2016 - 2017

24th Annual Report

E-Governance

SOLUTIONS

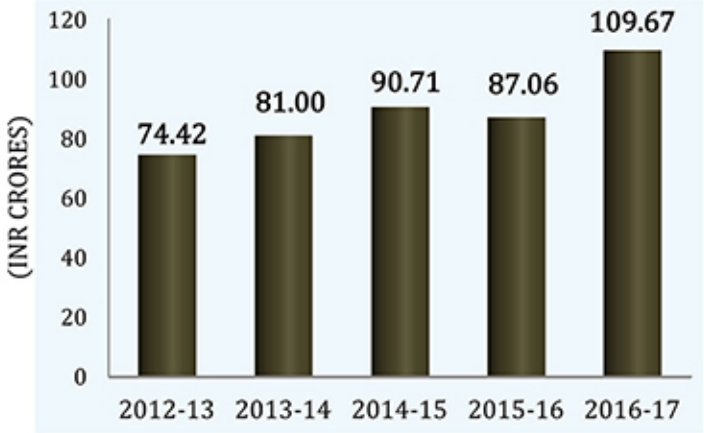
Smart Cities

SERVICES

E- Municipality

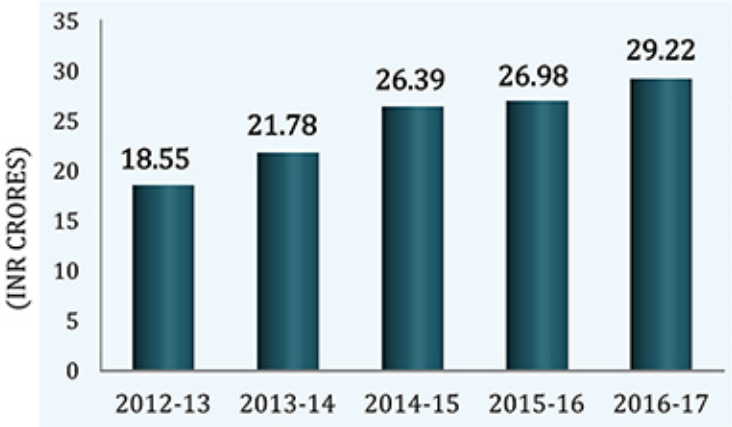
ABM

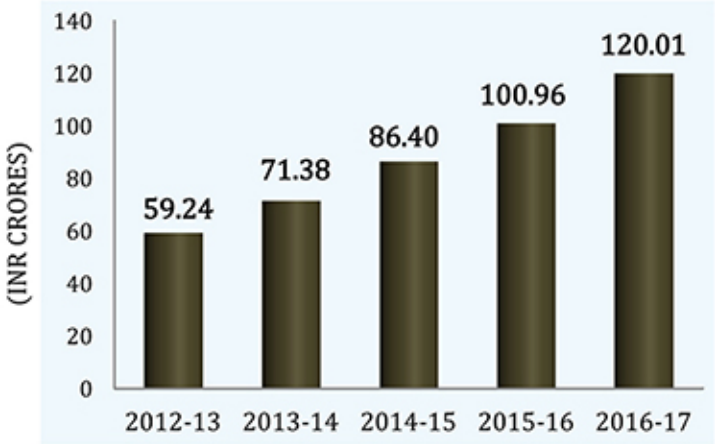
ABM KNOWLEDGEWARE LTD.



Gross Sales

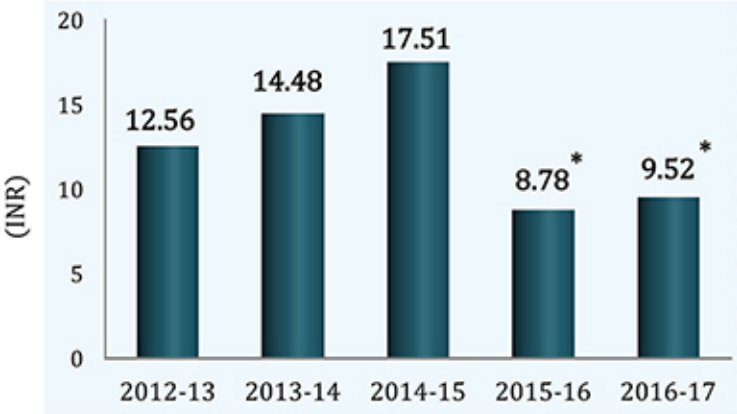
Profit Before Tax





Net Worth

EPS



*Equity share of ₹ 10/- each was subdivided into 2 Equity shares of ₹ 5/- each

BOARD OF DIRECTORS

PRAKASH B. RANE (Managing Director)
SUPRIYA P. RANE
M. N. AHMED
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 : sarika.ghanekar@abmindia.com

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NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of **ABM KNOWLEDGEWARE LIMITED** will be held on Thursday, the 27th day of July, 2017 at 11.00 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 Balance Sheet as at 31st March, 2017, Profit & Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2017.

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.

4. To ratify the appointment of M/s. Borkar & Muzumdar as Statutory Auditors:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder,(including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the twenty first Annual General Meeting appointing M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai (Firm Registration No. 101569W) as Statutory Auditors of the Company to hold the office until the conclusion of twenty sixth Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. Borkar & Muzumdar, as Statutory Auditors of the Company for the financial year ending 31st March, 2018 on such remuneration as may be fixed by the Board of Director of the Company."

NOTES:

1. **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.**

2. 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.

3. 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.

4. 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.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st July, 2017 to Thursday, 27th July, 2017 (both days inclusive).

6. The dividend for the financial year ended 31st March, 2017, 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 27th July, 2017 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.

7. 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.

8. 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.

9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Universal Capital Securities Pvt. Ltd. or to the Company.

10. 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.

11. 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.

12. 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).

13. 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 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.

14. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all unclaimed shares to demat account of the IEPF Authority in accordance with the IEPF Rules. Members are requested to contact Registrar & Transfer Agent or Company for encashing the unclaimed dividends standing to the credit of their account.

15. 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.

16. 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.

17. 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 24th Annual General Meeting (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 remote e-voting period commences on 24th July, 2017 (9:00 am) and ends on 26th July, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)] :

(i) Open email and open PDF file viz; "ABM remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.

Note: Shareholders already registered with NSDL for e-voting will not receive the PDF file "ABM remote e-voting.pdf".

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com.

(iii) Click on Shareholder - Login

(iv) Put your user ID and password (the initial password mentioned in the e-mail sent by NSDL to shareholders whose email addresses are registered with the Company / Depository participant(s)) and verification code as displayed. Click Login.

(v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "ABM Knowledgeware Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) 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

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD / PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.

Note: Shareholders who forgot the User Details / Password can use "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. 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 20th July, 2017.

X. 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 20th July, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Company's Registrar and Share Transfer Agent. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password?" or "Physical User Reset Password?"option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. 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.

XII. 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.

XIII. 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.

XIV. 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.

XV. 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.

18. 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.

19. Mrs. Supriya P. Rane, Director of the Company, retired by rotation and being eligible, offer herself for re-appointment at the forthcoming Annual General Meeting. The relevant details of Director seeking re-appointment under Item No. 3 are as under:

Particulars	**Mrs. Supriya P. Rane**
Date of Birth	19/04/1969
DIN	00152890
Age	48 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

By Order of the Board of Directors

Sarika Ghanekar
Company Secretary

Mumbai, May, 20, 2017
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 have pleasure in presenting the 24th Annual Report on the business and operations of your Company, along with the Audited Accounts, for the financial year ended 31st March, 2017.

1. FINANCIAL PERFORMANCE OFTHE COMPANY (STANDALONE) :

The highlights of financial performance of your Company are as follows:

(In ₹ Thousand)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Gross Income	**11,25,856**	8,89,405
Profit Before Interest and Depreciation	**3,11,547**	2,89,647
Finance Charges	**2,438**	3,067
Gross Profit	**3,09,109**	2,86,579
Provision for Depreciation	**16,898**	16,808
Net Profit Before Tax	**2,92,211**	2,69,771
Provision for Tax	**1,01,698**	94,061
Net Profit After Tax	**1,90,513**	1,75,711
Balance of Profit brought forward	**8,76,410**	7,30,792
Balance available for appropriation	**10,66,923**	8,76,410
Proposed Dividend on Equity Shares	**-**	25,003
Tax on proposed Dividend	**-**	5,090
Transfer to General Reserve	**-**	-
Surplus carried to Balance Sheet	**10,66,923**	8,76,410

2. OPERATIONS OF THE COMPANY:

Operations of the company have been generally stable during last year. Some regions like Madhya Pradesh, Bihar had seen increased activities due to advanced stage of project implementation. The total head count increased 6% against 26 % increase in gross revenue which shows encouraging trends of non-linear revenue growth. The business development teams have been strengthened by deputing business development resources to cover larger number of states compared to last year. The focus to increase operational efficiency by automating certain support functions by using Pay Per Use software has continued by covering more operational areas. The Company continues to operate from offices in New Delhi, Patna, Mumbai, Bhopal and Chennai. Presence in other states like MP and Bihar is being leveraged to tap more business opportunities in these and nearby states. Company is executing projects of varying sizes in 11 different states compared to 6 states last year.

3. DIVIDEND:

Your Directors are pleased to recommend a Final Dividend of 25% (i.e.₹1.25/-per Equity Share of Face Value of ₹ 5/- each) for the year ended 31st March, 2017. Payment of dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting and would involve a cash outflow of ₹ 3,00,92,710/- including dividend distribution tax.

4. TRANSFER TO RESERVES:

No amount was proposed to be transferred to the reserve during the year under review.

5. TRANSFER OF UNCLAIMED DIVIDENDTO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to 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, ₹1,53,366/- of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund (IEPF).

The Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on 12th August, 2016 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs.

6. SHARE CAPITAL:

As on 31st March, 2017 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):

Mr. M. N. Ahmed a Non-Executive Director, resigned from the Board of Director of the Company with effect from 4th February, 2017. The Directors place on record their appreciation of the valuable contributions and guidance given by Mr. M. N. Ahmed during his tenure as a Member of the Board of Director of the Company.

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 Mr. 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.

Mr. Sharadchandra Abhyankar, Mr. Sanjay Mehta and Dr. Sumit D. Chowdhury are the Independent Directors on the Board of the Company. They have confirmed to the Company that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013.

Every Independent Director of the Company is provided with on-going information about the industry and the Company so as to familiarise them with the latest developments. 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 each of the Independent Directors 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 six 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, 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:

As on 31st March, 2017 the Company does not have any Subsidiary, Joint venture or Associate Company. But during the year under review, the Board of Directors have approved a strategic investment in Instasafe Technologies Private Limited ("Instasafe") and executed definitive agreements including Share Purchase Agreement, Share Subscription and Shareholders' Agreement and related documents. Consequent upon the satisfactory fulfillment of the condition precedent set forth in the said agreements, the Company has exercised its rights under the shareholders Agreement and accordingly, Mr. Prakash B. Rane and Mr. Sanjay Mehta have been appointed as Nominee Directors on the Board of Instasafe. In view of the rights conferred on the Company by the said Shareholders Agreement and the Articles of Association of Instasafe, and the nomination of non- executive directors on the board of directors of the Instasafe, Instasafe became a subsidiary of the Company w.e.f.12th May, 2017.

11. AUDITORS:

M/s. Borkar & Muzumdar, Chartered Accountants were appointed as Statutory Auditors of the 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.

12. 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.

13. SECRETARIAL AUDIT REPORT:

The Company has appointed Mr. Upendra Shukla, Practicing Company Secretary to carry out the Secretarial Audit for the financial year 2016-17 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India.

The Secretarial Audit Report in Form No. MR-3 is annexure to this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

14. 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.

15. INTERNAL AUDIT AND INTERNAL CONTROL SYSTEMS:

The Company has appointed M/S. S.P. Sule & Associates, Chartered Accountants as Internal Auditor of the Company for the financial year 2016-2017.

The Company's internal control systems are commensurate with the nature and size of its business operations. These systems ensure that transactions are authorized, recorded and reported diligently, to safeguard the assets of the Company. Internal Audit was conducted in various areas of operations of the Company. The internal audit process includes review and evaluation of effectiveness of existing processes, internal controls and compliances. It also ensures adherence to policies and systems and mitigation of operational risks perceived for each area under audit. 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.

16. CORPORATE GOVERNANCE:

Sound Corporate Governance is a key driver of sustainable corporate growth and long-term value creation for the stakeholders and protection of their interests. Your Company endeavours to meet the growing aspirations of all stakeholders including shareholders, employees and customers. Your Company always strives to follow the path of good governance through a broad framework of various processes. 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.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. <u>Industry Structure and Development:</u>

Industry structure has remained unchanged for past several years. The competition is divided into regional players and national players. Some regions have experienced increased competition last year with unviable prices being quoted in tenders. The schemes relevant to your company's business like Smart City with almost ₹1,00,000 crore outlay over five years has reached stages of tendering. Funding under some central govt schemes and 14th Finance Commission mandates automation and reforms. This is also resulting into more tenders from Urban sector which is one of the important customer segment for your company. Some of the IT companies which showed impractical aggressiveness have faced serious consequences due to failure to appreciate nuances of e government business which require par excellence techno-functional capabilities. The key stakeholders in this industry continue to be government organizations and its employees; Consulting Companies appointed by Government organizations for firming up tenders and its evaluation; Project Management Companies appointed by Government organizations for monitoring project execution; Funding agencies like Central Government or International Funding agencies like Word Bank (WB), The Asian Development Bank (ADB), The Department for International Development of United Kingdom Government (DFID), The Japan International Cooperation Agency of Government of Japan (JICA) etc. and IT companies who execute the projects.

There have been some chronic issues with Government contracts in the industry which continue to remain concerns for the industry. Efforts are being done by industry associations like The National Association of Software and Services Companies (NASSCOM) to convince Government to have more balanced procurement process. Government has issued model tender document which address some of the concerns flagged by NASSCOM. IT dependent initiative like Ease of Doing Business, Right to Services, Digital India, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) are

showing more traction for IT spending.

