business losses with expiry dates as follows	
8 Years	**5,779**
7 Years	**10,169**
6 Years	**1,607**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note 2.21 Other non-current liabilities (In ₹ Thousand)

Particulars	As at 31st March, 2018
Provision for Disputed Liability	2,227
Total	**2,227**

Note 2.22 Trade payables (In ₹ Thousand)

Particulars	As at 31st March, 2018
Total outstanding dues of micro and small enterprises	-
Total outstanding dues of creditors other than micro and small enterprises	13,813
Total	**13,813**

Note 2.23 Other Financial liabilities (In ₹ Thousand)

Particulars	As at 31st March, 2018
Salary payable	4,249
Unclaimed Dividend	2,587
Liability for Expenses	5,031
Total	**11,866**

Note 2.24 Provision (In ₹ Thousand)

Particulars	As at 31st March, 2018
Provision for Gratuity	26
Total	**26**

Note 2.25 Other current liabilities (In ₹ Thousand)

Particulars	As at 31st March, 2018
Statutory remittances	19,799
Advance From Customer	2,812
Total	**22,611**

Note 2.26 Revenue from Operations (In ₹ Thousand)

Particulars	For the Year 2017-2018
Income from sale of products & Services	7,33,615
Less: GST/Servcie tax recovered	1,10,479
Total	**6,23,136**

Note 2.27 Other Incomes (In ₹ Thousand)

Particulars	For the Year 2017-2018
Income related to financial asset	
Interest on Bank deposit	13,874
Dividend Income	8,249
Gain on Sale of Investment	405
Miscellaneous Income	379
Other Non -Operating Income	
Gain on investment through Profit and Loss account	2,537
Total	**25,444**

Note 2.28 Employee Benefit Expenses (In ₹ Thousand)

Particulars	For the Year 2017-2018
Salaries and wages	2,74,149
Contribution to provident and other funds	22,213
Staff welfare Expenses	9,069
Total	**3,05,431**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note 2.29 Finance Cost (In ₹ Thousand)

Particulars	For the Year 2017-2018
Bank Interest	224
Other borrowing cost:-	
Bank Limit charges	1,039
Bank Guarantee Charges	1,904
Total	**3,166**

Note 2.30 Depreciation & Amortisation (In ₹ Thousand)

Particulars	For the Year 2017-2018
Depreciation & Amortisation	16,192
Total	**16,192**

Note 2.31 Impairment Losses (In ₹ Thousand)

Particulars	For the Year 2017-2018
Impairment loss allowance on trade receivable	6,002
Impairment loss allowance on other financial assets	1,163
Total	**7,165**

Note 2.32 (i) Other Expenses (In ₹ Thousand)

Particulars	For the Year 2017-2018
Rates and Taxes	3,560
Repairs & Maintenance - Bldg/others	1,510
Electricity charges	3,722
Legal & Professional Fees	9,792
Printing & Stationery	1,131
Membership & subscription	2,706
Telephone charges	1,702
Advertising expenses	1,680
Donation/CSR	5,892
Insurance Expenses	555
Data centre expenses	693
Software related expenses	585
Miscellaneous Expenses	12,380
Total	**45,906**

Note 2.32 (ii)Payment to Auditors (In ₹ Thousand)

Particulars	For the Year 2017-2018
Auditors of the company and its Component	
Audit of the Company:	
Statutory Audit	762
Total	**762**

Note 2.33 Tax expenses (In ₹ Thousand)

Particulars	For the Year 2017-2018
Income tax expenses :	
Current tax assets	
In respect of the current year	64,167
In respect of prior years	(703)
	63,464
Deferred tax	
In respect of the current year	
In respect of the Temporary Differences	(15,972)
Total income tax expense recognised in the current year	**47,492**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

(In ₹ Thousand)

