



**ABM**

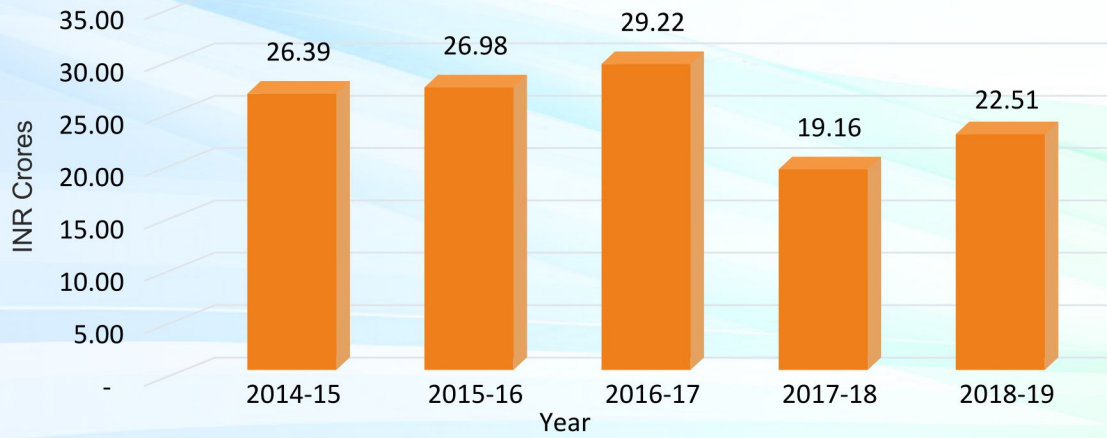
ABM KNOWLEDGEWARE LTD.



**26<sup>TH</sup>  
ANNUAL  
REPORT  
2018-19**

**ABM KNOWLEDGEWARE LIMITED**  
*Frontrunners in e-Government in India*

### Profit Before Tax (PBT)



### Net Worth



### EPS



\* Represents share of Face value of ₹10 each. However the EPS has been calculated considering the Face value of ₹ 5 each to give a comparable view as from year 2015-16 share Face value was subdivided in to 2 equity shares of ₹ 5 each.

**BOARD OF DIRECTORS**

**PRAKASH B. RANE** (Managing Director)  
**SUPRIYA P. RANE**  
**SHARADCHANDRA D. ABHYANKAR**  
**DR. SUMIT D. CHOWDHURY**  
**DEVENDRA PARULEKAR**

**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](mailto:egovernance@abmindia.com) • [www.abmindia.com](http://www.abmindia.com)

**Auditors**

M/s. Borkar & Muzumdar

**Bankers**

CANARA BANK

**Registrars &  
Share Transfer  
Agents**

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

**Company Secretary**

Sarika Ghanekar.  
 E-mail : [cs@abmindia.com](mailto:cs@abmindia.com)

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## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **ABM KNOWLEDGEWARE LIMITED** will be held on Friday, the 16<sup>th</sup> day of August, 2019 at 10.30 a.m. at 1<sup>st</sup> Floor, Dadar Bhagini Samaj, 3<sup>rd</sup> Lane, Hindu Colony, Dadar (E), Mumbai- 400 014 to transact the following businesses:

### AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31<sup>st</sup> March, 2019 and the Report of the Board of Directors and Auditors thereon.
2. To declare Final dividend on Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2019.
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 re-appoint Statutory Auditors of the Company:

**“RESOLVED THAT** pursuant to the provisions of Sections 139,142 and all 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], M/s. Borkar & Muzumdar, Chartered Accountant, Mumbai (Firm's Registration No. 101569W) be and are hereby re-appointed as Statutory Auditors of the Company, for a further period of five (5) years, to hold the office from conclusion of this Annual General Meeting until the Conclusion of thirty first Annual General Meeting on such remuneration, inclusive of applicable taxes and out of pocket expenses incurred in connection with audit, as recommended by the Audit Committee and may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.”

### AS SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149,150 and 152 and other applicable provisions, if any of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) [including any statutory modification(s) or re-enactment thereof for the time being in force], Mr. Sharadchandra Abhyankar (DIN: 00108866), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination & Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from 17<sup>th</sup> August, 2019 to 16<sup>th</sup> August, 2024.”