Post demonetization the overall usage of IT interfaces in day to day work by common citizen is on rise and it will help in increased demand for e government in medium to long term due to better appreciation of IT.

B. Existing Opportunities and Outlook:

Your company has been following a specific strategy for leveraging business opportunities in e government business segments. It includes long term relationships with customers by giving increasingly better quality of service, adding verticals periodically by organic and inorganic strategies, adding more states as customers, blending technology with reforms, maintaining proper processes and a sound value system. This has resulted into steady growth as seen from past performance.

The opportunities in the segment are abundant and choice needs to be made based on what has maximum fitment with company strengths and growth strategies. Company continues to focus on successful completion of each project for building long term relationships in areas of its strength like Urban Sector, Reforms in Accounting and Tax revenue, SAP, Tourism. The recent acquisition of a cybersecurity firm based in Bangalore would open new avenues of account mining and will increase the solutions offerings by the Company.

The global industry is fast embracing technologies like Artificial Intelligence, machine learning, analytics, virtual and augmented reality, block chain etc. Company will monitor these trends closely and its impact on the Company's market segment and solutions offered by the Company. Company has been developing its flagship offerings by following Digital India guidelines and standards.

As per Gartner (Source: All Press Release on February 13, 2017 on Gartner Website), the governments in India would spend $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.

As per data available in public domain and announcements from concerned ministries it can be estimated that total outlay for 5 years in schemes like Smart City, Some Mission Mode Projects, Digital India, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), National Heritage City Development and Augmentation Yojana (HRIDAY) etc. would be ₹ 2,50,000 crore. Considering the composition of projects being awarded so far, the IT portion(software, IT services, data centers, devices and telecom services) would be about 20% of the total outlay. Rest would be towards improvement of Urban Infrastructure. Out of 20% of the IT portion, the services relevant to your company can be estimated to be around 50% of this 20% amounting to approximately ₹ 5,000 crore per annum. It may be noted that these are approximations.

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. Of late, Your company has grown its business to twice the number of states compared to last year. This increases the possible impact of these threats. ABM has been practicing stringent processes to mitigate the risks and has been successful in doing so.

Inexperienced competition remains a threat and results into loosing some of the opportunities. Some of the long term contracts of Company may be coming to an end this year causing some concerns on topline as well as bottom line. Efforts

are underway to build new prospects to keep same momentum as exhibited in previous years.

D. Business Strategies and Planning:

The core strategy of the company remains by and large unchanged. It involves working closely with existing prestigious customers and retaining them and targeting newer geographies for promoting niche offering of the company. ABM also has been selectively adding to its core offerings wherever a high replication potential to other customers is perceived.

ABM has established its presence in states in North, South, West and East India by winning prestigious customers in these regions. A strategy of collaboratively working with large and reputed IT companies in consortium has yielded positive results and the strategy has been be deepened further by partnering with reputed companies like L and T in some smart city tenders.

E. Human Resource Management:

i) 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.

ii) Achievements

The above aims were fulfilled to a large extent. The Talent Acquisition department has done a marvelous job of recruiting within Turn-Around Time (TAT) for the MP project. Employee Relationship was given higher focus during the year due to increased spread of employees across India and need to integrate them within ABM culture.

ii) Headcount

S. No.	Year	Current Headcount
1	April 2015 - March 2016	720
2	April 2016 - March 2017	769

iv) HR Events

- Successful Employee Connect conducted at many locations.
- Organized Medical CAMP as an awareness towards one's health.
- “Think Creative and Act Creative” challenge was endorsed to hunt the hidden talent within the team and encourage team bonding amongst the tech gigs.

v) Recognition

- Career Enhancement opportunities
- Recognized as a process which enable the Company to be agile, responsive to the dynamic environment and stay relevant to its customers.
- Hire talented Professional Graduates from the reputed universities and Institutes.

vi) **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, colour, 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:

(In ₹ Thousand)

	Year ended 31.03.2017	Year ended 31.03.2016
Gross Income	**11,25,856**	8,89,405
Less: service Tax	**1,45,926**	98,614
Gross Income (net of Service Tax)	**9,79,930**	7,90,791
Less: Total expenditure	**6,70,821**	5,04,211
Gross profit before Depreciation & Taxation	**3,09,109**	2,86,579

The Gross Income of the Company has increased compared to last year and improvement in the profits is also seen. Last year Company has implemented and gone live in some major projects causing some stretch on profitability.

18. 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 etc. Company has been monitoring the impact of these new technologies carefully. ABM has been working on deepening its roots into its core areas to create more entry barriers to competition as well as working closely with existing clients to give superior service and value. ABM is working with larger companies for consortium based bidding to prepare for opportunities like smart city where much stronger financial upfront investment is required for the project.

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. **Cost pressures:** Increasing operations expenses as well as rising employee cost can pose risk to the Company. The company has internal controls to monitor costs and escalate any abnormal increase for taking corrective actions. Project level and Business Unit level costs are monitored through a regular MIS on budgets and variances for timely corrective action.

4. **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.

5. **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 Government 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.

19. 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 material changes or commitments made by Company that will affect the financial position of the company during the above mentioned period except the investment commitment upto ₹ 15 crores for investment of cybersecurity firm as informed to the BSE on 24th January, 2017.

20. 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.

21. AUDIT COMMITTEE COMPOSITION:

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

22. 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.

23. 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.

24. 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 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.

25. 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.

26. CORPORATE SOCIAL RESPONSIBILITY:

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company.

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.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013

during the year under review.

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

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has in place, 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. While maintaining the highest governance norms, the Company has set up Internal Complaints Committee to redress complaints received regarding sexual harassment. While maintaining the highest governance norms, the Company has appointed external independent person, who has done work in this area and has requisite experience in handling such matters, as member this Committee. The Policy aims to provide protection to all employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel safe and secure.

The Company has not received any complaint of sexual harassment during the financial year 2016-17. In order to build awareness in this area, the Company has been conducting programmes in the organisation on a continuous basis.

29. 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 has been appended as Annexure to this Report. The details of employee remuneration as required under provisions of Section 197 of Companies Act, 2013 and Rule 5(2) and 5(3) of Rules for the year ended 31st March, 2017 is also annexed to this report.

30. 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.

31. 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.

32. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

33. 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.

34. 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 its heartfelt appreciation to the dedicated efforts and had work put in by the employees at all levels. The Company's consistent growth is a testimony to their dedication and commitment. Your Board takes this opportunity to express sincere thanks to its valued customers for their continued patronage over the years.

Your Board acknowledges the contribution of bankers and business and technology partners, Auditors, Legal Advisors, Training Institutes, the Registrars, Government Authorities, Regulatory Bodies etc. who have always supported and helped the Company achieve its objectives and look forward for their continued support in future.

We also thank the shareholders for their continued trust and confidence bestowed on the Company.

For and on behalf of the Board

Date : 20th May, 2017
Place: Mumbai

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra 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 sociallyuseful 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, eradicating hunger and poverty, animal welfare, environment protection, health, protection of art & Culture as the areas 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 Abhyankar, Member
Mr. Sanjay Mehta, Member

3. Average Net Profit of the Company for last three financial years: ₹ 26,95,32,860

4. Prescribed CSR Expenditure: ₹ 53,90,624

5. Previous year unspent amount : ₹ 55,56,530

6. Details of CSR spent during the financial year

a) Total amount to be spent for the financial year: ₹ 1,09,47,154

b) Total amount spent during the year: ₹1,10,26,724

c) Amount unspent as on 31st March, 2017: Nil.

d) Manner in which the amount was spent during the financial year 2016-2017 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,2017	Amount Spent Direct / through implementing agency*
1	Promotion of Education	Education	Mumbai Maharashtra	9,500	9,302	9,302	9,302
2	Promoting Gender Equality and empowering women	Setting up old age homes	Mumbai Maharashtra	500	300	300	300
3	Ethnicity	Protection art and culture	Mumbai Maharashtra	100	25	25	25
4	Environment Sustainability	Animal welfare	Maharashtra	600	450	450	450
5	Rural Development	Village adoption	Maharashtra	1,000	925	925	925
6	Promoting Health Care	Medical Aid	Maharashtra	100	25	25	25

***Details of implementing agencies :**

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

NGO / Trust like The Bombay Mideast Rotary Foundation, Cancer Aid & Research Foundation The Bombay Mideast Rotary Foundation 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 : 20th May, 2017
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 31.03.2017
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 – 93 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 - Not Applicable.

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

The Shareholders had approved sub-division of Equity Shares of ₹ 10/- each into two Equity Shares of ₹ 5/- each by passing a special resolution through postal ballot and e-voting on 23rd March, 2016 and corporate action was completed on 12th April, 2016. Hence, the Shareholding pattern is given on the basis of Face Value of ₹ 5/- each for per Equity Share.

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	12004300	-	12004300	60.01	12005679	-	12005679	60.02	0.01
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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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)	**12985800**	**-**	**12985800**	**64.92**	**1298717**	**-**	**12987179**	**64.93**	**0.01**
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	191366	-	191366	0.96	16100	-	16100	0.08	-0.88
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	**191366**	**-**	**191366**	**0.96**	**16100**	**-**	**16100**	**0.08**	**-0.88**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	815090	247400	1062490	5.31	822989	247400	1070389	5.35	0.04
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital upto ₹ 2 lakh	2024270	403124	2427394	12.14	2166835	370724	2537559	12.69	0.55
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	893896	-	893896	4.45	752509	-	752509	3.76	-0.69
c) Others: NBFCc registered with RBI	1500	-	1500	0.01	350	-	350	0.00	0.00
Non Resident Indians	382158	-	382158	1.91	392092	-	392092	1.96	0.05
Overseas Corporate Bodies	-	2000000	2000000	10.00	-	2000000	2000000	10.00	0.00
Clearing Members	14996	-	14996	0.07	69162	-	69162	0.35	0.28

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
Trusts									
HUF	-	-	-	0.00	176860	-	176860	0.88	0.88
Directors & Relatives	-	42600	42600	0.21	-	-	-	-	-0.21
Sub-total (B)(2):-	**4131910**	**2693124**	**6825034**	**34.12**	**4380797**	**2618124**	**6998921**	**34.99**	**0.87**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**4323276**	**2693124**	**7016400**	**35.08**	**4396897**	**2618124**	**7015021**	**35.07**	**-0.01**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**17309076**	**2693124**	**20002200**	**100.00**	**17384076**	**2618124**	**20002200**	**100.00**	**0.00**

B) Shareholding of Promoter:

Sr. No.	Shareholder'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	500	0.00	-	1879	0.01	-	0.01
6.	Lipsita Properties Private Limited	981500	4.91	-	981500	4.91	-	0.00
	Total	**12985800**	**64.92**	**-**	**12987179**	**64.93**	**-**	**0.01**

C) Change in Promoters' Shareholding:

Sr. No.	Shareholding of each Promoter	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**				
	At the beginning of the Year	9542300		9542300	47.71
	Increase / Decrease in Shareholding during the year	-	47.71	9542300	47.71
	At the end of the Year		-	**9542300**	**47.71**
2	**Supriya P. Rane**				
	At the beginning of the Year	245400	12.27	2454000	12.27
	Increase / Decrease in Shareholding during the year	-	-	2454000	12.27
	At the end of the Year			**2454000**	**12.27**

Sr. No.	Shareholding of each Promoter	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	**Lipsita Properties Private Limited**				
	At the beginning of the Year	981500	4.91	981500	4.91
	Increase / Decrease in Shareholding during the year	-	-	981500	4.91
	At the end of the Year			**981500**	**4.91**
4	**Baburao B. Rane**				
	At the beginning of the Year	5000	0.02	5000	0.02
	Increase / Decrease in Shareholding during the year	-	-	5000	0.02
	At the end of the Year			**5000**	**0.02**
5	**Sunita B. Rane**				
	At the beginning of the Year	2500	0.01	2500	0.01
	Increase / Decrease in Shareholding during the year	-	-	2500	0.01
	At the end of the Year			**2500**	**0.01**
6	**Sharada Rane**				
	At the beginning of the Year	500	0.00	500	0.00
	Increase / Decrease in Shareholding during the year (Transfer)				
	02/09/2016	700	0.00	1200	0.01
	30/09/2016	(100)	0.00	1100	0.01
	04/11/2016	88	0.00	1188	0.01
	11/11/2016	(200)	0.00	988	0.00
	09/12/2016	(200)	0.00	788	0.00
	27/01/2017	(200)	0.00	588	0.00
	10/02/2017	799	0.00	1387	0.01
	24/02/2017	200	0.00	1587	0.01
	03/03/2017	199	0.00	1786	0.01
	10/03/2017	102	0.00	1888	0.01
	17/03/2017	(109)	0.00	1779	0.01
	31/03/2017	100	0.00	1879	0.01
	At the end of the Year			**1879**	**0.01**

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	-	-	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	-	-	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	-	-	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	-	-	400000	2.00
	At the end of the Year			**400000**	**2.00**
5	**Shivani Trivedi**				
	At the beginning of the Year	314700	1.57	314700	1.57
	Increase / Decrease in Shareholding during the year (Transfer)				
	19/08/2016	15344	0.08	330044	1.65
	26/08/2016	25205	0.13	355249	1.78
	02/09/2016	5299	0.03	360548	1.80
	09/09/2016	21040	0.11	381588	1.91
	23/09/2016	25820	0.13	407408	2.04
	30/09/2016	7771	0.04	415179	2.08
	11/11/2016	10089	0.05	425268	2.13
	23/12/2016	10000	0.05	435268	2.18
	03/02/2017	5000	0.02	440268	2.20
	At the end of the Year			**440268**	**2.20**
6	**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**
7	**The Indiaman Fund (Mauritius) Ltd.**				
	At the beginning of the Year	191366	0.96	191366	0.96
	Increase / Decrease in Shareholding during the year (Transfer)				
	23/09/2016	(10245)	-0.05	181112	0.91
	30/09/2016	(44029)	-0.22	137083	0.69
	07/10/2016	(31933)	-0.16	105150	0.53
	14/10/2016	(1622)	-0.01	103528	0.52
	21/10/2016	(133)	0.00	103395	0.52
	28/10/2016	(14781)	-0.07	88614	0.44
	16/12/2016	(9419)	-0.05	79195	0.40
	23/12/2016	(5000)	-0.02	74195	0.37
	13/01/2017	(9195)	-0.05	65000	0.32
	20/01/2017	(15047)	-0.08	49953	0.25
	27/01/2017	(22333)	-0.11	27620	0.14
	03/02/2017	(4500)	-0.02	23120	0.12
	24/02/2017	(7020)	-0.04	16100	0.08
	At the end of the Year			**16100**	**0.08**