Particulars	For the Year 2017-2018
Income tax recognised in other comprehensive income	
Remeasurements of the defined benefit plans	**(212)**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :	
Profit before tax	**1,88,286**
Tax at the Indian tax rate of 30% (2015-2016 - 30%)	**65,162**
Adjustments for current tax of prior periods	**(915)**
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	**(2,201)**
Expenses provided but allowable in Income Tax on payment/writeoff(net) Other than temporary Differences	**1,206**
Income tax expense	**63,252**

Note 2.34: Contingent Liabilities and commitments (to the extend not provided for): (In ₹ Thousand)

Particulars	For the Year 2017-2018
(i) Contingent liabilities:	
(a) Bank Guarantees [Refer Note 2.34 (i)]	**53,866**
(b) Service Taxes [Refer Note 2.34(ii)]	**4,881**
(ii) Capital Commitments	
(a) Other Commitments	
Investment in the shares of Instasafe technologies pvt Ltd.	**40,000**

Note 2.34(i)

Above Overdrafts are payable on demand and are secured by:-

(a) Hypothecation of book debts of the company.

(b) Collateral:

i) EMT of Office premises at Swastik Chambers, Office No.514 and 515,5th floor, Umarshi Bappa Chowk, Chembur, Mumbai - 400071 Standing in the name of the company.

ii) EMT of Office Premises at Prabhadevi Unique Industrial Premises Co-op Soc. Ltd, Unit No.5,Ground Floor, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 standing in the name of the company.

iii) Three Fixed deposits in Canara Bank amounting to ₹ 313 thousand representing maturity value of 3 LIC policies which were earlier hypothecated to the bank.

iv) 5 KDR's having face value of ₹ 2.60 lac in the personal names of directors Mr.Prakash Rane and Mrs. Supriya Rane (Pledge).

v) Personal Guarantees from director –Mr. Prakash B. Rane.

Note 2.34(ii)

The Service Tax amount shown of ₹ 4881 thousand pertains to the show cause notices received by the company for disallowances of cenvat credit for the F.Y. 2010-11 to 2016-17. The Company has contested or filed appeals in respect of the aforesaid disputed matters before the authorities. The management is hopeful that matters will be decided in the favour of the company.

Note :2.35 Calculation of Earnings Per Share:- (In ₹ Thousand)

Particulars	As at 31st March, 2018
Net profit after tax attributable to equity shareholders for Basic EPS	144,225
Add/Less: Adjustment relating to potential equity shares	-
Net profit after tax attributable to equity shareholders for Diluted EPS	144,225
Weighted average no. of equity shares(in thousand) outstanding during the year	20,002
For Basic EPS	20,002
For Diluted EPS	5
Face Value per Equity Share (₹)	7.21
Basic EPS (₹) (Refer note (i) below)	7.21
Diluted EPS (₹) (Refer note (i) below)	
Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS	20,002
No. of shares used for calculating Basic EPS	20,002
No. of shares used for calculating Diluted EPS	

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note :2.36 Employee Benefits

A) Defined contribution Plans

Provident Fund:

The Company operated defined benefits contribution retirement benefits plans for all qualifying employees. The total expenses recognised in profit and loss of ₹ 13,909 Thousands (for the year ended March 31, 2017 : ₹ 14,448 Thousands) represents contributions payable to Provident fund by the Company at rates specified in rules of the plans.

B)Defined Benefit plans:-

Gratuity:-

(In ₹ Thousand)