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Regulation 31A of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“Listing Regulations”)(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws and subject to necessary approvals from the SEBI, Stock Exchange and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to re-classify the following persons (“hereinafter individually and jointly referred to as “Applicants”) and currently forming part of the 'Promoter & Promoter Group category' holding 9,129 equity shares aggregating 0.04% of the paid up capital of the Company, from “Promoter & Promoter Group category” to “Public Category”:

1. Mr. Baburao Bhikunaik Rane
2. Mrs. Sunita Baburao Rane

3. Mrs. Sharada Bhushan Rane

**RESOLVED FURTHER THAT** on approval of the members and Stock Exchange for the said re-classification, the Company shall effect such re-classification in the statement of Shareholding Pattern of the Company from immediate succeeding quarter under Regulation 31 of the Listing Regulations and in compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable laws.

**RESOLVED FURTHER THAT** the directors of the Company and the Company Secretary be and are hereby severally authorized to submit the application for reclassification to Stock Exchange wherein the securities of the Company are listed or any other regulatory body as may be required and to take such steps expedient or desirable to give effect to this resolution.”

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.
4. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
5. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 10<sup>th</sup> August, 2019 to Friday, 16<sup>th</sup> August, 2019 (both days inclusive).
7. The Final dividend for the financial year ended 31<sup>st</sup> March, 2019, 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 16<sup>th</sup> August, 2019 in case of physical shares, and to those members who hold the shares in demat form, as per the beneficiary position given by NSDL / CDSL.
8. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts; will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
9. Members holding shares in physical form are requested to intimate any changes in their address and / or bank mandate to Company's Registrar & Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd.
10. The Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and

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

11. 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.
12. 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 Participant(s). Members who have not registered their e-mail addresses 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.
13. 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 so far not registered their email address with the Company or Depository Participant(s).
14. 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 urges all the shareholders to encash / claim their respective dividend during prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 8<sup>th</sup> August, 2018 (date of last AGM) are available on the website of the Company [www.abmindia.com](http://www.abmindia.com) and on Ministry of Corporate Affairs' website. The Shareholders whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
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 26<sup>th</sup> AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The shareholders who do not have access to electronic voting facility to send their assent or dissent may send it through ballot paper. Shareholders are requested to contact compliance officer of the Company for ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The e-voting period commences on 13<sup>th</sup> August, 2019 (9:00 am) and ends on 15<sup>th</sup> August, 2019 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 9<sup>th</sup> August, 2019. 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. 9<sup>th</sup> August, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to Registrar of the Company .
- VI. The details of the process and manner for remote e-voting are explained herein below:

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

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

**Details on Step 1 is mentioned below:**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



- VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [ucshukla@rediffmail.com](mailto:ucshukla@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X. Mr. Upendra Shukla, Practising Company Secretary (Membership No. FCS 2727) has been appointed as the Scrutinizer for providing facility to the members of Company to scrutinize the e-voting process in a fair and transparent manner.
- XI. The Chairman of the Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.abmindia.com](http://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. As per the provisions of Companies Act, 2013, Independent Director shall hold office for a term upto five (5) consecutive years on the Board of the Company but shall be eligible for re-appointment on passing Special Resolution. Accordingly, resolution proposing re-appointment of Mr. Sharadchandra Abhyankar, Independent Director is given at Item No.5 of this Notice. Requisite declaration has been received from Independent Director seeking re-appointment. Details as required in Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the respect of the Directors seeking appointment / re-appointment at the AGM are as under:

I	<b>Name</b>	<b>Mrs. Supriya P. Rane</b>
	Date of Birth	19/04/1969
	DIN	00152890
	Age	50 years
	Date of Appointment on Board	27/04/2000
	Qualification	BE (Electronics), Postgraduate Diploma in System Management
	Expertise in specific functional areas	Systems and Processes
	Other Directorships	Nil
	Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil
	No. of Shares held in the Company	24,54,000 equity shares of ` 5/- each
	Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Mrs. Supriya P. Rane is wife of Mr. Prakash B. Rane, Managing Director. He is holding 95,42,300 Equity Shares of the Company.