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
8	**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**
9	**Mohan Datar**				
	At the beginning of the Year	164100	0.82	164100	0.82
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	164100	0.82
	At the end of the Year			**164100**	**0.82**
10	**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	-	-	142600	0.71
	At the end of the Year			**142600**	**0.71**
11	**Gryffin Advisory Services Pvt. Ltd**				
	At the beginning of the Year	97605	0.98	97605	0.98
	Increase / Decrease in Shareholding during the year (Transfer)				
	06/05/2016	37800	0.19	37800	0.19
	20/05/2016	14010	0.07	51810	0.26
	03/06/2016	2500	0.01	54310	0.27
	10/06/2016	3700	0.02	58010	0.29
	17/06/2016	1364	0.01	59374	0.30
	24/06/2016	6591	0.03	65965	0.33
	30/06/2016	6735	0.03	72700	0.36
	01/07/2016	1500	0.01	74200	0.37
	08/07/2016	800	0.00	75000	0.37
	At the end of the Year			**75000**	**0.37**

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**

Sr. No.	Shareholding of each Directors and each Key Managerial Personal	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	**M. N. Ahmed, Non-Executive Director***				
	At the beginning of the Year	42600	0.21	42600	0.21
	Increase / Decrease in Shareholding during the year	-	-	42600	0.21
	At the end of the Year			**42600**	**0.21**
4	**Sharadchandra Abhyankar, Non-Executive Director**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**
5	**Sanjay Mehta, Non-Executive Director**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**
6	**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			**-**	**-**
7	**Paresh Golatkar, CFO**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**
8	**Sarika Ghanekar, Company Secretary**				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			**-**	**-**

*Shareholding of Relatives of Mr. M.N. Ahmed, who has resigned as director of the Company w.e.f.4th February, 2017.

V. INDEBTEDNESS:

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the financial year 2016-17.

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		10,256.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		78.29
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		4,960.00
5	Others, please specify		-
	Total (A)		**15,294.34**
	Ceiling as per the Act		**15,301.97**

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	20.00	52.00	48.00	120.00
	Commission	138.75	277.50	138.75	555.00
	Others, please specify	-	-	-	-
	Total (1)	**158.75**	**329.50**	**186.75**	**675.00**
2	**Other Non-Executive Directors**	**Supriya P. Rane**		**M. N. Ahmed**	
	Fee for attending Board / Committee meetings	80.00		80.00	160.00
	Commission	2,081.25		138.75	2,220.00
	Others, please specify	-		-	-
	Total (2)	**2,161.25**		**218.75**	**2,380.00**
	Total (B)=(1+2)				**3,055.00**
	Total Managerial Remuneration				**18,349.30**
	Overall Ceiling as per the Act				**18,362.37**

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	764.76	638.40	1,403.16
	(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	**764.00**	**638.40**	**1,403.16**

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 : 20th May, 2017
Place: Mumbai

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra 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 2016-2017, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the financial year 2016-2017**

The percentage increase in remuneration of each Director, Chief financial Officer and Company Secretary during the financial year 2016-2017, ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2016-2017 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 2016-2017
1	Prakash B. Rane	Managing Director	81.03	4.16%
2	Supriya P. Rane	Non-Executive Director	11.45	5.29%
3	M.N. Ahmed *	Non-Executive Director	1.16	-55.29%
4	Sharadchandra D. Abhyankar	Non-Executive Director	1.74	30.43%
5	Sanjay Mehta	Non-Executive Director	0.99	72.92%
6	Sumit Chaudhary	Non-Executive Director	0.84	100.00%
7	Paresh M. Golatkar	Chief Financial Officer	3.38	12.51%
8	Sarika A. Ghanekar	Company Secretary	4.05	13.87%

* Mr. M. N. Ahmed resigned as a Director of the Company w.e.f.4th February, 2017.

2 **The Percentage increase in the median remuneration of employees in the financial year:** The Median remuneration of the employees in the financial year increased by 9.31%.

3 **The Number of permanent employees on the rolls of Company:** 769 employees as of March, 2017.

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 7% and average percentile increase of managerial remuneration is approximately 4%. There were no exceptional circumstances for increase in managerial remuneration in the last financial year. The percentile increase process and policy was same for them and all other employees.

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 : 20th May, 2017
Place: Mumbai

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra Abhyankar
Director
(DIN: 00108866)

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of Top Ten Employees in terms of remuneration drawn as per rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Age	Qualification	Date of Employment	Designation	Gross (₹)	Net (₹)	Experience	Name of the last Employer
1	Prakash B. Rane	51	B.Tech, MMS	06 Feb 1992	Managing Director	1,52,94,336	99,68,928	25	Advent Business Machines Pvt. Ltd
2	Govind Singh Chauhan	50	B.Tech	28 Oct 1998	Executive Director-Business Development	30,00,000*	19,08,273	19	Midas
3	Vimla Lal Varghese	56	B.Sc.	01 Sep 2009	Project Director	34,38,463*	27,29,138	8	Mastek ltd
4	Vishal S.C. Bhatnagar	43	B.E.,MBA	27 Jan 2015	SAP-Delivery Head	37,03,068	27,97,900	2	Reliance Communication
5	Ramesh Ramanathan	54	B.Com	18 Jul 2011	Business Unit Head	25,07,820	17,34,319	6	Tata Elxsi Ltd
6	Anurag Mahendra Jain	41	B.E.	17 Mar 2015	Project Manager	24,65,000	19,86,552	2	J P Morgan Chase
7	Rajesh Jatav	39	B. E., M Tech	13 Oct 2014	Delivery Manager	22,56,968	18,78,022	3	Polaris Software Limited
8	Movin Anosh Joseph	37	B.Sc., MCA	25 Jun 2015	Project Manager	22,09,390	19,08,805	2	ATOS India
9	Amit Baban More	40	Diploma Industrial Safety	18 May 2016	Project Manager	18,30,089	14,23,394	1	Freelancer
10	Murali Krishna Takkallapati	40	B.Sc.	25 Jul 2016	Senior Project lead	13,59,574	12,40,478	1	Reliance Communication Ltd.

- Gross remuneration includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and Company's contribution to provident fund. Net remuneration includes Gross Remuneration less income tax, profession tax and employees contribution to provident fund
- Remuneration excludes provision for gratuity and leave encashment.
- Nature of employment is permanant for employees
- Other terms and conditions as per Company's Rules
- None of these employees is related to any Director of the Company
- None of the employees is covered under Rule 5(3)(viii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013

* Gross remuneration received excludes performance linked variable pay.

For and on behalf of the Board

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra Abhyankar
Director
(DIN: 00108866)

Date : 20th May, 2017
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

Over the years, governance processes and system have strengthened at ABM. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics have been emphasized. Company has adopted various codes and policies to carry out business in an ethical manner. Stakeholders' interests are taken into account before making business decisions.

The Company strongly believes that sound, robust and unambiguous system of Corporate Governance practices go a long way in retaining investor trust and preserving the interest of all existing as well as prospective Stakeholders. Our Code of Business Principles is an extension of our value sand reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. ABM's sound Corporate Governance principles and practices inter alia include to constitute the Board of Directors with ideal and requisite mix of directors- Executive, Independent and Woman. It's committees are also constituted with ideal and requisite members. The Board is accountable for stewardship, governance and oversight, and for setting the strategic direction to deliver sustainable value. We achieve this by setting clear strategy for ABM and through an effective governance.

The Company is in compliance with the requirements with regard to the Corporate Governance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

I. BOARD OF DIRECTORS

To be effective and independent, the Board must have the right composition, structure and processes, and a clear understanding of its role and responsibilities. Our Board meets these requirements. The Board of Directors of the Company is constituted with optimum combination of executive and non- executive Directors. The Board by exercising independence, strategic supervision, discharging fiduciary responsibilities and ensuring highest standard of ethics and transparency provides guidance, direction and oversees the management of the Company. The Committees of the Board are extending support to the Board to enable it function smoothly. Interest of all the stakeholders of the Company are well enhanced and equally protected by the Board.

The Company has a good mix 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 composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Independent Directors are of sufficient calibre and number that their views carry significant weight in the Board's decision-making process. The Board considers all of its non-Executive Directors to be independent in character and judgement.

During the year under review, six Board Meetings were held on 12th April, 2016, 25th May, 2016, 30th July, 2016, 27th October, 2016, 23rd January, 2017 and 4th February, 2017. The previous Annual General Meeting (AGM) of the Company held on 12th August, 2016 was attended by all the Directors.

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).

The Details of the Board of Directors of the Company as on 31st March, 2017 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	6	Nil	Nil
Mrs. Supriya P. Rane	Non- Executive	Promoter	6	Nil	Nil
Mr. M. N. Ahmed *	Non- Executive	Non-Independent	4	1	Nil
Mr. Sharadchandra Abhyankar	Non- Executive	Independent	6	3	1
Mr. Sanjay Mehta	Non- Executive	Independent	5	Nil	Nil
Dr. Sumit Chowdhury	Non- Executive	Independent	5	Nil	Nil

excluding Private Limited Companies, Unlimited Companies, section 25 Companyand Foreign Companies

Includes only Audit Committee and Stakeholders' Relationship Committee.

*Resigned as a Director of the Company w.e.f. 4th February, 2017.

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. 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.

The Board's main roles are to create value for shareholders, to provide entrepreneurial leadership of the Company, to approve the Company's strategic objectives and to ensure that the necessary financial and human resources are made available to enable those objectives to be met all times. The Board of Directors, in fulfilment of its responsibility hold periodic meetings, at least once a quarter and provide appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for ABM or new projects / divisions / product lines, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees.

The Board has formulated a familiarization program for every newly appointed Directors of the Company. Such program enables the Independent Directors to understand about the operations and affairs of the Company. 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.

The Company's code is designed to adhere and promote:

- Honest, fair and ethical conduct, including ethical handling of conflicts of interest between personal and professional relationship;
- Protection and proper use of corporate assets & confidential information;
- Compliance with governmental laws, rules and regulations etc.;

All the Board members and senior management have confirmed compliance with the Code for the year ended 31st March, 2017. A declaration to this effect signed by the Managing Directors forms part of this Annual Report.

SEPERATE INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 30th July, 2016, inter alia, to discussed:

1. the performance of Non -Independent Directors and the Board of Directors as a Whole;
2. the performance of the Managing Director of the Company, taking into account the views of the Non- Executive Directors.
3. 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, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of all the Committees of the Board. 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. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

The results of the Evaluation were 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

A) AUDIT COMMITTEE:

The Company has constituted a qualified and independent Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

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 2016-2017, the Committee met five times on 12th April, 2016, 25th May, 2016, 30th July, 2016, 27th October, 2016 and 4th February, 2017.

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 Abhyankar, Chairman	Independent and Non-Executive Director	5
Mr. M. N. Ahmed *	Non-Executive Director	4
Mr. Sanjay Mehta	Independent and Non-Executive Director	5
Dr. Sumit Chowdhury **	Independent and Non-Executive Director	Nil

*Mr. M. N. Ahmed resigned as director of the Company w. e. f. 4th February, 2017 and ceased to be member of the Committee.
** Appointed as a member of Audit Committee w.e.f. 4th February, 2017.

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. 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.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invites. 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 of the Company 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 Blowing 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 Stakeholders' Relationship Committee comprises of two Non-Executive Directors of the Board. During the year the Committee met four times on 12th April, 2016, 26th July, 2016,27th October, 2016, 4th February, 2017.

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

Name	Status	No. of total 4 Meetings the attended is
Mr. M. N. Ahmed, Chairman	Non-Executive Director	4
Mrs. Supriya P. Rane, Member	Non-Executive Director	4

Mr. M. N. Ahmed resigned as director from the Company w. e. f. 4th February, 2017 and ceased to be the member of this committee. The Board nominated Mr. Sanjay Mehta – Non-Executive and Independent Director as member of the Committee w. e. f. 4th February, 2017.

The terms of reference of this Committee inter alia includes the following:

- Oversee and review all the matters connected with the transfer, transmission of Company's securities.
- To look into the requests received for issue of duplicate share certificates on account of loss / mutilated certificates etc.
- To issue share certificates upon consolidation or sub-division of shares of the Company.
- Monitor redressal of investors' / shareholders grievances.
- Oversee the performance of the Company's Registrars and Transfer Agents.
- Recommend methods to upgrade the standard of services to the investors.
- Monitor the implementation and compliance of the Company's Code of Conduct.

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 24. No complaints were received during the year. There was no valid share transfer pending for registration for more than 30 days as on the said date.

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 Nomination and Remuneration Committee presently comprises of three Directors. The constitution of the Nomination and Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 as also the requirements laid down in Regulation 19 of the Listing Regulations, 2015. During the year under review, two Committee meetings were held on 18th April, 2016 and 17th January, 2017.

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

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

The brief description of the terms of reference of the Committee is given below:

- Formulate Remuneration Policy and a policy on Board Diversity.
- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include 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 other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that 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; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 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.

POLICY FOR SELECTION, APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee ("N & R 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.

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. 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 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. A proper balance between fixed and variable component is aimed at. 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.