Particulars	As at 31st March, 2018
Amount Recognised in the statement of P&L a/c	
Current Service cost	3,650
Net Interest	(364)
Past Service Cost -(vested benefits)	1,346
Total expense recognised in the Statement of profit /loss	4,632
Amount Recognised in Other Comprehensive Income(OCI)	
Actuarial (Gain)/Loss Recognised for the period	(1,386)
Return on Plan Assets excluding net Interest	297
Total Actuarial (Gain)/Loss recognised in OCI	(1,089)
Movements in Present Value of Obligation	
PVO at the beginning of period	1,46,48
Add:Opening Liability of Instasafe on Bussiness Combination	696
Interest Cost	971
Current Service Cost	3,650
Past Service cost -vested Benefit	1,346
Benefit paid	(4,484)
Actuarial (Gain)/Loss on Obligation	(1,010)
PVO at the end of Period	15,816
Movements in Present Value of Planned Assets	
Fair Value at the Beginning of the year	17,508
Return on Plan Assets	(297)
Interest Income	1,231
Employer Contributions	2,567
Benefits Paid	(4,484)
Fair Value at the end of the year	16,525
Composition of the Plan Assets is as follow	
Equity instruments	5.55%
Debt instruments	
Government bonds	74.55%
Corporate bonds/debentures	17.28%
Asset backed securities	0.85%
Cash and cash equivalents	1.77%
	100.00%
Actuarial Assumptions	
Discount Rate	7.67%
Mortality	IALM (2006-08) Ultimate
Expected Return on plan assets	7.55%
Salary Escalation	5%
Attrition Rate	2%

Note:Gratuity plan for the Holding company is funded whereas for the Subsidiary company is unfunded.

Sensitive Analysis:

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

(In ₹ Thousand)

Particulars	As at 31st March, 2018	
	ABM	Instasafe
Discount Rate+100 basic Points	13,253	815
Discount Rate-100 basic Points	16,571	1,072
Salary Increase Rate + 1%	16,438	1,073
Salary Increase Rate - 1%	13,359	813

Note: 2.37 Related Party Disclosure

(A) Name of related parties and description of relationship

(i) Key Management Personnel:
Mr. Prakash Baburao Rane, Managing Director
Mr. Paresh Golatkar, Chief Financial Officer
Mrs. Sarika Ghanekar, Company Secretary

(ii) Non-Executive Directors
Mrs. Supriya P. Rane
Mr. M. N. Ahmed upto 4th February, 2017
Mr. Sharadchandra D. Abhyankar
Mr. Sanjay B. Mehta
Mr. Sumit D. Chowdhary

(i) Enterprises over which Directors and Relatives of such personnel exercise significant influence:
Khaitan & Company LLP, Mumbai
Tipping Point Strategic Consultants (LLP)
Brand Hub Marketing (LLP)
Lipsita Projects & Services Private Limited
Gaia Smart Cities Solutions Pvt. Ltd.
Blue Star Software Ltd.

(B) Transactions with related parties

(In ₹ Thousand)

Nature of Transactions	As at 31st March, 2018
Purchase of Materials / Services:	
Khaitan & Company LLP, Mumbai	**98**
Gaia Smart Cities Solutions Pvt. Ltd.	**1,770**
Blue Star Software Ltd	**2,684**
Key Management Personnel	
Remuneration paid	**9,799**
Other Long Term Benefit	**1,335**
Dividend Paid to	
Mr.Prakash B. Rane	**11,928**
Mrs. Supriya P. Rane	**3,068**
Lipsita Projects & Services Private Limited	**1,227**
Sitting Fees Paid to	
Mrs. Supriya P. Rane	**44**
Mr.Sharadchandra D. Abhyankar	**48**
Mr. Sanjay B. Mehta	**64**
Mr.Sumit D. Chowdhary	**40**
Commission Paid to	
Mr.Prakash B. Rane	**1,220**
Mrs. Supriya P.Rane	**1,408**
Mr.Sharadchandra D. Abhyankar	**188**
Mr. Sanjay B. Mehta	**141**
Mr.Sumit D. Chowdhary	**141**

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note 2.38 Capital Management

Risk management

The group's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents)
divided by
Total 'equity' (as shown in the balance sheet, including non-controlling interests).
The Company strategy is to maintain a gearing ratio within 1:1. The gearing ratios were as follows:

(In ₹ Thousand)

Particulars	As at 31st March, 2018
Net debt	-
Total equity	**14,46,358**
Net debt to equity ratio	**Nil**

Note no 2.39 Business Combination:

(a) On 12th May, 2017 ABM Knowledgeware Ltd parent entity obtained control in Instasafe Technologies Pvt limited by acquiring Equity Shares and Compulsory Convertible Preference Shares. Instasafe Technologies Pvt Ltd is engaged in provoding activities such as information security and technology enabled application through cloud service. This acquisition will enable the Company to enter into the Indian market. The acquisition was made to increase the Company' s base in these areas through inorganic growth.