II	<b>Name</b>	<b>Mr. Sharadchandra Abhyankar</b>
	Date of Birth	09/10/1965
	DIN	00108866
	Age	53 years
	Qualification	B.A. (Economics & Commerce), LL.M; Solicitor
	Expertise in specific functional areas	Various branches of law including Corporate laws, Securities laws, anti-trust laws, Project finance, Telecom regulations, Constitutional litigations and International Commercial arbitrations.
	Other Directorships	1. Ashoka Buildcon Limited (Listed) 2. Ashoka Concessions Limited 3. Centaur Pharmaceuticals Private Limited
	Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	1. Ashoka Buildcon Limited (Stakeholders' Relationship committee- Chairman) 2. Ashoka Concessions Limited (Audit Committee- Member)
	No. of Shares held in the Company	Nil
	Relationship with other Directors, Manager and Key Managerial Personnel of the Company	None

**By Order of the Board of Directors**

**Mumbai, May, 24, 2019**

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](mailto:egovernance@abmindia.com), Website: [www.abmindia.com](http://www.abmindia.com)

**Sarika Ghanekar**  
**Company Secretary**

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT (In terms of Regulation 36(5) of Listing Regulations, 2015)**

#### **ITEM NO. 4**

Member of the Company had approved the appointment of M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai (Firm Registration No. 101569W) as Statutory Auditors at Twenty First AGM of the Company which is valid till Twenty Sixth AGM i.e forthcoming AGM of the Company. Borkar & Muzumdar ("the firm"), is a reputed 71 year old firm of Chartered Accountants providing Assurance, Taxation Consultancy and Financial Advisory Services. The Registered office of the Firm is at 21/168 Anand Nagar Om Co-op. Housing Society Anand Nagar Lane, Off Nehru Road, Santacruz (East), Mumbai - 400 055. The firm caters to a diverse set of organizations across India covering Individuals, Private sector firms/ companies, Public Sector Enterprises and Entities with international presence. The firm is also into Corporate Finance Transaction Support, Due Diligence Reporting, Tax-structuring, MIS Implementation/Reviews and Valuation Analysis. Currently the firm has 18 Partners currently. They are supported by a team of over 300 Staff comprising qualified Chartered Accountants, experienced associates, trainees and support personnel. The firm is empaneled with the C & AG as "Major Audit Firm" and also empaneled with the Reserve Bank of India under Category 1 for carrying out Central Statutory Audits of Banks.

On the recommendation of Audit Committee and in accordance with the Companies Act, 2013, the Board of Directors have considered and recommended the proposed appointment of M/s. Borkar & Muzumdar, Chartered Accountants as Statutory Auditors of the Company for another term of five (5) years from conclusion of this AGM till the conclusion of Thirty First AGM. M/s. Borkar & Muzumdar, Chartered Accountants have provided their consent and confirmed that their re-appointment, if made, would be within the limit specified under section 141(3)(g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 as amended time to time. The proposed remuneration to be paid to M/s. Borkar & Muzumdar for the financial year is ₹ 8.5 Lakhs (Rupees Eight Lakhs Fifty Thousand).

#### **EXPLANATORY STATEMENT**

#### **ITEM NO. 5**

Mr. Sharadchandra Abhyankar is a Solicitor and Advocate by profession. He is member of the Bombay Incorporated Law Society and has been a Registered Patent and Trade Mark Attorney. He has professional expertise of more than 30 years in various branches of law including corporate laws, securities laws, anti-trust laws, telecom regulations, constitutional litigation and international commercial arbitrations. He has authored several articles on various legal subjects in Indian and International journals and is a Guest Faculty at numerous seminars for professions.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of the Company but shall be eligible for re-appointment on passing a special resolution by company for another term of upto 5(five) years on the Board of the Company. The Members of the Company had at the Annual General Meeting held on 18<sup>th</sup> September, 2014 approved the appointment of Mr. Sharadchandra Abhyankar for a period of 5(five) years.

Based on his performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, Mr. Sharadchandra Abhyankar is eligible for re-appointment as Independent Director and had offered himself for re-appointment. In view of his rich experience, the Board of Directors recommends the proposal to re-appoint him as Independent Director for a term as mentioned in the respective special resolution.