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	10,334.34	4,960.00	Nil
Mrs. Supriya P. Rane	Director	Nil	2,081.25	80.00
Mr. M. N. Ahmed	Director	Nil	138.75	80.00
Mr. Sharadchandra Abhyankar	Director	Nil	277.50	52.00
Mr. Sanjay Mehta	Director	Nil	138.75	48.00
Dr. Sumit Chowdhury	Director	Nil	138.75	20.00
Total		**10,334.34**	**7,735.00**	**280.00**

Directors

Detailed profile of 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.

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 Electronic 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:

To enable the Company to take required measures to make a meaningful contribution to society and other stakeholders it has constituted the Corporate Social Responsibility Committee("CSR Committee") and the CSR Committee has, inter alia, the following mandate:

a) formulate and recommend to the Board, the CSR Policy and activities to be undertaken by the Company;
b) recommend the amount of expenditure to be incurred on CSR activities of the Company;
c) review the performance of the Company in area of CSR;
d) monitor CSR Policy of the Company from time to time;
e) monitor the implementation of the CSR projects or programs or activities undertaken by the Company.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the Financial Year ended 31st March, 2017, the Committee met four times on 6th April, 2016, 18th July, 2016, 21stOctober, 2016 and 6th January, 2017.

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 2016-2017 are given below:

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

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.

E) RISK MANAGEMENT COMMITTEE:

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. The Board has an on-going process for identifying, evaluating and managing the significant risks faced by the Company.

The Risk Management Committee reports on the effectiveness or risk management, governance and compliance activity

within the Company. This Committee of the Company comprises of Mr. Prakash B. Rane as the Chairman and Mr. Sanjay Mehta and Mr. Govind Singh Chauhan as members of the Committee. The Risk Management Committee supports the Board in its consideration of current and forward-looking material business risk exposures.

The terms of reference of the committee interalia include:

- To formulate and recommend to the Board a Risk Management Plan / Policy,
- To implement, monitor and review the risk management plan for the Company,
- To recommend and implement procedures for risk assessment and minimization,
- To monitor the Risk Management Policy of the Company from time to time,
- To discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time.

During the Financial Year ended 31st March, 2017, the Committee met twice on 20th May, 2016 and 24th January, 2017 for reviewing the Company level risks and mitigation plans and actions.

Code for prevention of insider-trading practices:

a. Code of conduct to Regulate, Monitor and Report Trading by Insiders:

Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has laid down Internal Code of conduct to Regulate, Monitor and Report Trading by Insiders in dealing with Securities of ABM (Insider Trading Code) with the objective that insiders of the company shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPSI) about the Company which is not in public domain and thus constitutes insider information.

According to Insider Trading Code, no Insider, which includes connected persons, designated person or any person in possession of or having access to UPSI, shall either on its own behalf or on behalf of any other person, communicate any UPSI or trade in listed securities or proposed to be listed securities on any stock exchanges when in possession of any UPSI. Insiders are entitled to formulate trading plan subject to certain conditions as enumerated in the Insider Trading Code and approval of the Compliance Officer. The trading plan is to be implemented mandatorily. Designated Persons and their immediate relatives are not allowed to trade in securities when the Trading Window is closed. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/ Designated Employees are also required to disclose related information periodically as defined in the Code. Company Secretary has been designated as Compliance Officer for this Code.

b. Code of Practices And Procedures for Fair Disclosure of Unpublished Price Sensitive Information:

The Code ensures prompt public disclosure of Unpublished Price Sensitive Information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. According to this Code, Company Secretary shall act as the Chief Investor Relation Officer of the Company to deal with dissemination of information and disclosure of unpublished price sensitive information.

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

Whistle Blower Policy:

The Board of Directors of the Company has approved a Whistle Blower Policy / Vigil Mechanism to monitor the actions taken on complaints received under the said 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. Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that employees can raise

concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. 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. 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. No personnel has been denied access to the Audit Committee.

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. 46. 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:

24th Annual General Meeting

Date	:	27th July, 2017
Time	:	11.00 a.m.
Venue	:	1st Floor, Dadar Bhagini Samaj, 3rd Lane, Hindu Colony, Dadar (E), Mumbai- 400 014
Date of Book Closure	:	21st July, 2017 to 27th July, 2017 (both days inclusive)
Dividend Payment Date	:	On or before August 25, 2017 (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
21st AGM on 18.09.2014	10.30 a.m.	Dadar Bhagini Samaj, 1st Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	–
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.

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 2017-2018

(Tentative and subject to change)

• Financial Results for the:	
Quarter ending 30th June, 2017	Within 45 days of end of respective quarter
Quarter ending 30th September, 2017	
Quarter ending 31st December, 2017	
• **Year ending 31st March, 2018**	By 30th May, 2018
• **Annual General Meeting 2017-2018**	By September, 2018

IV. OTHER DISCLOSURES:

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its 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:

The Company has not entered into any material Related Party Transaction during the year. The Audit Committee entrusted to review the related party transactions as required under the relevant provisions of the Companies Act, 2013, rules made thereunder, the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company has formulated and adopted a policy on dealing with the Related Party Transactions and the same is available on the Website of the Company. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. Transactions with Related Party have been disclosed in Note No. 2.30 of the Notes on Financial Statements in the Annual Report.

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 place prescribing various probable risks, their assessment and mitigation.

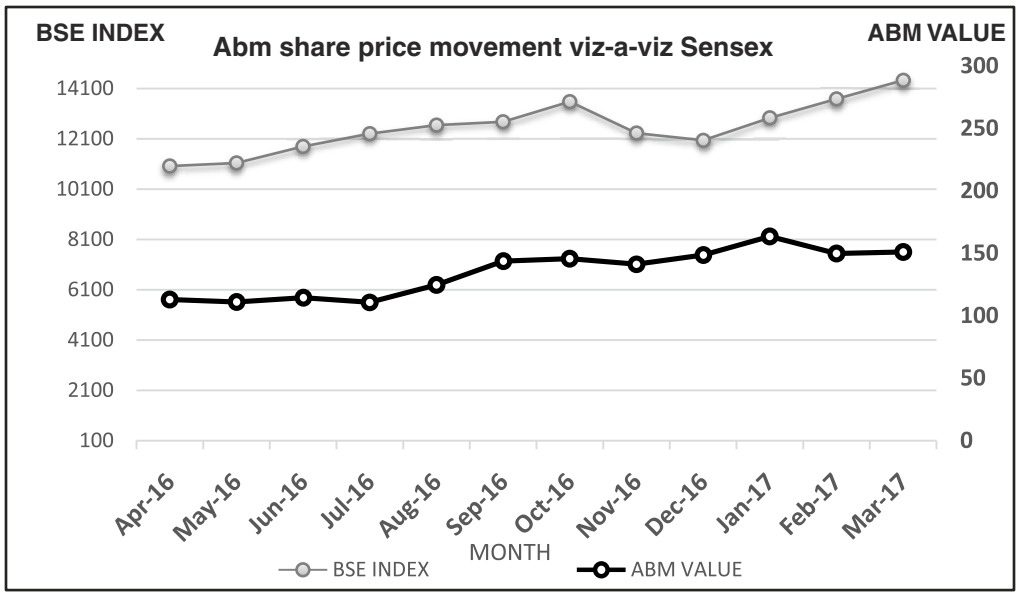
Listing At Stock Exchange:

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 2016-2017 are given below:

Month	High	Low	Close	Volume (Number)
April 2016	212.90	100.10	113.00	77,801
May 2016	129.90	105.00	111.00	1,24,862
June 2016	119.00	90.00	114.50	99,061
July 2016	117.30	104.00	110.95	1,08,760
August 2016	134.90	99.00	124.70	3,49,314
September 2016	158.00	116.50	143.80	7,88,755
October 2016	160.00	135.50	145.65	5,06,391
November 2016	150.00	110.05	141.40	2,52,583
December 2016	180.00	138.00	148.55	7,14,468
January 2017	176.00	145.50	163.55	5,41,851
February 2017	173.00	147.00	149.85	2,01,991
March 2017	154.15	144.00	151.10	1,70,719



Share Transfer System:

Presently the share transfer which are received in physical form are processed and the share certificates returned within a period of 15 to 16 days from the date of receipt, subject to the documents being valid and complete in all respects. The share transfers / transmissions are approved by Stakeholders' Relationship Committee. During the year, 11200 shares in physical form were transferred.

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 Company Secretary-in-Practice carried out a Reconciliation of 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 audit report confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

Shareholding Pattern and Distribution of Shares - as at 31st March, 2017:

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	2412	69.290	373334	1.866
NRIs / OCBs	2392092	11.96	501-1000	523	15.024	427768	2.139
Indian Public	3268768	16.44	1001-2000	232	6.665	364644	1.823
Bodies Corporate	-	5.35	2001-3000	81	2.327	210859	1.054
Others:	176860	-	3001-4000	53	1.523	200796	1.004
HUF	69512	0.88	4001-5000	37	1.063	171401	0.857
Clearing Members/ Foreign Nationals / Mutual Funds / NBFCs registered with RBI	-	0.36	5001-10000	77	2.212	554672	2.773
Foreign Portfolio Investors	16100	0.08	10001-Above	66	1.896	17698726	88.484
Total	**20002200**	**100.00**		**3481**	**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, 2017, 83.98% 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 31.03.2017:

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

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

During the year under review, the Ministry of Corporate Affairs notified provisions relating to unpaid / unclaimed dividends under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules. As per the new Rules, 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 new IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can now claim their shares / dividend from the Authority.

In accordance with the new IEPF Rules, the Company sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and published requisite advertisement in the newspaper.

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	01.09.2017
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

Subsidiary Companies:

The Company has no Subsidiary as on 31st March, 2017.

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 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.

Means of Communication:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management - shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and subject specific communications.

a) The quarterly and half yearly 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 results and official news releases are displayed on the Company's website i.e. www.abmindia.com.

c) The Company has designated the email-id egovernance@abmindia.com for redressal of the investor grievances.

d) The Quarterly Results, Shareholding Pattern and all other corporate communication 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 : 20th May, 2017
Place: Mumbai

Prakash B. Rane
Managing Director
(DIN: 00152393)

Sharadchandra Abhyankar
Director
(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, 2017 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 : 20th May, 2017	**Prakash B. Rane**	**Paresh Golatkar**
Place: Mumbai	**Managing Director (DIN: 00152393)**	**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 KNOWEDGEWARE LIMITED

We have examined the compliance of conditions of Corporate Governance by ABM KNOWLEDGEWARE LIMITED ('the Company') for the year ended 31st March, 2017, as stipulated in 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, 2017.

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

Supriya Bhat
Partner
(M.No.048592)

Date: 20th May, 2017
Place: Mumbai

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2017
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, 2017 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, 2017 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 (Delisting of Equity Shares) Regulations, 2009;

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

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

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

e) 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.

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 18, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ABM Knowledgeware Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ABM Knowledgeware Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.25 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.

      iv) The Company has provided requisite disclosures in its financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.28 to the financial statements.

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

Supriya D. Bhat
Partner
(M.No. 048592)

Date: 20th May, 2017
Place: Mumbai

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, 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) 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. INVENTORIES :

The Company is a service company, primarily rendering software servicesand does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

iii. LOANS GIVEN BY COMPANY :

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.

iv. LOANTO DIRECTOR AND INVESTMENT BY COMPANY:

Company has not granted any loan to any director or parties covered under section 185. In respect of investments the Company, has complied with the provisions of section 186 of the Companies Act, 2013. No such Guarantee or Security u/s 185 & 186 of the Companies Act, 2013 was given during the year.

v. DEPOSITS FROM PUBLIC :

The Company has not accepted any deposits from the public during the year.

vi. COST RECORDS :

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.

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, income-tax,sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax , sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 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 duty of customs, income tax, value added

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 taxhave 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
Service Tax	Disallowance of Cenvat Credit on Rent	1,767.62	F.Y. 2010-2014	Assistant Comm. Of ST
Service Tax	Disallowance of Cenvat Credit on Business Promotion Expenses	411.27	F.Y. 2010-2014	Assistant Comm. Of ST
Service Tax	Disallowance of Cenvat Credit on Life Insurance, Gratuity	375.13	F.Y. 2010-2014	Assistant Comm. Of ST
Service Tax	Disallowance of Cenvat Credit on Rent	591.21	F.Y. 2014-2015	Assistant Comm. Of ST
Service Tax	Disallowance of Cenvat Credit on Rent	581.33	F.Y. 2015-2016	Assistant Comm. Of ST
Service Tax	Disallowance of Cenvat Credit on Life Insurance, Mediclaim	163.54	F.Y. 2014-2015	Assistant Comm. Of ST
Property Tax	Property Tax Payable	4,243.47	F.Y. 2013-2016	MCGM , Assessment and Collection Department, Mumbai

viii. REPAYMENT OF LOANS :

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of borrowing obtained in the form of Overdraft facility (ODBD Facility) from Canara Bank, Fort branch and Canara Bank, Prabhadevi branch amounting to ₹ 2.5 Cr (1.25 Cr. each branch) nor has it defaulted in respect of the non-fund based facility in the form of Bank Guarantee of ₹ 20 Cr.

ix. UTILISATION OF IPO AND FPO

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, paragraph 3 (ix) of the Order is not applicable.

x. REPORTING OF FRAUD

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.

iv. APPROVAL OF MANAGERIAL REMUNERATION

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.

v. NIDHI COMPANY

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

vi. RELATED PARTY TRANSACTIONS

According to the information and explanations given to us, the Company has disclosed all the transactions with related

parties during the year in the Financial Statements and the same are in accordance with section 177 and 188 of Companies Act, 2013 and as required by the applicable Accounting Standards.

vii. PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT

According to the information and explanations given to us the Company has not made any preferential allotment or private placement of shares / fully or partly convertible debentures, during the year under audit.

viii. NON CASH TRANSACTIONS

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 Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

ix. REGISTRATION U/S 45IA OF RBI ACT, 1934

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

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Supriya D. Bhat
Partner
(M.No. 048592)

Date: 20th May, 2017
Place: Mumbai

ANNEXURE - B TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, the Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act") is as reported below:-