Details of the purchase consideration, the net assets acquired and goodwill are as follow

(In ₹ Thousand)

PURCHASE CONSIDERATION	Instasafe Technologies Pvt Ltd
Equity shares issued	32,793
Total Purchase Consideration	32,793

The fair value of the 25,225 shares issued as part of the consideration paid for Instasafe Technologies Pvt Ltd on date of acquisition of INR 10/- per share.

(In ₹ Thousand)

Particulars	Instasafe Technologies Pvt Ltd
Plant and equipment	512
Other Financial Assets	255
Deferred tax assets	588
Income Tax Assets (Net)	1,106
Trade and other receivables	4,386
Cash and cash equivalents	62,131
Other asset	1,326
Trade payables	(2,038)
Loan	(3,010)
Provisions	(4,252)
Other Current liabilities	(3,923)
Other Financial Liabilities	(696)
Share application money	(60,000)
Net identifiable assets acquired	(3,615)
Calculation of Goodwill	
Consideration transferred	32,793
Non-controlling interests in the acquired entity	(2,862)
Acquisition date fair value of previously held equity interest	
Less : Net identifiable assets acquired	(3,615)
Goodwill / (Capital Reserve)	33,545

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note 2.40 Financial Instruments

(i) Method and assumptions used to estimate the fair value

"A number of the Company' s accounting policies and disclosures require the determination of fair value, for both financial as well as non assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company."
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy Based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 : unadjusted quoted prices in active markets for identical assets and liabilities.
Level 2 : Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : Unobservable inputs for the asset or liability

March 31, 2018 **(In ₹ Thousand)**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
Financial assets							
Long Term Loans	2,665			2,665			
Trade Receivables	5,32,753			5,32,753			
Cash & Cash equivalents	34,416			34,416			
Other Bank Balances	17,599			17,599			
Short term Loans	11,903			11,903			
Other financial assets	28,729			28,729			
Investments *	3,06,782	3,06,650	132	-	3,06,782	-	-
	9,34,846	**3,06,650**	**132**	**6,28,065**	**3,06,782**	**-**	**-**
Financial Liabilities							
Trade payables	13,813			13,813			
Other financial liabilities	11,866			11,866			
	25,680	**-**	**-**	**25,680**	**-**	**-**	**-**

Financial Risk Management

The board of director has overall responsibility for the establishment & oversight of the company's risk management framework. The Board of director has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changed market conditions and the company's activities. The audit committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the Consolidated Financial Statements for the year ended 31st March 2018

Note No 2.41 Additional Information required by Schedule III

March 31, 2017

(In ₹ Thousand)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
ABM Knowledgeware Ltd	100.88%	14,52,678	106.85%	1,44,945	83.25%	402	106.77%	1,45,346
Subsidiaries (group's share)								
InstaSafe Technologies Pvt. Ltd.	(0.49%)	(7,071)	(4.83%)	(6,558)	3.49%	17	(4.80%)	(6,541)
Non Controlling Interest in the Subsidiary								
Indian								
InstaSafe Technologies Pvt. Ltd.	(0.39%)	(5,599)	(2.02%)	(2,737)	13.27%	64	(0.02)	(2,673)
	100%	**14,40,007**	**100%**	**1,35,650**	**100%**	**482**	**100%**	**1,36,133**

Note 2.42 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company meeting applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, and rural development projects. A CSR committee has been formed by the company as per the act and the CSR funds are used in the areas mentioned above to some extent.