The Company has received notice under Section 160 of the Act from Mr. Sharadchandra Abhyankar, signifying his candidature as an Independent Director of the Company. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Listing Regulations.

In the opinion of the Board, Mr. Sharadchandra Abhyankar is a person of integrity and has the relevant expertise and experience and fulfills the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for re-appointment as an Independent Director of the Company and is an independent of the management.

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

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

The Board considers that association of Mr. Sharadchandra Abhyankar as an Independent Director would be immense benefit to the Company considering his expertise and experience.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for his respective appointment, and his relative are concerned or interested, financially or otherwise, in this Resolution. The Board of Directors recommends for the Special Resolution at Item Nos. 5 of this Notice for approval of members.

#### **ITEM NO.6**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations, 2015') has provided a regulatory mechanism for re-classification of promoters as Public Shareholders subject to fulfillment of conditions as provided therein.

In this regard, the Company received applications from the following promoter group persons pursuant to Regulation 31A of Listing Regulations, 2015 for reclassifying them under the Public Category since their names have been included as a part of Promoter group merely because they are 'Immediate relative' of the Promoter and Managing Director of the Company, Mr. Prakash B. Rane as per the definition of promoter group as provided in SEBI (Issue Capital and Disclosure Requirements) Regulations, 2018 even though they are financially independent person, who take independent investment decisions, without consulting Mr. Prakash B. Rane and is no way related to any of the business carried out by the Company. Further they do not hold any key managerial position or representations of Board of Directors in the Company and have not engaged in any management or day to day affairs of the Company. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with Company or with Mr. Prakash B. Rane, Managing Director of the Company.

<b>No.</b>	<b>Name of Applicants</b>	<b>No. of shares held as on 6<sup>th</sup> May, 2019</b>	<b>% of total capital</b>
1.	Baburao Bhikunaik Rane	5000	0.02
2.	Sunita Baburao Rane	2500	0.01
3.	Sharada Bhushan Rane	1629	0.01
	<b>Total</b>	<b>9129</b>	<b>0.04</b>

In the view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company at their meeting held on 10<sup>th</sup> May, 2019, have approved all the applications for reclassification received by the Company as above from Promoter group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchange based on declaration received from the aforesaid persons.

None of the concerned persons, acting individually and in concert directly or indirectly exercise control over the management and affairs of the Company. Their shareholding does not exceed 1% of the total share capital of the Company. Further, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of atleast 25% and proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with minimum public shareholding requirement.

Your Directors recommend the passing of the Resolution in the Item No.6 of the Notice as an Ordinary Resolution.

None of the Director or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except that Mr. Prakash B. Rane and Mrs. Supriya P. Rane may be deemed to be concerned or interested in this resolution since the proposed outgoing Promoter Group members are related to them.

**By Order of the Board of Directors**

**Sarika Ghanekar**  
**Company Secretary**

**Mumbai, May, 24, 2019**

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](mailto:egovernance@abmindia.com), Website: [www.abmindia.com](http://www.abmindia.com)

## DIRECTORS' REPORT

To the Members of

**ABM Knowledgeware Limited**

Your Directors are delighted to present the 26<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements (Consolidated & Standalone) for the financial year ended 31<sup>st</sup> March, 2019.

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

( In ₹ Thousand)

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Gross Income	684,821	740,217	747,693	762,209
Profit Before Interest and Depreciation	242,048	210,433	241,509	207,420
Finance Charges	2,550	2,934	2,550	2,942
Gross Profit	239,498	207,499	238,959	204,478
Provision for Depreciation	14,387	15,931	17,258	16,192
Net Profit Before Tax	225,111	191,568	221,701	188,286
Provision for Tax	67,336	47,025	69,163	47,280
Non-Controlling Interest (on	-	-	4,145	2,801
Net Profit After Tax	157,774	144,543	156,683	143,807
Surplus - Opening Balance	1,350,263	1,235,411	1,349,543	1,235,411
Amount Available for Appropriation	1,508,038	1,379,954	1,506,812	1,379,218
Other Comprehensive (Income) / Loss (net of tax)	29	402	62	418
Dividend and Dividend tax paid during the year	30,093	30,093	30,093	30,093
Surplus - closing balance	1,477,973	1,350,263	1,476,781	1,349,543