We have audited the internal financial controls over financial reporting of **ABM Knowledgeware Limited** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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 Registration No.:101569W

Supriya D. Bhat
Partner
(M.No. 048592)

Date: 20th May, 2017
Place: Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2017

(In ₹ Thousand)

	Note	As at 31st March, 2017	As at 31st March, 2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2.1	**1,02,415**	1,02,415
b) Reserves and Surplus	2.2	**10,97,728**	9,07,215
		12,00,143	10,09,630
2 Non-Current Liabilities			
a) Deferred Tax Liabilities (net)	2.3	**15,784**	13,848
b) Other Long Term Liabilities	2.4	**-**	325
c) Long Term Provisions		**-**	-
		15,784	14,173
3 Current Liabilities			
a) Trade Payables			
i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	2.5	**181**	181
ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	2.5	**-**	-
		8,710	46,680
b) Other Current Liabilities	2.6	**24,857**	18,942
c) Short-Term Provisions	2.7	**484**	30,716
		34,232	96,519
TOTAL		**12,50,159**	11,20,322
II ASSETS			
1 Non-Current Assets			
a) Fixed Assets			
i) Property, Plant and Equipment	2.8	**2,53,780**	2,61377
ii) Intangible Assets	2.8	**6,302**	9,452
b) Non-Current Investments	2.9	**18**	18
c) Long-Tterm Loans and Advances	2.10	**98,569**	51,262
d) Other Non-Current Assets	2.11	**2,655**	2,230
		3,61,324	3,24,339
2 Current Assets			
a) Current Investments	2.12	**1,37,834**	1,52,747
b) Unbilled Revenue(Includes WIP)	2.13	**88,499**	1,15,384
c) Trade Receivables	2.14	**1,49,404**	2,00,785
d) Cash and Cash Equivalents	2.15	**4,85,528**	3,04,219
e) Short-Term Loans and Advances	2.16	**8,901**	6,281
f) Other Current Assets	2.17	**18,669**	16,567
		8,88,835	7,95,983
TOTAL		**12,50,159**	11,20,322
Significant Accounting Policies	1		

As per our Report of even date
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Supriya D. Bhat
Partner
(M.No.048592)
Mumbai
20th May, 2017

For and on behalf of the Board

Prakash B. Rane - Managing Director (DIN: 00152393)

Sharadchandra Abhyankar - Director (DIN: 00108866)

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(In ₹ Thousand)

		Note	Year ended 31st March, 2017	Year Ended 31st March, 2016
1	Revenue From Operations (Net of Service tax)	2.18	**9,50,811**	7,72,021
2	Other Income	2.19	**29,119**	18,769
3	**Total Revenue (1+2)**		**9,79,930**	7,90,790
4	**Expenses:**			
	a) Employee Benefit Expenses	2.20	**3,01,181**	2,59,517
	b) Operating Expenses	2.21	**2,91,063**	1,80,744
	c) Finance Cost	2.22	**2,438**	3,067
	d) Depreciation and Amortisation Expenses	2.23	**16,898**	16,808
	e) Rent	2.24	**10,531**	8,389
	f) Travelling & Conveyance Expenses	2.24	**18,939**	10,115
	g) Other Expenses	2.24	**46,669**	42,379
	Total Expenses		**6,87,719**	5,21,019
5	**Profit / (Loss) Before Exceptional and Extraordinary Items and Tax (3-4)**		**2,92,211**	2,69,771
6	**Exceptional Items**		**-**	-
7	**Profit / (Loss) Before Extraordinary items and Tax (5-6)**		**2,92,211**	2,69,771
8	Extraordinary items		**-**	-
9	**Profit / (Loss) before Tax (7-8)**		**2,92,211**	2,69,771
10	**Tax Expense:**			
	a) Current Tax Expense For Current Year		**99,761**	92,520
	b) Current Tax Expense Relating To Prior Years		**-**	1,834
	c) Deferred Tax Liability / (Asset)		**1,937**	(294)
11	**Profit / Loss From Continuing Operations (9-10)**		**1,90,513**	1,75,711
	Significant Accounting Policies	1		

As per our Report of even date
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Supriya D. Bhat
Partner
(M.No.048592)
Mumbai
20th May, 2017

For and on behalf of the Board

Prakash B. Rane - Managing Director (DIN: 00152393)

Sharadchandra Abhyankar - Director (DIN: 00108866)

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(In ₹ Thousand)

		2016-2017	2015-2016
A CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax as per Profit and loss a/c		**2,92,211**	2,69,771
Adjusted for:			
Depreciation		**16,898**	16,808
Interest Income on Fixed Deposits		**(20,452)**	(11,953)
Loss on Sale of Asset		**208**	1,082
Loss / (Profit) on Sale of Investment		**2**	(41)
Dividend Income		**(7,288)**	(4,061)
Net Prior Period Adjustment		**78**	108
Finance Cost		**2,438**	3,067
Other Income		**(13)**	
Provison For doubtful Trade and other Receivables		**-**	6,719
Operating Profit before Working Capital changes		**2,84,080**	2,81,499
Adjusted For:			
Trade and other Receivables		**78,266**	2,50,926
Trade and other Payables		**(32,811)**	(1,60,311)
Cash Generated from Operations		**3,29,535**	3,72,114
Direct Taxes paid (Net of Refunds)		**(1,17,638)**	(94,992)
Net Prior period Adjustment		**(78)**	(108)
Net Cash Flow from Operating Activities		**2,11,819**	2,77,015
B CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Tangible/ Intangible Assets		**(7,006)**	(9,697)
Sale of Tangible Assets		**661**	725
Purchase Of Investments		**(8,21,588)**	(4,87,297)
Sale of Investments		**8,36,502**	3,63,280
Dividend Reinvested		**7,288**	4,061
Interest Received		**20,452**	11,953
Profit /loss on sale of Investment		**(2)**	41
Movement In loans and Advances		**(34,578)**	(3,198)
Net Cash (used in)/ generated from Investment Activities:		**1,729**	(1,20,132)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Dividends paid (Including Dividend Distribution Tax)		**(29,802)**	(23,814)
Finance costs		**(2,438)**	(3,067)
Net Cash Used in / From Financing Activities		**(32,240)**	(26,882)
Net Increase / (Decrease) in Cash and Cash Equivalents		**1,81,309**	1,30,001
Opening Balance Of Cash and Cash Equivalents	2.15	**3,04,219**	1,74,218
Closing Balance Of Cash and Cash Equivalents	2.15	**4,85,528**	3,04,219

As per our Report of even date
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Supriya D. Bhat
Partner
(M.No.048592)
Mumbai
20th May, 2017

For and on behalf of the Board
Prakash B. Rane - Managing Director (DIN: 00152393)
Sharadchandra Abhyankar - Director (DIN: 00108866)
Sarika A. Ghanekar - Company Secretary
Paresh M. Golatkar - Chief Financial Officer

Notes Forming Part Of The Financial Statements For The Year Ended 31st March, 2017

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

1.1 COMPANIES OVERVIEW

ABM KNOWLEDGEWARE LTD. (the 'Company') is a public limited company domiciled in India and has its registered office in Mumbai, Maharashtra. 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.

SIGNIFICANT ACCOUNTING POLICIES:

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.3 USE OF ESTIMATES: -

The preparation of the financial statements in conformity with Indian GAAP requires that the Management to makes estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each Balance Sheet date. The Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in the estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 REVENUE RECOGNITION

Revenue is primarily derived from software development, maintenance of software / hardware and related services, business process services, sale of IT and other products. Arrangements with customers for software development and related services are either on a fixed-price or on a time-and-material basis.

I) Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collect ability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered:

a. Time and material contracts

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as accrued revenues.

b. Fixed-price contracts:

Revenues from fixed- price contracts, including systems development and integration contracts are recognized using the percentage-of-completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

"Unbilled revenues" represent cost and earnings in excess of billings as at the end of the reporting period. "Unearned revenues" represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as "Advance from customers".

c. Maintenance Contracts:-

Revenue from maintenance contracts is recognized prorata over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method represents better, the stage of completion.

In projects, where a fixed quantum of service or output units is agreed at a fixed price for a fixed term, revenue is recognized with respect to the actual output achieved till date, as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

II) Products:

Revenue from sale of products is recognised when the significant risks and rewards of ownership has been transferred in accordance with the sales contract. Revenue from product sales is shown net of excise duty and net of sales tax separately charged and applicable discounts. Revenue from sale of user licences for software applications is recognized on transfer of the title in the user license.

The Company presents revenue net of indirect taxes in its Statement of Profit and Loss.

1.5 PROVISIONS AND CONTINGENCIES & EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:-

Provisions:-

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities:-

Contingent liabilities, where existence will be confirmed either by the occurrence or the non-occurrence of one or more uncertain future events, are not recognized in the books of the Company, but are disclosed by way of a note to the Balance Sheet. Contingent liabilities are periodically assessed by the management, and provision is made in the books where it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with, as a contingent liability, in the period in which there is a change in probability.

Contingent Assets:-

Contingent Assets are neither recognized in the books of accounts nor disclosed in any manner in the financial statements.

Events Occurring After The Balance Sheet Date:-

Events occurring after the balance sheet date which do not affect the figures stated in the financial statements would not normally require disclosure in the financial statements although they may be of such significance that they may require a disclosure in the report of the approving authority to enable users of financial statements to make proper evaluations and decisions.

There are events which, although they take place after the balance sheet date, are sometimes reflected in the financial statements because of statutory requirements or because of their special nature. For example, if dividends are declared after the balance sheet date but before the financial statements are approved for issue, the dividends are not recognised as a liability at the balance sheet date because no obligation exists at that time unless a statute requires otherwise. Such dividends are disclosed in the notes.

1.6 FIXED ASSETS :-

Property, Plant and Equipment:-

Property, Plant and Equipment are stated at their cost of acquisition or construction less accumulated depreciation and impairment. The cost of an item of Property, Plant and Equipment is recognized as an asset only if it is probable that the future economic benefits associated with the item will flow to the enterprise and the cost of item can be reliable measured. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Standard when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advance under the head Short Term Loans and advance. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these shall flow to the enterprise and the cost of the item can be measured reliably. Repairs and maintainence cost are recognised in the net profit in the Statement of Profit and Loss when incurred. The cost and accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the Carrying Value or the Fair Value cost to sell.

Intangible Assets:-

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost

except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated amortisation and impairment loss, if any.

Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its original assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Depreciation and Amortisation:-

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined by the management. Lease hold assets are amortized over a period of lease.

Depreciation for assets/ sold during a period is proportionately charged. Intangible assets are amortised over their estimated useful lives on straight line method commencing from the date the asset is available to the company for its use.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

1.7 IMPAIRMENT:-

The carrying values of assets /cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discounting factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

1.8 INVESTMENTS:-

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Long Term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Cost of investments includes acquisition charges such as brokerage, fees and duties.

1.9 GOVERNMENT GRANTS, SUBSIDY AND EXPORT INCENTIVE:-

Government grants and subsidies are recognised only when there is reasonable assurance that the conditions attached to them will be complied with and grants / subsidies will be received. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.10 OTHER INCOME:-

Profit from sale of investments is recorded on transfer of title from the company and is determined as the difference between the sale price and carrying value of the investment. Interest income is accounted on accrual basis. Dividend income is accounted for, when the right to receive income is established. Any other incomes are recognized when it is earned and right to receive is established.

1.11 INVENTORIES:-

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined by the weighted average cost method. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

1.12 BORROWING COSTS:-

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

1.13 EMPLOYEE BENEFITS:-

Employee benefits include provident fund, employee state insurance scheme, and gratuity fund. Employee benefits such as salaries, performance incentives, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the Statement of Profit and Loss in the period in which the service is rendered.

Gratuity: The company provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) with LIC of India covering eligible employees. In the gratuity plans provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. The Company's overall expected long-term rate-of-return on assets has been determined based on consideration of available market information, current provisions of Indian law specifying the instruments in which investments can be made, and historical returns. The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

Provident fund: Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The company's contribution is recognized in Profit and loss a/c.

1.14 FOREIGN CURRENCY TRANSACTIONS:-

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction. Foreign currency monetary items outstanding at the year end (other than derivative contracts) are translated at the exchange rate prevailing as at the balance sheet date. Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction. Exchange differences arising on settlement or conversion of short-term foreign currency monetary items are recognised in the Statement of Profit and Loss or capital work in progress / fixed assets. Exchange differences relating to long term foreign currency monetary items in so far as they relate to acquisition of a depreciable capital assets is adjusted to the cost of such capital asset and depreciated over the balance useful life of such asset, and in other cases, such differences are accumulated in "Foreign Currency Monetary Translation Difference Account" and amortised in the Statement of Profit and Loss over the balance period of such long term foreign currency monetary items. Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

1.15 TAXES ON INCOME:-

Income Tax is accounted for in accordance with Accounting Standard 22 on Accounting for taxes on Income read with Income Computation Disclosure Standard. Taxes comprise both current and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income tax Act, 1961, is, in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.

1.16 EARNINGS PER SHARE:-

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The weighted average

number of equity shares outstanding during the year is adjusted for events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.17 LEASES:-

(I) Finance Lease: Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

(II) Operating Leases: Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

1.18 RELATED PARTY TRANSACTIONS: -

All the related party transactions entered into by the company in its ordinary course of business and undertaken at an arm's length basis and the same are entered in to the register maintained as per the provisions of Companies Act, 2013.

1.19 INTERIM REPORTING:-

The Company has follow AS-25 Interim Reporting while preparing Interim Financials Report whenever prepared or as required by the Listing Agreement.

1.20 PRIOR PERIOD ITEMS AND EXTRAORDINARY AND EXCEPTIONAL ITEMS:-

Prior Period Items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. A separate disclosure along with the nature and amount is made in the financial statement.

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense,

is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

1.21 DEBTORS / CREDITORS:

Debtors / Creditors are stated at book value after making provisions for doubtful Debts and are subject to confirmation.