	(In ₹ Thousand)
Amount required to be spent by the company during the year	**5,886**
Amount spent during the year	**5,892**
Excess amount spent	**6**

Note: 2.43

Balance of Sundry Creditors, Debtors, Loans & Advances and Deposits are subject to confirmation and reconciliation if any. For the year, letters for confirmation of balances have been sent to various parties by the Company which have not been responded to. The Management however, does not expect any material changes therein. The balances are as per records available with the company.

Note 2.44

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached
For Borkar & Muzumdar ·
Chartered Accountants
Firm Registration No.:101569W

Deepak Kumar Jain
Partner

Membership No.: 154390
Mumbai
30th May, 2018

For and on behalf of the Board of Directors
Prakash B. Rane - Managing Director

Sharadchandra D. Abhyankar - Director

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiary

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

Statement containing salient features of the financial statement of Subsidiary/associate companies/Joint ventures

Part "A": Subsidiary

(In ₹ Thousand)

Sr. No.	Name of the subsidiary	INSTASAFE TECHNOLOGIES PRIVATE LIMITED
1	Date when Subsidiary was acquired	12.5.2017
2	Reporting currency	INR
3	Share capital	1,212
4	Reserves & surplus	(8,283)
5	Total assets	63,414
6	Total Liabilities	70,486
7	Investments	30,295
8	Turnover	18,413
9	Profit/(Loss) before taxation	(6,376)
10	Provision for taxation	262
11	Profit (Loss)after taxation (before OCI)	(6,638)
12	Other Comprehensive Income	81
13	Profit (Loss) for the year (after OCI)- Total Comprehensive income attributable to the Owners of the Company	(6,558)
14	Proposed Dividend	-
15	% of shareholding	79.20

Notes : There is no Associate Companies & Joint Venturs .Hence Part B is not Applicable.

For and on behalf of the Board of Directors

Prakash B. Rane
Managing Director

Sharadchandra D. Abhyankar
Director

Sarika A. Ghanekar
Company Secretary

Paresh M. Golatkar
Chief Financial Officer

Date : 30th May, 2018
Place: Mumbai

ABM in Media

WWW.ECONOMICTIMES.COM

THE ECONOMIC TIMES

TOWARDS A BOUNDARYLESS ASIA

MONDAY, MARCH 5, 2018

Heralding tangible change

E-governance might be de rigeur today, but **Prakash Rane** was championing it before it grabbed the limelight

E-governance solutions crafted under your leadership have turned into industry benchmarks. How was this achieved?

>> The foremost advantage that we have had was being an early player in the arena of providing E-governance solutions to the Government clients. There were hardly any replicable projects in this space, let alone any workable solutions that had made an impact to the ordinary citizen.

Our focus was on designing solutions which would bring about a tangible positive difference in the services being delivered to citizens and businesses thereby letting minimum touch points with the government. This involved delivering online services, achieving accuracy of billing and simplicity of payments, reducing overall time and effort required to obtain various Government services. It was all achieved not only by implementing necessary software but also by adopting the strategies and practices essential for project sustainability.

Eventually, all this ensures a reliable online presence without compromising on the credibility of Government processes. As a result, it has a significant impact in electronic service delivery to citizens which is both sustainable and credible. This outcome coupled with the methodologies adopted was found to be re-usable and has been the key to why many of our projects have become industry benchmarks.

While ultimately rewarding, the E-governance space is quite challenging. How were the challenges posed overcome?

>> While there is much work to be done to overcome the innumerable challenges posed by this space, we have succeeded in addressing several of them by implementing workable strategies and building a deep domain expertise.

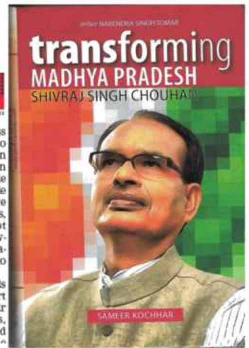
A significant challenge has been the procedure for 'Procurement of Knowledge based services'. The process is not particularly tuned to lend weightage to a vendor in terms of quality. Quality in such a situation is intangible and isn't easily differentiable beyond a point. Instead we prefer competing in tenders, where procurement is not only based simply on the lowest cost but also on a combination of quality in addition to cost.