**2. OPERATIONS OF THE COMPANY:**

Operations of the company have been stable and inline with the strategy of doing selective business. Most projects have been progressing well without any notable disruptions. ABM continues to operate from offices in New Delhi, Mumbai, Bhopal and office of the subsidiary in Bangalore. Operational efficiency and cost management have helped company to post higher profits despite of the anticipated drop in sales revenues. All the existing customers have shown preference to remain associated with ABM. Your company has managed to keep its outstanding payment under control and ensured that resources will not be inadequate for right opportunities.

**3. DIVIDEND:**

Your Directors has recommended a Final Dividend of 25% (i.e. ₹ 1.25/- per Equity Share of Face Value of ₹ 5/- each) for the year ended 31<sup>st</sup> March, 2019. The dividend recommended, if approved by the Members, will be paid to Members within the period stipulated by the Companies Act, 2013. The dividend if approved, will result in a cash outflow of ₹ 3,00,92,710/- including dividend distribution tax.

**4. TRANSFER TO RESERVES:**

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

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

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 3,68,213/- of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund (IEPF).

**6. SHARE CAPITAL:**

As on 31<sup>st</sup> March, 2019 the Authorized share capital of your Company was ₹12,50,00,000/- consisting of 2,50,00,000 Equity Shares of ₹ 5/- each and paid up equity share capital was ₹ 10,24,15,000/- consisting of 2,00,02,200 fully paid up equity shares and 6,97,800 forfeited equity shares of ₹ 5/- each.

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

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

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

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

During the year under review, Mr. Sanjay Mehta, Independent Director of the Company resigned from the Board w.e.f 14<sup>th</sup> August, 2018. The Directors place on record its deep appreciation for the contributions of Mr. Sanjay Mehta, Director throughout his directorship and also for significant contributions he has made to the management of affairs of the Company and for the valuable advises he made to the Board from time to time.

Further pursuant to provisions of Section 149 of the Companies Act, 2013, The Board of Directors have appointed Mr. Devendra Parulekar as an Independent Director w.e.f 10<sup>th</sup> August, 2018 for a term of 5 (five) consecutive years commencing 10<sup>th</sup> August, 2018 up to 9<sup>th</sup> August, 2023.

Section 149(10) of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Accordingly, Mr. Sharadchandra Abhyankar was appointed by the Board in their meeting held on 18<sup>th</sup> September, 2014 for a period of 5 years and whose term expires in the ensuing Annual General Meeting. Therefore pursuant to provisions of Section 149 of the Companies Act, 2013, your Board of Directors are seeking the members approval for re-appointment of Mr. Sharadchandra Abhyankar as an Independent Director for a second term of 5 (five) consecutive years commencing 17<sup>th</sup> August, 2019 up to 16<sup>th</sup> August, 2024.

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

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

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

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

**8. MEETINGS:**

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

**9. PUBLIC DEPOSITS:**

During the year under review, your Company did not accept any public deposits under Chapter V of Companies Act, 2013 and no amount on account of principal and interest on public deposits was outstanding on the date of the balance sheet. Since the Company has not accepted any deposits during the financial year ended March 31, 2019 there has been no non-compliance with the requirements of the Act.

**10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

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

Further during the year under review, InstaSafe Technologies Private Limited (“InstaSafe”), a subsidiary of your Company has incorporated a Wholly owned Subsidiary by name “InstaSafe Inc” in Delaware, United State of America on 23<sup>rd</sup> August, 2018. Post this incorporation, Instasafe Inc became a wholly owned Subsidiary of InstaSafe Technologies Private Limited and thereby became step-down Wholly owned Subsidiary Company of your Company.

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

As on 31<sup>st</sup> March, 2019 the Company does not have any Joint venture or Associate Company.