1.22 SEGMENTAL REPORTING:

The Accounting Standard 17 – "Segmental Information", notified by the Companies (Accounting Standards) Rules, 2006 is not mandatory for Small and Medium Sized Companies and Small and Medium Sized non-corporate entities, thus disclosure of segment-wise information is not required under the said Standard to the Company. Moreover, the Company's business activities comprises of single business segment i.e. Software and services and a geographical segment i.e India.

1.23 RESEARCH AND DEVELOPMENT EXPENDITURE:

All revenue expenses pertaining to research and development are charged to the Profit and Loss Account in the year in which these are incurred and expenditure of capital nature is capitalized as fixed assets.

1.24 CASH FLOW STATEMENT:-

The cash flow statement are reported using the "indirect method" set out in Accounting Standard 3 "Cash Flow Statements" whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered, highly liquid bank balances.

1.25 CASH AND CASH EQUIVALENTS:-

Cash and cash Equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Notes On Financial Statements For The Year Ended 31st March, 2017

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

Note 2.1 Share Capital

(In ₹ Thousand)

	As at 31st March, 2017		As at 31st March, 2016	
	Number	**Amount**	Number	Amount
a) Authorised				
Equity Shares of ₹ 5/- each at Par with voting rights	**2,50,00,000**	**1,25,000**	2,50,00,000	1,25,000
b) 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
c) 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
d) Subscribed but not Fully Paid up	**Nil**	**Nil**	Nil	Nil
e) 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
Total	**2,07,00,000**	**1,02,415**	2,07,00,000	1,02,415

Refer Notes below 2.1(i) to 2.1(vi)

Note 2.1(i) Reconciliation of the number of shares and the amout outstanding at the beginning and at the end of the reporting period

(In ₹ Thousand)

Particulars	**Opening Balance**	**Fresh Issue**	**Bonus**	**ESOP**	**Conversion**	**Buy Back**	**Other Changes**	**Closing balance**
							(Shares split -up from ₹10 per share to ₹ 5 per share)	
Equity Share with Voting Rights								
Year Ended 31.3.2017								
a) Number	2,07,00,000	-	-	-	-	-	-	2,07,00,000
b) Amount (₹)	1,02,415	-	-	-	-	-	-	1,02,415
Year Ended 31.3.2016								
a) Number	10,350,000	-	-	-	-	-	1,03,50,000	2,07,00,000
b) Amount (₹)	1,02,415	-	-	-	-	-	-	1,02,415

Note 2.1(ii) Details of Shares held by each shareholder holding more than 5% shares

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

Note 2.1(iii) Details of Shares forfeited

(In ₹ Thousand)

Class of shares	**As at 31st March, 2017**		As at 31st March, 2016	
Equity Shares with voting rights	**6,97,800**	2,404	**6,97,800**	2,404
Total	**6,97,800**	2,404	**6,97,800**	2,404

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.1(iv) Details for the period of five years immediately preceding the date as at which the Balance Sheet is prepared

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
(a) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash.	Nil	Nil	Nil	Nil	Nil
(b) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares.	Nil	Nil	Nil	Nil	Nil
(c) Aggregate number and class of shares bought back.	Nil	Nil	Nil	Nil	Nil

Note 2.1(v) Rights, preferences and restrictions attached to Equity shares

The Company has a single class of Equity Shares. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note 2.2 Reserves and Surplus **(In ₹ Thousand)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Other Reserves		
General Reserves		
Opening Balance	**30,805**	30,805
Add: Additions during the year	0.0250	-
Less: Utilised/Transferred during the year	**-**	-
Closing Balance	**30,805**	30,805
b) Surplus / Deficit in statement of profit/Loss a/c		
Opening balance	**8,76,410**	7,30,792
Add: Net Profit/(Net Loss) For the current year	**1,90,513**	1,75,710
Add: Amount Transferred from Reserves		-
General Reserves		-
Other reserves		-
Less:Dividend proposed to be distributed to equity [**Refer Note 2.2 (i)**]		-
Shareholders (₹ 1.25 per share for F.Y. 15-16)		25,003
Tax on dividend [**Refer Note 2.2 (i)**]		5,090
Less: Transferred to reserves		-
General Reserves		
Closing Balance	**10,66,923**	**8,76,410**
Total	**10,97,728**	**9,07,215**

Note 2.2(i)

The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2016 that amount of dividend per share recognized as distribution to equity shareholders includes ₹1.25/- per share of final dividend. The total dividend appropriation for the year ended March 31, 2016 amounted to ₹ 30,093 thousands including corporate Dividend tax of ₹ 5,090 thousands. The Board has decreased dividend payout ratio from 17.13% to 15.76% of post tax profits effective fiscal 2017. The Board in its meeting on May 20, 2017 has proposed a final dividend of ₹1.25 per share for the Financial year ended March 31, 2017. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting. The total dividend appropriations for the year ended March 31, 2017 amounted to ₹ 30,093 thousands including Corporate Dividend Tax of ₹ 5,090 thousand.

Note 2.2(ii)

The Central Government, in consultation with the National Advisory Committee on Accounting Standards, has amended the Companies (Accounting Standards) Rules, 2006 ("Principal Rules") through a notification issued by the Ministry Of Corporate Affairs dated March 30, 2016. According to the amended rules, the above mentioned proposed dividend will not be recorded

Notes On Financial Statements For The Year Ended 31st March, 2017

as a liability as at 31st March, 2017 (Refer to para 8.5 of AS 4-Contingencies and Events Occurring after the balance sheet date). Therefore the company has not recorded ₹ 30,093 thousands as liability for proposed dividends (including Corporate Dividend Tax) as at March 31, 2017.

Note 2.3 Deferred Tax Liabilities (Net)

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Deferred Tax Asset		
Gratuity	**4,515**	3,859
b) Deferred Tax Liability		
Fixed assets	**20,299**	17,707
Net Deferred Tax liability / (Asset)	**15,784**	13,848

Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to the Income taxes levied by the same taxation authority.

Note 2.4 Other Long term Liabilities

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Trade Payables	-	-
b) Others:		
Sundry Creditors for Capital Goods	-	325
Total	-	**325**

Note 2.5 Trade payables

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payables		
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	**181**	181
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	**8,710**	46,680
Total	**8,891**	**46,861**

Note 2.5(i) Other Details

As at March 31, 2017, ₹181 thousands is outstanding to enterprise classified under Micro Small and Medium Enterprises Development Act 2006 (₹181 thousands as at March 31, 2016). There is no interests due or outstanding on the said amount pertaining to MSME. Based on the information available with the Company, the vendors which fall under the definition of micro, small and medium scale enterprises has been disclosed above. This information is not verifiable by the auditors.

Note 2.5(ii)

The above trade payables includes payables outstanding for more than 365 days to the tune of ₹ 607 thousands (₹ 251 thousands for F.Y 2015-16). This amount is not classified as long term liability, since it is held primarily for the purpose of being traded or due to be settled within normal business operating cycle.

Note 2.6 Other Current liabilities

(In ₹ Thousand)

	As at 31st March, 2017	As at 31st March, 2016
(a) Unpaid dividends [Refer Note 2.6 (i)]	**2,440**	2,149
(b) Other payables		-
1) Statutory remittances [Refer note 2.6 (ii) below]	**7,126**	7,698
2) Others [Refer Note 2.6 (iii) below]	**15,291**	9,095
Total	**24,857**	18,942

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.6(i) Unclaimed Dividend

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Dividend for F.Y. 2008-09 *	-	153
b) Dividend for F.Y. 2009-10	294	296
c) Dividend for F.Y. 2010-11	369	372
d) Dividend for F.Y. 2011-12	323	325
e) Dividend for F.Y. 2012-13	258	260
f) Dividend for F.Y. 2013-14	359	362
g) Dividend for F.Y. 2014-15	380	381
h) Dividend for F.Y. 2015-16	458	-
Total	**2,440**	2,149

* The amount of ₹ 153 thousand representing unclaimed dividend for F.Y.2008-09 has been transferred during the year to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of Companies Act, 2013.

Note 2.6(ii) Statutory Remittances

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Service Tax Payable	1,645	1,819
b) Provident Fund Payable	1,111	1,052
c) ESIC payable	107	46
d) Professional Tax	146	136
e) Tds deductions	4,117	4,645
Total	**7,126**	7,698

Note 2.6(iii) Others Liability

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Outstanding expenses	11,080	8,945
b) EMD refundable	-	50
c) Deposit from Member for Nomination of Independent Director	-	100
d) Advances from Debtors	4,211	-
Total	**15,291**	9,095

Note 2.7 Short Term Provisions

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Provision for Employee Benefits		
i) Provision for Salary payable	484	623
Total	**484**	623
b) Provision -Others		
i) Provision for proposed equity dividend [Refer Note 2.2 (ii)]	-	25,003
ii) Provision for tax on proposed equity dividend [Refer Note 2.2 (ii)]	-	5,090
Total	-	30,093
Total	**484**	30,716

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.8 Fixed Assets - 1. 4. 2016 To 31. 3. 2017

(In ₹ Thousand)

Assets	Gross Block (At cost)					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 31st March, 2016
a) Property, Plant & Equipments											
Computers	5,858	563	-	0.02	**6,421**	4,449	619	12	**5,055**	**1,366**	1,409
Office Equipments	12,325	849	-	0.01	**13,174**	6,660	2,262	0.27	**8,922**	**4,252**	5,666
Furniture	14,459	473	-	-	**14,932**	9,003	737	-	**9,740**	**5,193**	5,456
Motor Car	9,041	5,121	1,810	-	**12,352**	1,316	1,245	941	**1,620**	**10,732**	7725
Office Premises	2,68,593	-	-	-	**2,68,593**	27,472	8,885	-	**36,357**	**2,32,236**	2,41,121
Total	**3,10,276**	**7,006**	**1,810**	**0.03**	**3,15,472**	**48,900**	**13,748**	**954**	**61,693**	**2,53,780**	**2,61,377**
b) Intangible Assets											
Software Products	18,563	-	-	-	**18,563**	9,111	3,150		**12,261**	**6,302**	9,452
Grand Total	**3,28,839**	**7,006**	**1,810**	**-**	**3,34,036**	**58,010**	**16,898**	**954**	**73,954**	**2,60,081**	**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 On Financial Statements For The Year Ended 31st March, 2017

Note 2.8(i) Other Details

Since there is no difference in the useful life of the main assets in block of assets and their related critical components, there is no seperate disclosure in that respect. Useful life of all assets and the critical or significant components are reviewed periodically to ascertain and accordingly disclosed separately to be compliant with Schedule II of the Companies Act, 2013.

Note 2.8(ii)

The written down value of the assets whose useful life has become zero has been adjusted against depreciation after maintaining nominal residual value as required by Schedule II of the Companies Act,2013.

Note 2.9 Non-Current Investments

(In ₹ Thousand)

Particulars	As at 31st March, 2017			As at 31st March, 2016		
	Quoted	**UnQuoted**	**Total**	Quoted	UnQuoted	Total
Investments at cost						
a) Trade Investments	**-**	**-**	**-**	-	-	-
b) Other Investments						
a) Investment In Equity Instruments						
i) Of other entities						
Canara Bank Equity shares (500 Equity shares of ₹ 35 each fully paid) (aggregate market value ₹ 151 thousand as on 31.3.2017) (aggregate Market Value ₹ 94 thousand as on 31.3.2016)	**18**	**-**	**18**	18	-	18
Total (a+b)	**18**	**-**	**18**	18	-	18

Note 2.10 Long Term Loans & Advances

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Capital Advances [Refer note (i) below]		
Secured, considered good	**-**	-
Unsecured, considered good	**35,104**	3,476
Doubtful	**-**	-
Less: Provision for doubtful advances		
	35,104	3,476
b) Security Deposits		
Secured, considered good	**-**	-
Unsecured, considered good	**14,537**	14,058
Doubtful	**-**	-
Less: Provision for doubtful deposits	**-**	-
	14,537	14,058
c) Loans and Advances to Employees		
Secured, considered good	**-**	-
Unsecured, considered good	**257**	241
Doubtful	**-**	-
Less: Provision for doubtful loans and advances	**-**	-
	257	241
d) Prepaid Expenses -Unsecured Considered Good	**2,281**	2,229
e) Advance Income Tax (Net of Provisions)	**34,448**	16,571

Notes On Financial Statements For The Year Ended 31st March, 2017

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
f) Balances with Government Authorities		
Unsecured considered good		
(i) Cenvat Credit Receivable	-	-
(ii) Vat Refund receivable	540	540
(iii) service tax credit receivable	903	3,647
(iv) VAT Credit receivable	-	-
g) Other Loans and Advances		
Other [Refer note 2.10(ii) below]		
Secured, considered good	-	-
Unsecured, considered good	10,500	10,500
Doubtful	-	200
	10,500	10,700
Less: Provision for doubtful receivables	-	200
	10,500	10,500
Total	98,569	51,262

Note 2.10(i) Capital advances

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Great Western Projects	3,199	3,199
Motif Graphics Pvt Ltd	-	277
Insta Safe Technologies Pvt Ltd	31,905	-
(Refer note no 2.25(v) of Additional Disclosure)		
Total	35,104	3,476

Note 2.10(ii) Other Loans and Advances

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Loans and Advances	12,728	12,928
Less:- Provision	(927)	(927)
Less:- Liability Against Creditors	(1,301)	(1,301)
Total	10,500	10,700

Note 2.11 Other Non- Current Assets

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Plan Assets with LIC (net of gratuity provision)	2,655	2,230
Total	2,655	2,230

Note 2.11(i) Others

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Plan assets with LIC	18,658	15,896
Less: Provision for gratuity	16,003	13,666
Total	2,655	2,230

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.12 Current Investments

(In ₹ Thousand)