Another challenge faced is project management support from clients to take on their share of responsibilities, which is necessary to avoid additional costs and time overrun. Hence, we prepa[re] project plan which minim[ises] deliverables from the cl[ient] side by taking on mor[e re]sponsibility than usual [to] ensure that our client's o[bjec]tives have everything on l[...] to do their best possible w[...]

There are other challe[nges] as well such as paymen[ts, de]lays, quality manpower r[...] tion, continuity of visio[n in] cases of change of pro[ject] champions. We have been [able] to address these issues [to a] certain extent by virtu[e of] high visibility and accol[ades] received by a host of our [suc]cessful projects.

Prakash Rane
Founder and MD,
ABM Knowledgeware

ABM



- **Citizen services can be availed onsite via Web Portal or across the Counter or via Mobile App.**
- **Important financial information like budget, project related information of physical and financial progress of the projects can be transparently accessed and shared by citizens from the Web Portal.**
- **e-NagarPalika is integrated with other related initiatives of GoMp like Automated Building Plan Approval System (ABPAS), Urban Sector MIS (USMIS, which tracks Pension Management and Projects), CM Helpline and Government of India Birth and Death Services Portal.**

This project is implemented by selecting a consortium of UST GIobal-ABM-Mindtek. ABM Knowledgeware Limited has carried out the vital responsibility of SAP-EFP implementation and support.

पुढारी

मुरगूड पालिकेचेही आता 'ॲप'

नगराध्यक्ष व उपनगराध्यक्ष यांची माहिती

प्रमाणपत्र शोध, तक्रार निवारण, कर भरणा एका क्लिकवर

मुदाळतिट्टा : प्रतिनिधी

मुरगूड नगरपरिषद व ए.बी.एम. नालेजवर या कंपनीच्या वतीने मुरगूडवासीयांना वेगवेगळ्या प्रमाणपत्रांचा शोध घेण्याकरिता, केलेल्या तक्रारींचे काय झाले याची चौकशी करण्यासाठी, तसेच मालमत्ता कराचा भरणा करण्यासाठी नगरपरिषदेमार्फत मोबाईल ॲपद्वारे सुविधा उपलब्ध करून देण्यात आली आहे. राज्यातील १४९ 'क' वर्ग नगरपालिकांपैकी ही योजना राबवणारी मुरगूड नगरपालिका ही पहिली असल्याची माहिती नगराध्यक्ष राजेखान जमादार व उपनगराध्यक्ष जयसिंग भोसले यांनी पत्रकार परिषदेत दिली.

ही सुविधा नगरपरिषदेकडील वेगवेगळी कामे सोपी करणार आहे. माहिती व तंत्रज्ञानाच्या वापरावर भर देऊन नागरिकांना सहज सुविधा उपलब्ध व्हावी, यासाठी मोबाईल ॲपच्या मदतीने कर भरणा करता येणार आहे. मुरगूडमध्ये एकूण २,९७४ मिळकतधारक आहेत. याचा फायदा या मिळकतधारकांना होणार आहे. याशिवाय जन्म-मृत्यू प्रमाणपत्र, विवाह नोंद प्रमाणपत्र, कामाचा शोध या ॲपवरून करता येणार आहे. नगरपालिकेच्या तक्रार निवारण प्रणालीद्वारे तक्रार नोंदवणे यामध्ये सार्वजनिक स्वच्छता, रस्ते, विद्युत, बांधकाम, जन्म-मृत्यू अशा तक्रारी करता येणार आहेत. एवढेच नव्हे, तर केलेल्या तक्रारींचे काय झाले याची माहितीही या ॲपच्या माध्यमातून मिळणार आहे. यावेळी नगरसेवक शिवाजी चौगले, जीवन साळोखे, दत्तात्रय मंडलिक, संग्राम कांबळे आदी उपस्थित होते.