**11. PERFORMANCE OF SUBSIDIARY COMPANIES:**

India's cyber security landscape is going through an interesting phase as businesses are keenly looking at innovative tools to protect themselves from cyber attacks and threats. While India's cyber security needs are not different from that of the rest of the world, Privacy and personal data protection are the key focus areas. With the draft Personal Data Protection Bill and the Aadhaar ruling by the Supreme Court recently limiting the use of data, the focus on data privacy is set to reach a tipping point in 2019. Organisations will invest in aligning their infrastructure to the requirements in the Personal Data Protection Bill (which is likely to become an Act later in 2019) to gain business edge and avoid penalties.

InstaSafe is one of the few innovators from India, with high ambitions. Our execution capability is recognised by making it to the “Deloitte India Fast 50 & APAC Fast 500”, with a consistent growth in revenue of over 103% consistently over the last 3 years. InstaSafe continues to ramp and grew 156% YoY in Revenue, while constantly striving to become capital efficient. InstaSafe has been able to reduce its losses by 21% YoY.

InstaSafe today finds itself in the middle of the largest disruptions and market transitions since the invention of the firewall and boom of the cybersecurity industry. According to Gartner “By 2023, 60% of enterprises will phase out most of their remote access virtual private networks (VPNs) in favor of ZTNA(Zero Trust Network Access).” As per conservative estimates this itself is a worldwide multi billion market awaiting to disrupt.

In FY18-19 InstaSafe has been recognised with the “Investors Choice Award” at the Netapp Excellerator, partnered with



AWS(Amazon), as an Advanced Technology partner. InstaSafe clocked winning partnerships with Hitachi, Waverley labs and many more globally. Customer growth has expanded to include the first Fortune 100 customer's adoption of InstaSafe. New wins included customers from Key Governments internationally, to new age unicorns, financial services, NBFC's, Industry 4.0 forward looking manufacturing behemoths and ITES majors.

Some of the key initiatives during the year, were executing international order through the USA subsidiary, strengthening senior management leadership hires in Sales, Technology Operations and more.

Recently, InstaSafe was included in Gartner's Market Guide for Zero Trust Network Access, identifying InstaSafe as a Representative Vendor. As per Gartner, "The old security mindset of 'inside means trusted' and 'outside means untrusted' is broken in the world of digital business, which requires anywhere, anytime, any device access to services that may not be located 'inside' an on-premises data center."

In addition, Safehats, another InstaSafe brand, has been covered by Gartner's; "Market Guide for Application Crowdtesting Service". It States: By the year 2022, more than 50% of enterprises will employ Crowd-testing platform products and services. Crowd-testing will have a significant advantage over traditional service delivery with the increasing demand for speed, flexibility, support for new technologies, and highly skilled testers. Crowd-testing platforms can be considered as a complementary alternative to traditional service delivery.

The outlook for FY19-20, is to scale globally and focus on enhancing product adoption, and building InstaSafe brand, trusted by international customers. We continue to expect our operating expenses to increase significantly over the next several years, particularly this fiscal, as we continue to add experienced & leadership talent, particularly in Technology, AI/ML, Products, Sales and marketing, expand our operations and infrastructure, both domestically and internationally.

**12. AUDITORS:**

M/s. Borkar & Muzumdar, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 18<sup>th</sup> September, 2014 for a term of five consecutive years. Since the term of the Statutory Auditors expires in the ensuing Annual General Meeting, therefore the Board hereby recommends the re-appointment of Statutory Auditors for a further period of 5 years to hold the office from conclusion of this Annual General Meeting until the Conclusion of thirty first Annual General Meeting, which shall be subject to approval by the members.

**13. AUDITORS' REPORT:**

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

**14. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of the Section 204 of the Companies Act, 2013, The Board has appointed Mr. Upendra Shukla, Practicing Company Secretary as Secretarial Auditor to undertake the Secretarial Audit of the Company for the year ended on 31<sup>st</sup> March, 2019. The Secretarial Audit Report issued by Mr. Upendra Shukla in Form No. MR-3 forms part of this Annual Report and is an Annexure to the Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**15. COMPLIANCE WITH SECRETARIAL STANDARDS:**

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

Meetings and General Meetings.

**16. INTERNAL AUDIT AND INTERNAL CONTROL SYSTEMS:**

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

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

The Company has appointed M/S. S.P. Sule & Associates, Chartered Accountants as Internal Auditor of the Company for the financial year 2018-2019.