Particulars	As at 31st March, 2017			As at 31st March, 2016		
	Quoted	UnQuoted	Total	Quoted	UnQuoted	Total
Investments at cost						
A) Trade Investments	-	-	-	-	-	-
B) Other Investments						
Investments in Mutual Funds						
(i) Reliance Money Manager Fund (Market value as on 31.03.17- ₹ 58,607 thousand) (Market value as on 31.03.16- ₹ 51,120 thousand)	**58,627**	-	**58,627**	51,076	-	51,076
(ii) Baroda Pioneer Mutual fund (Market value as on 31.03.17- ₹ 5,731 thousand) (Market value as on 31.03.16- ₹ 1,01,671 thousand)	**5,731**	-	**5,731**	1,01,671	-	1,01,671
(iii) Canara Robeco liquid-Regular (Market value as on 31.03.17- ₹ 7,215 thousand) (Market value as on 31.03.16- ₹ NA)	**7,215**	-	**7,215**	-	-	-
(iv) Canara Robeco -Capital Protection Fund (Market value as on 31.03.17- ₹ 2,596 thousand (Market value as on 31.03.16- ₹ NA)	**2,500**	-	**2,500**	-	-	-
(v) Canara Robeco Savings Plus Fund (Market value as on 31.03.17- ₹ 63,744 thousand) (Market value as on 31.03.16- ₹ NA)	**63,744**	-	**63,744**	-	-	-
(vi) Reliance Liquid Fund-Teasury Plan (Market value as on 31.03.17- ₹ 17 thousand) (Market value as on 31.03.16- ₹ NA)	**17**	-	**17**	-	-	-
Total (A+B)	**1,37,834**	-	**1,37,834**	**1,52,747**		**1,52,747**

Note 2.13 Unbilled Revenue

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Unbilled Revenue	-	6,280
b) Projects under Process(WIP)	**88,499**	1,09,104
Total	**88,499**	1,15,384

Note 2.14 Trade Receivables

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	**77,044**	1,05,541
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	**5,000**	5,000
	72,044	1,00,541
b) Other Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	**77,360**	1,00,244
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Total	**1,49,404**	2,00,785

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.14(i) Other Details

The above trade receivables includes receivables outstanding for more than 12 months amounting to ₹ 34,895 thousand (₹ 61,588 thousand for F.Y 2015-16) against which the management has provided ₹ 5000 thousand towards provision for doubtful debts.

Note 2.15 Cash and Cash Equivalents

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Cash on Hand	**625**	90
b) Cheques, Drafts on Hand	**-**	-
c) Balances With Banks (Scheduled Banks)		
(i) In Current Accounts [Refer Note 2.15 (i) below]	**498**	774
(ii) OD Accounts (Debit balances) [refer note 2.15 (ii) below]	**1,48,699**	1,45,084
(iii) In Deposit Accounts [refer note 2.15 (iii) below]	**2,67,624**	1,08,632
(iv) In Earmarked Accounts [refer note 2.15 (iv) below]		
(a) Unclaimed Dividend Accounts	**2,440**	2,149
(b) Balances Held As Margin Money or Security Against Borrwoings, Guarantees and Other Commitments	**65,642**	47,490
Total	**4,85,528**	3,04,219

Note 2.15(i) Details of the Current Accounts Balances:

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Axis Bank Ghatkopar (A/c No.029010200016719)	**36**	36
ii) HDFC Bank Ltd. Chembur Branch (A/c No.04252000003843)	**61**	67
iii) Canara Bank - VSL Loan account (A/c No. 0130257005276)	**-**	0.45
iv) Bank of Baroda (A/c No.03840200001542)	**401**	671
Total	**498**	774

Note 2.15(ii) Details of the Overdraft from Banks (Debit balances)#:

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Canara Bank Prabhadevi (A/c No. 0130256005136) (The Fort branch has apportioned of OD Book Debts Limit of ₹ 2.50 Cr & BG limit of ₹ 20.00 Crore to Prabhadevi Branch, Mumbai)	**1,48,373**	1,45,063
ii) Canara Bank Fort A/c (A/c No. 0214261004244)	**326**	21
Total	**1,48,699**	1,45,084

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 (Directors).

v) Personal Guarantees from directors – Mr. Prakash B. Rane and Mrs. Supriya P. Rane (Directors).

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.15(iii) Details of Fixed Deposit:-

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Canara Bank at Prabhadevi	**1,06,904**	94,892
ii) Canara Bank at Fort	**1,60,720**	13,740
Total	**2,67,624**	1,08,632

Note 2.15(iv)
(a) Balances With Banks Helds as Unclaimed Dividend Accounts

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Axis Bank (07-08) A/c No. 029010200019682	**-**	-
ii) Axis Bank (08-09) A/c No. 029010200024222	**-**	153
ii) HDFC Bank (2012-13) A/c No.50200001565983	**258**	260
iv) HDFC Bank (2010-11) A/c No. 602230015385	**369**	372
v) HDFC Bank (2011-12) A/c No. 602230016499	**323**	325
vi) HDFC Bank (2009-10) A/c No. 602230013761	**294**	296
vii) HDFC Bank (2013-14) A/c No.50200007504460	**359**	362
viii) HDFC Bank (2014-15) A/c No.50200014043740	**380**	381
ix) HDFC Dividend A/C - 50200020754198 (F Y 2015-16)	**458**	-
Total	**2,440**	2,149

(b) Balances with Banks helds as Margin Money

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Canara Bank Prabhadevi	**4,028**	3,779
ii) Canara Bank Fort	**61,614**	43,711
Total *	**65,642**	47,490

* The above balance includes ₹ 39,986 thousands which is margin money held by bank against Bank Guarantee expired, for submission for original Bank Guarantee by the parties.

Note 2.16 Short Term Loans & Advances

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Security Deposits		
Secured, considered good	**-**	-
Unsecured, considered good	**1,179**	1,138
Doubtful	**-**	-
Less: Provision for doubtful debts	**-**	-
b) Loans and Advances to Employees		
Secured, considered good	**-**	-
Unsecured, considered good	**1,130**	429
Doubtful	**-**	-
Less: Provision for doubtful debts	**-**	-
c) Prepaid expenses -unsecured considered good	**4,598**	4,570
d) Other loans and advances (specify nature)		
Secured, considered good	**1,994**	144
Unsecured, considered good	**-**	-
Doubtful	**-**	-
Less: Provision for doubtful debts	**-**	-
Total (a+b+c+d)	**8,901**	6,281

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.17 Other Current Assets

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Accruals		
(i) Receivables	**18,669**	16,567
Total	**18,669**	16,567

Note 2.18 Revenue From Operations:-

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Income from sale of products & Services	**10,96,737**	8,70,635
Less: Service Tax	**1,45,926**	98,614
Net Revenue From Operations	**9,50,811**	7,72,021

Note 2.19 Other Incomes

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Interest on Bank Deposits	**20,452**	11,953
b) Dividend Income [Refer Note 2.19(i) below]		
From Current Investments (Dividend received on investment in mutual Funds)	**7,288**	4,056
From Long Term Investments (Dividend received on investment in shares)	**-**	5
c) Net Gain / Loss on Sale of Investments		
- Current Investments	**150**	41
- Long Term Investments	**-**	-
d) Other Non-operating Income [Refer Note 2.19 (ii) Below]	**107**	5
e) Other Operating Income [Refer Note 2.19 (iii) Below]	**1,122**	2,709
Total	**29,119**	18,769

Note 2.19(i) Dividend Income

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
From Current Investments		
i) Reliance Money Manager Fund - Instituional	**2,407**	1,544
ii) Baroda Pioneer Mutual fund	**3,392**	2,512
iii) Canara Robeco Mutual Fund	**715**	-
iv) Canara Robeco Saving Plus Fund	**757**	-
v) Reliance Liquid Fund	**17**	-
Total	**7,288**	4,056
From Long Term Investments		
i) Equity Shares at Canara bank	**-**	5
Total	**-**	5

Note 2.19(ii) Other Non Operating Income

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Miscellaneous Income	**107**	5
Total	**107**	5

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.19(iii) Other Operating Income

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Sundry Balances Written Back	1,109	2,709
ii) Bad Debts Recovered	13	-
Total	1,122	2,709

Note 2.20 Employee Benefit Expenses

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Salaries and Wages [Refer Note (i) below]	2,70,100	2,27,459
b) Contribution to Provident and Other Funds [Refer Note (ii) below]	18,699	17,645
c) Staff Welfare Expenses [Refer Note (iii) below]	12,382	14,413
Total	3,01,181	2,59,517

Note 2.20(i) Salaries and Wages

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Salaries and Emoluments of Employees	2,53,045	2,11,029
b) Director's Commission	7,735	8,175
c) Director's Remuneration(MD)	9,320	8,255
Sub Total	2,70,100	2,27,459

Note 2.20(ii) Contribution to Provident and Other Funds

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Contribution to provident fund	14,448	13,703
b) Gratuity fund	2,337	2,494
c) ESIC employer contribution	1,864	1,402
d) M.L.W.F. Employer Contribution	50	46
Sub Total	18,699	17,645

Note 2.20(iii) Staff Welfare Expenses

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Employee Mediclaim Policy	2,031	1,306
b) Employee Get Together Expenses	2,345	2,998
c) Employee Personal Accident Policy	91	74
d) Diwali Gift Expenses	1,105	3,229
e) Other Staff Expenses	6,810	6,806
Sub Total	12,382	14,413

Note 2.21 Operating Expenses

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Services charges & Project Expenses	2,91,063	1,80,744
Total	2,91,063	1,80,744

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.22 Finance Cost

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Interest Expense:-		
i) Bank Interest	**24**	27
b) Other Borrowing Cost:-		
i) Bank Limit charges	**302**	1,514
ii) Bank Guarantee Charges	**1,913**	1,349
iii) Bank Charges	**199**	177
Total	**2,438**	3,067

Note 2.23 Depreciation & Amortisation

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Depreciation & Amortisation [Refer note 2.8 of notes to accounts]	**16,898**	16,808
Total	**16,898**	16,808

Note 2.24 Other Expenses

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Communication, Advertising & Sales Promotion		
i) Advertising Expenses	**1,757**	1,152
ii) Telephone Charges	**3,153**	2,774
iii) Other Expenses	**3,509**	1,649
b) Rent,	**10,531**	8,389
c) Rates And Taxes:	**6,783**	6,712
d) Travailing & Conveyance	**18,939**	10,115
e) Establishment Expenses:-		
Electricity charges	**3,760**	3,646
Legal & Professional Fees [Refer Note 2.24 (i)]	**5,178**	4,462
Miscellaneous Expenses	**6,387**	8,870
Printing & Stationery	**1,368**	1,234
Repairs & Maintenance - Bldg/others	**1,232**	1,099
Membership & subscription	**1,017**	1,026
Remuneration to Statutory Auditors [Refer Note 2.24(ii) below]	**425**	350
Bad debts written off	**30**	195
Donation / CSR	**11,027**	2,624
Insurance Expenses	**606**	395
Provision for Doubtful trade and other receivables,	**-**	5,000
Prior Period Adjustment (net) [Refer note no 2.24(iii)]	**78**	108
Loss on Sale of Asset	**208**	1,082
Short Term Capital Loss (MF)	**152**	-
Total	**46,669**	42,379

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.24(i) Payment to other Auditors (Included in Legal & Professional Fees)

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
I) Payment to Tax Auditors:		
Tax Audit fees	**75**	75
II) Other matters:		
Taxation	**133**	40
Certification (Secretarial)	**33**	-
III) Payments to other auditors :		
Internal Audit Fees	**225**	100
IFC Audit fees	**-**	250
Secretarial Audit fees	**40**	30
Total	**506**	495

Note 2.24(ii) Payment To Statutory Auditors

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Payment to Auditors Comprises of:		
a) As Auditor:-		
i) For Statutory Auditor Fees	**425**	350
b) Other Matters		
i) Certification Fees (Included In Legal & Professional Fees)	**127**	78
c) Reimbursement of Audit Expenses:-		
i) To Statutory Auditors (Included In Legal & Professional Fees)	**16**	5
Total	**568**	433

Note 2.24(iii) Details of Prior period items

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Prior Period Items:-		
Prior Period Income	**(66)**	(44)
Depreciation on Building	**-**	84
Prior Period Expenses	**144**	68
Total	**78**	108

Note 2.25 Contingent Liabilities and commitments (to the extend not provided for):

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(i) Contingent Liabilities:		
(a) Claims against the company not acknowledged as debts [Refer Note 2.25 (i)]	**2,227**	2,227
(b) Bank Guarantees [Refer Note 2.25 (ii)]	**1,15,429**	51,814
(c) Property Tax of Office Premises at Bandra [Refer note 2.25(iii)]	**4,243**	4,411
(d) Service Taxes [Refer Note 2.25(iv)]	**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 2.25 (v)]	**10,603**	10,589
(b) Other Commitments		
Investment in the shares of Instasafe technologies pvt Ltd. (refer note no 2.25v)	**1,18,095**	-

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.25(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 liability.

Note 2.25(ii)

The Overdrafts and Bank Guarantee 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.

iv) 5 KDR's having face value of ₹ 260 thousand in the personal names of directors Mr. Prakash Rane and Mrs.Supriya Rane (Directors).

(c) Personal Guarantees of directors – Mr. Prakash B. Rane and Mrs. Supriya P. Rane.

Note 2.25(iii)

The demand raised by the Asstt. Assessor & Collector/H- West Ward related to property tax payment was of ₹ 6,726 thousand which includes demand of ₹ 2,483 thousand for F.Y. 2017-18 and the balance amount of ₹ 4,243 thousand as stated above is according to the management contingent in nature.

Note 2.25(iv)

The service tax amount shown of ₹ 3,890 thousand pertains to the show cause notices received by the company for disallowances of cenvat credit on Rent & Business Promotion expenses for the F.Y. 2010-11 to 2015-16.The Company has contested / 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 2.25(v)

The office interior represents interior work which is being done in the office premises in phased manner and according to the management estimated remaining amount to be executed on account of thereof is ₹ 10603 thousand.