...असे मिळवा ॲप

गुगल प्ले स्टोअरमध्ये जाऊन emunicipality नावाने सर्च करून अँड्रॉईड ॲप मोबाईल फोनवर डाऊनलोड करून इन्स्टॉल करा. ॲप इन्स्टॉलेशनसाठी वापरकर्त्यांना नाव व मोबाईल फॉर्म भरता येईल. रजिस्ट्रेशन झाल्यानंतर हे ॲप मोबाईलवर कार्यरत होईल.

My Kolhapur
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मनपात ऑनलाइन सवाच उद्घाटन

जमालपुर | आज का दिन | 1995 में माइक्रोसॉफ्ट ने विंडोज 95 सॉफ्टवेयर उत्तरी अमेरिका में लॉन्च किया। | हिन्दुस्[तान]

ई-म्युनिसिपल्टी सेवा का अब शहरवासी उठाएंगे लाभ, डाटा ऑनलाइन के द्वारा शुरू है फाइल फिडिंग का काम

अब घर बैठे भवन का नक्शा पास करा सकेंगे

जमालपुर | एक प्रतिनिधि

अच्छी पहल

- नगर परिषद जमालपुर ने शुरू की नक्शा ऑनलाइन सेवा
- ऑनलाइन सेवा को लेकर नप कर्मियों को दिया गया प्रशिक्षण
- मोबाइल नंबर रजिस्टर्ड कराने के बाद मिलेगी सुविधा

नगर परिषद जमालपुर में बुधवार को ई- म्युनिसिपल्टी सेवा से संबंधित प्रशिक्षण देते पटना से आए प्रशिक्षक।

न का रिकॉर्ड अपलोड करने का काम चल रहा, यह सुविधा भी जल्द मिलेगी

नपा में टैक्स छोड़ सारे काम ऑनलाइन, नहीं होगी परेशानी

भास्कर संवाददाता | जावरा

हमारी नगरपालिका अब ई-नगरपालिका बन चुकी है। इस पोर्टल पर टैक्सेशन के काम को छोड़कर अन्य सभी सेवाएं शुरू हो गई हैं। जल्द ही टैक्स संबंधी सेवाएं भी शुरू हो जाएंगी, इसके लिए डाटा अपलोड करने का काम चल रहा है। यह एक-डेढ़ माह में पूरा हो जाएगा। टैक्स को छोड़कर सभी विभागों की जानकारी पोर्टल पर दर्ज कर दी गई है। हालांकि अभी लोगों को इसकी जानकारी नहीं है, इस कारण ऑनलाइन आवेदन नहीं आए हैं। नगरपालिका भी प्रचार-प्रसार नहीं कर रही है।

ई-नपा के तहत पंजीयन व प्रमाण पत्र, अकाउंट, नामांतरण ...

ऑनलाइन ऐसे करें आवेदन

इस वेबसाइट पर जाकर करें ऑनलाइन आवेदन।

PRAKASH RANE
Founder and Managing Director

ABM

ABM Knowledgeware Limited

Please give us a short brief on the origins and journey of ABM Knowledgeware.

ABM used to provide IT hardware & networking solutions to Government customers in the beginning. During this phase, I noticed the gap between expectations of government customers and actual delivery of e-government solutions. Then, I took steps to fill this gap by providing apt solutions and strategy which actually gave rise to the initial business.

In the late 90s, few if any, Government customers believed that an investment in e-governance could actually make a qualitative difference in citizen services or improve the efficiency of their functioning. I decided to undertake two Government projects by bankrolling them myself and left it to the Government customers to pay only if it worked. One project was about improving citizen services by blending ICT and Administrative Reforms in a Collectorate (Head of District Administration). The other one was automating the functioning of a Government department in the Secretariat (HQ for state administration). The former project became a benchmark in the state (named as Setu), and we were noticed by the ecosystem. The Secretariat project provided strong inputs and conviction, which led the Government to lay down its first formal policy for implementation of e-governance solutions. This success landed us with a big trend-setting contract for Automation of Citizen Services in 1998 which became the pivotal moment for 'ABM Knowledgeware'.

How is the company contributing towards e-Governance?

ABM's most significant contribution to the segment is the confidence it has given to customers that "e-government works". We have executed several projects for Electronic Services Delivery to citizens based on the philosophy of "e-governance is all about Citizens. Citizens are all about Services and Time bound service delivery can be done by blending ICT and Government Process Re-engineering." We have laid a benchmark in long sustenance of e-government projects on the backdrop of a high rate of failure in this segment. ABM is recognized as a leader in the segment of e-Municipality in India with state-wide implementation in four large states. The number of municipal bodies and citizens positively impacted by ABM's solutions are the largest compared to any other company in India. In addition, we provide various e-governance offerings to the government in various states. Overall, as on date, ABM has covered 14 states & UTs. Some of our key offerings in e-governance are E-municipality, Cyber Security, SAP Practice, Property Tax Capital Value Reforms & Automation, Double Entry Accounting Reforms & Automation, Water Billing & Accounting Solutions, Tourism Portal and Smart City Solutions.

With e-governance projects having tight margins, what is the company's strategy to optimize its returns?

It is true that e-governance has tight margins. Yet, we are not only surviving but have been thriving in this business for more than 20 years. Since inception, we have strongly believed that deep knowledge about government processes is as important as technological skills. Secondly, we have followed a thumb rule to provide 'sustainable delivery' to customers, which has helped us to optimize our returns. Lastly, we continuously work towards upgrading our products according to the demand at the time such that it may be integrated, permeated and adapted according to the customer needs.

What is your business outlook for the next 4-5 years?

We are now enhancing the spectrum of our 'e-Municipality solution' to cover more components related to Smart City so as to offer a one stop solution to our customers. We have also initiated focus on complete Water Management solutions by enhancing our Water billing solutions. Another area of focus for us is now 'Cyber Security' for the Government sector. In addition to this, we are keen to expand our business beyond the boundaries of India in a selective manner.

The 10 Fastest Growing ERP Solution Provider Companies

ABM Knowledgeware

India's First Choice for e-Municipality & e-Governance solutions...

We offer the best customer-valued solutions by building techno-functional capabilities in niche areas with high integrity

Prakash Rane
Founder & Managing Director

The global e-government studies inevitably require the development of severe measures that represent the quality and level of e-government. Headquartered in Mumbai, **ABM Knowledgeware** is booming into the ERP domain by tackling the numerous drawbacks that arise associated with ERP implementation. With the exponential growth of this market, they have been designing solutions that focus exclusively on ERP implementation for E-Governance. Incorporated in 1993, ABM has engaged in discovering itself in the e-municipality segment since year 2000 with several successfully sustained projects, **bringing 750+ urban & local (municipal) bodies and some of the major smart cities under its clientele.** On the whole, ABM stands as a robust, scalable and sustainable ERP solution which offers value for money by reducing the cost of ownership and customization need for users.

ABM is a Bombay Stock Exchange listed (BSE:531161) company, and is one of the few IT companies in India which has 17 years long exclusive impulse on e-governance and undisputed leadership in e-Municipality. They have been the first choice by the major states of India for e-Municipality & e-Governance solutions. ABM is the frontrunner in enabling the e-governance services in India with several efficaciously sustained projects. Their various e-government solutions deliver 28+ million Citizen Services per year compared to 4.2 Million in 2010 and rising.

The Fascinating leader of ABM

Prakash Rane, Founder and Managing Director, ABM Knowledgeware is a B.tech Degree and holds a PG Degree in Management Studies (M.M.S.) along with a superb academic record. Prakash has a vast experience in the field of e-governance. Under his stewardship, the company has attained a leadership position in the niche of e-governance in a short span of time. He has conceptualized various pioneering and efficacious strategic solutions in e-governance which have become a benchmark in the industry.

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