Note 2.25(vi)

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 ₹ 15 crore over the next 12-15 months. As of 31st March,2017 the Company completed an aggregate investment of ₹ 3.19 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 will become a subsidary of the Company subject to satisfaction of performance parameters.

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.26 Dividends Remitted in Foreign Currency:-

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Amount of Dividend Remitted in Foreign Currency	**USD 37313**	USD 30252
Amount of Dividend Remitted in Indian Ccurrency	**2,500**	2,000
Total Number of Non- Resident Shareholders (to whom the Dividends	**3**	3
Total Number of Shares held by them on which Dividend was Due		
Year to which dividend relates	**20,00,000**	10,00,000
were Remitted in Foreign Currency)	**2015-16**	2014-15

Note 2.27 Earnings Per Share (EPS):-

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Profit Attributable to Equity Shareholders	**1,90,513**	1,75,710
Weighted Average Number of Equity Shares for Basic EPS	**2,00,02,200**	2,00,02,200
Weighted Average Number of Equity Shares for Diluted EPS	**-**	-
Nominal Value of Equity Share (Rs.)	**5**	5.00
Earnings Per Share (Rs.) – Basic	**9.52**	8.78
Earnings Per Share (Rs.) – Diluted	**-**	-

Note 2.28 Details of specified bank notes (SBNs)

During the year, the Company had Specified Bank notes (SBN's)* or other denominations Notes as defined in the MCA Noification, G.S.R. 308(E), dated March 31, 2017. The details of SBN's held and transacted during the period from November 8,2016 to December 30,2016, denomination-wise SBN's and other currency notes as per the notification are as follows :-

(In ₹ Thousand)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8,2016	**81**	**74**	**154**
(+) Permitted receipts	**-**	**331**	**331**
(-) Permitted payments	**-**	**235**	**235**
(-) Amount deposited in Banks	**81**	**-**	**81**
Closing cash in hand as on December 30, 2016	**-**	**170**	**170**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government Of India, in the Ministry Of finance , Department of Economic Affairs number S.O. 3407(E), dated November 8,2016.

Note 2.29 Employee Benefit plans

A) Defined contribution Plans
Provident Funds:-

The Company makes provident fund contributions to defined contribution plans for qualifying employees. Under the scheme the company is required to contribute a special percentage of the payroll costs to fund the benefits. The company recognised ₹13,515 thousands (year ended 31.3.2016 ₹12,816 thousands) for provident contributions in the statement of Profit & Loss.

B) Defined Benefit Plans:-
Gratuity:-

(In ₹ Thousand)

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Gratuity	Gratuity
Components of Employer Expense		
Current Service Cost	**3,225**	3,497
Interest Cost	**1,007**	838
Expected Return on Plan Assets	**(1,264)**	(1,177)
Curtailment Cost / (Credit):		
Settlement Cost / (Credit):		
Past Service Cost		
Actuarial Losses/ (Gains)	**(631)**	(665)
Total Expense Recognised in the Statement of Profit / Loss	**2,337**	2,494
Actual Contribution and Benefit Payment for The Year		
Actual Benefit Payments	**(2,242)**	(1,104)
Actual Contributions	**2,957**	2,505
Net Asset / Liability Recognised in The Balance Sheet		
Present Value of Defined Benefit Obligation	**14,648**	13,713
Fair Value of Plan Assets	**17,508**	15,952
Funded Status [Surplus / (Deficit)]	**2,859**	2,239
Unrecognised Past Service Costs	**-**	-
Net Asset / (liabilty) Recognised in The Balance Sheet	**2,655**	2,239
Change in Defined Benefit Obligations (DBO) During The Year		
Present Value of DBO at Beginning of The Year	**13,713**	11,162
Current Service Cost	**3,225**	3,497
Interest Cost	**1,007**	838
Curtailment Cost / (Credit):		
Settlement Cost / (Credit):		
Plan Ammendments		
Acquisitions		
Actuarial (Gains)/ Losses	**1,055**	(681)
Past Service Cost		
Benefits Paid	**(2,242)**	(1,104)
Present Value of DBO at End of The Year	**14,648**	13,713
Change in Fair Value of Assets During The Year		
Plan Assets at The Beginning of The Year	**15,952**	13,391
Acquisitions Adjustments	**-**	-
Expected Return on Plan Assets	**1,264**	1,177
Actual Company Contributions	**2,957**	2,505
Actuarial (Gains)/ Losses:	**(424)**	(16)
Benefits Paid	**(2,242)**	(1,104)
Plan Assets at The End of The Year	**17,508**	15,952
Actual Return on Plan Assets	**840**	1,161
Actuarial Gain / (Loss) Recognised		
Actuarial Gain/(Loss) for The Period (Obligation)	**1,055**	681
Actuarial Gain/(Loss) for The Period (Plan Assets)	**(424)**	(16)
Total Gain/(Loss) for The Period	**631**	665
Actuarial Gain/(Loss) Recognized for The Period	**631**	665
Unrecognized Actuarial Gain/(Loss) at end of Period	**-**	-
Compostiton of the Plan assets is as follows		
Government Bonds - Not Less than	**20%**	20%
PSU Bonds - Not Less than	**40%**	40%
Others - Not Exceeding	**60%**	60%
Actuarial Assumptions		
Discount Rate	**7%**	8%
Mortality	**IALM (2006-08) Ultimate**	IALM (2006-08) Ultimate
Expected Return on Plan Assets	**7.75%**	7.75%
Salary Escalation	**5%**	5%
Attrition	**2%**	2%

Notes On Financial Statements For The Year Ended 31st March, 2017

Note 2.30 Related Party Disclosures:-

(A) Name of Related Parties and Description of Relationship

(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 Properties Private Limited

(ii) Key Management Personnel:
Mr. Prakash Baburao Rane
Mr. Paresh Golatkar
Mrs. Sarika Ghanekar

(iii) Non-Executive Directors
Mrs. Supriya Rane
Mr.M.N.Ahmed
Mr.Sharadchandra Abhyankar
Mr. Sanjay Mehta
Mr.Sumit Dutta Chowdhary

(B) Transactions with related parties **(In ₹ Thousand)**

Nature of Transactions	As at 31st March, 2017	As at 31st March, 2016
Purchase of Materials / Services:		
Khaitan & Company LLP, Mumbai	**570**	450
Tipping Point Strategic Consultants (LLP)	**300**	-
Remuneration Paid to		
Key Management Personnel		
Mr. Prakash Baburao Rane	**10,334**	9,191
Mr. Paresh Golatkar	**638**	567
Mrs. Sarika Ghanekar	**765**	672
Dividend Paid to *		
Mr. Prakash Baburao Rane	**11,928**	9,542
Mrs. Supriya Rane	**3,068**	2,454
Lipsita Properties Pvt Ltd	**1,227**	982
Relative Of Director		
M.N.Ahmed	**53**	43
Sitting Fees Paid to		
Mrs. Supriya Rane	**80**	80
Mr. M.N.Ahmed	**80**	88
Mr. Sharadchandra Abhyankar	**52**	52
Mr. Sanjay Mehta	**48**	8
Mr. Sumit Dutta Chowdhary	**20**	-
Mr. Ajit Kulkarni	**-**	32
Commission Paid to		
Mr. Prakash Baburao Rane	**4,960**	5,500
Mrs. Supriya Rane	**2,081**	1,973
Mr. M.N.Ahmed	**139**	401
Mr. Sharadchandra Abhyankar	**278**	201
Mr. Sanjay Mehta	**139**	100
Mr. Sumit Dutta Chowdhary	**139**	-
Mr. Ajit Kulkarni	**-**	-
Subscription of Shares in Instasafe in which Director is Partner in Brand Hub	**6,565**	-

* As the Proposed Dividend is not recorded as liability as per PARA 8.5 of AS-4 " Contingencies and Events occuring after the Balance Sheet Date", Dividend paid to related parties during the year for F.Y. 2014-15 & F.Y. 2015-16 are shown in the above disclosure of related party transactions.

Notes on Financial Statements for the Year ended 31st March, 2017

Note 2.31 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 sustain ability, 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	**5,391**
Shortfall of previous two years	**5,557**
Gross Amount required to be spent by the company during the year	**10,947**
Amount spent during the year	**11,027**
Excess amount spent	**80**

Note 2.32 Balances of Sundry Creditors, Debtors, Loans & Advances and Deposits are subject to confirmations 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 2.33 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
For For Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W
Supriya D. Bhat
Partner (M.No.048592)
Mumbai
20th May, 2017

For and on behalf of the Board
Prakash B. Rane - Managing Director (DIN: 00152393)
Sharadchandra Abhyankar - Director (DIN: 00108866)
Sarika A. Ghanekar - Company Secretary
Paresh M. Golatkar - Chief Financial Officer

FY2016-17 in a Glance

ABM has been rated as **5A2** by Dun & Bradstreet (D&B) indicating that the overall status of ABM is 'GOOD'. It is the second highest rating given by D&B after **5A1.**

Prakash Rane, MD, ABM got elected in 'NASSCOM Domestic Council' which is the national council dedicated to accelerate India's transformation through increased adoption of technology.

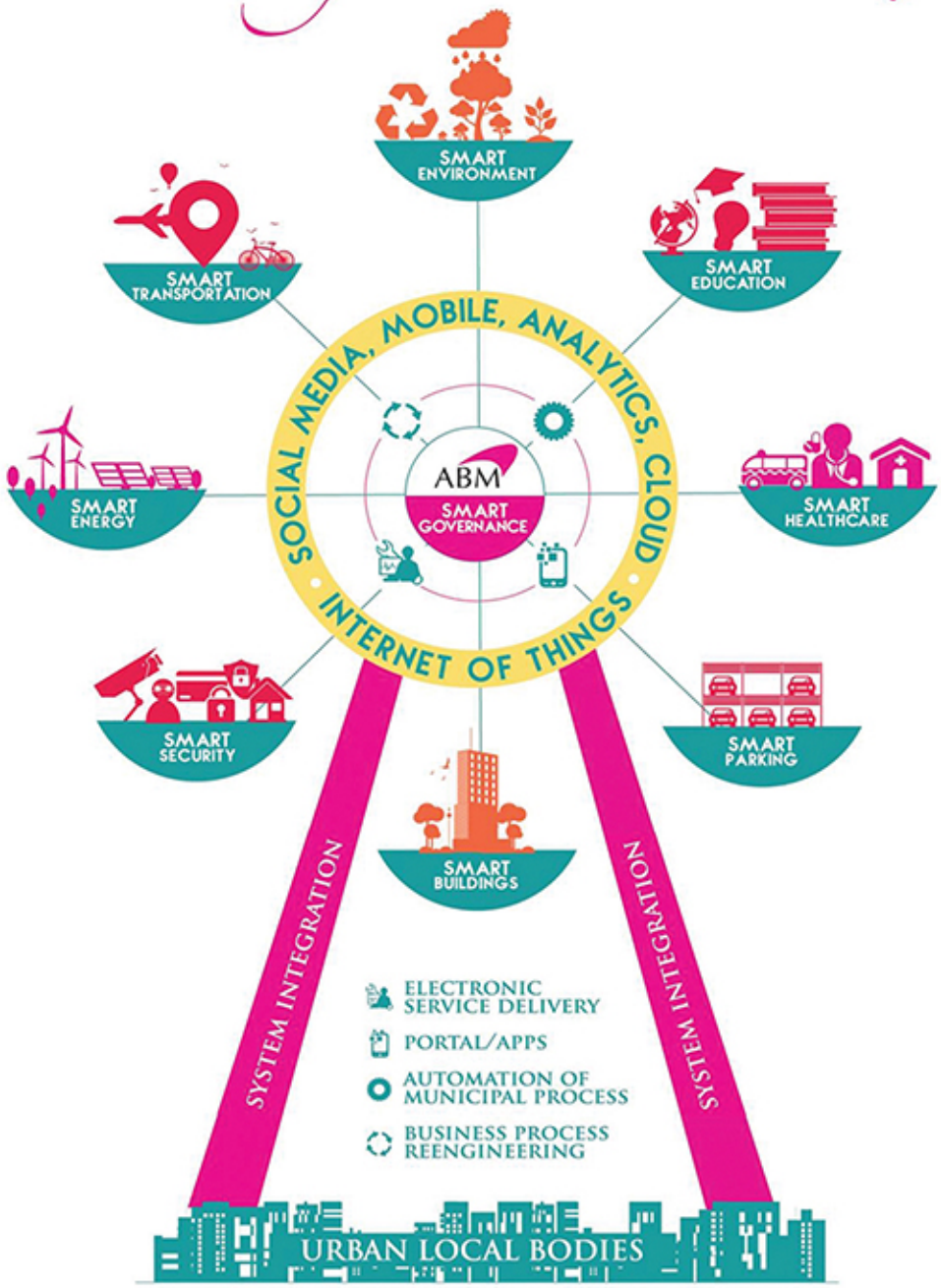
ABM entered into Cyber Security segment by the acquisition of a Cyber Security Company.

ABM got certified with 'ISO Certification' ISO 9001:2015 for Quality Management System

ABM is empanelled by NICSI and managed to get hold of 8 projects across 6 states in less than a year.

Listed in 20 most promising ERP Solution Providers 2016 by CIO Review Magazine.

ABM - *making the cities Smarter*



ABM is leader in e-municipality segment in India with several successfully sustained projects. 750+ Urban Local Bodies which include many from the initial 100 Smart Cities are our esteemed customers. ABM's various e-municipality solutions deliver millions of Citizen Services every year. Several states have selected ABM for a state-wide rollout of e-municipality projects as we competed with reputed MNCs and Indian IT firms. ABM's e-municipality projects are quoted as exemplary case studies in various prestigious journals & international research reports and have bagged awards from credible international organisations, central/state governments, Industry associations and reputed media publications. **ABM is the perfect fit for making the cities smarter.**

- Emerging India Finalist: CNBC TV 18
- Founder- MD listed in "50 inspiring Entrepreneurs of India" : Economic Times
- 25 most powerful SAP solution provider: CIO STORY, US
- Top 10 Emerging IT companies in India: NASSCOM

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