**17. CORPORATE GOVERNANCE:**

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

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

**18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

**A. Industry Structure and Development:**

Industry structure has more or less remained unchanged. It is dominated by some national level IT companies which includes ABM as well as some reputed large IT companies and some strong regional players. Continuation of the key policies will help in progressing of projects under Digital India vision due to stable govt at the center. The recent budget has emphasized need to encourage the start-ups ecosystem and eased funding to start-ups. This will fuel innovation and adoption of IT in general.

Urban administration sector is primary focus of ABM. Smart Cities initiative has seen entry of large System Integrators (whose core strength is not IT) entering into the IT space. This development is offering more opportunities to niche IT companies to partner with them.

Cybersecurity space ,which is also a focus of ABM, is expected to grow rapidly due to several instances of security breaches in vital establishments and favorable policy level changes in govt . The high priority assigned by govt to treat cyberthreats on par with any cross border threat underlines the potential of cybersecurity business.

Digital technologies continue to dominate the focus of IT companies in domestic as well as govt sectors. The domestic market dominated by govt. sector continues to face the age old challenges of cost and time overruns, payment delays, tenders with difficult terms and conditions etc. There is a lot of attention continues to be given to t use of IT in govt. operations. However there is a need for institutionalized mechanism whereby the important aspects like proper

budgeting, tendering based on fair terms , vendor finalization using blend of quality and cost parameters, time bound implementation and sustenance etc are achieved to attract more IT companies to govt. segment which will help in expanding market.

**B. Existing Opportunities and Outlook:**

ABM will continue to focus on opportunities in the space of Urban administration and Cybersecurity.

Indian Government is planning large amount of investment in next few years on infrastructure development. ABM would tap opportunities to provide IT solutions for Construction Management and BIM.

However ABM will continue following a cautious approach of doing selective bidding by giving higher priority to ability of the company to execute the project “successfully and profitably”. This can impact revenue growth in 2019-20 also.

This space has dearth of competent players who have proven track record of implementing large e governance project successfully at pan India level. This gives unique advantage to your company for growth and profitability.

**C. Business Threats:**

As we have been outlining in most of the annual reports the company faces various risks and threats associated with 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. Inexperienced competition remains a threat and results into loss of some of the opportunities due to unrealistic prices quoted by such companies.

**D. Business Strategies and Planning:**

The business strategy will continue to achieve growth in selective segments. Hence, the business strategy will be dominated by avoidance of mistakes made by fellow travelers in this market segment on one hand and careful exploitation of the immense opportunity offered by this segment on the other hand.

During 2019-20 ABM would focus on building order book significantly. The business acquisition will have high focus in areas such as Smart Cities, Cybersecurity and new areas like Construction Management and BIM. Effort will be made to make foray into Digital Technologies during this year.

There has not been expected progress in developing business in Smart Water Management. The strategy will be revisited to decide the next course of action.

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

**E. Human Resource Management:****Aim of Human Resource Management**

1. It aims to ensure that ABM obtains and retains the skilled, committed and well-motivated workforce to enhance the business growth.
2. It aims to support programmes for improving organizational effectiveness by focusing on knowledge management, talent management hereby creating “a great place to work”.
3. Enhance and develop the inherent capabilities of people, their contributions, potential and employability, by providing learning and continuous development opportunities.

4. Fulfill business demand, deliver consistently high utilization rates and keep manpower costs within the desired range as per Business plan.
5. Deploy meaningful practices to enhance the engagement, capability and competitiveness of our workforce.

**i) Headcount**

S. No.	Year	Current Headcount
1	April 2017 - March 2018	434
2	April 2018 - March 2019	441

**ii) HR Events**

- Quarterly mentorship & feedback program.
- “Saturday Funday” challenge was endorsed to hunt the hidden talent within the team.
- Successfully executed “Yoga at work” activity for ABM Mumbai employees.
- Arranged Zumba and Yoga as a fun fitness activity for all the women on Women's day celebration

**iii) Recognition**

- Initiated strategic level training programmes, in order to up-skill our senior level employees with the latest technology in the market.
- Career Enhancement opportunities
- Recognized employees' performance with an appreciation letter to family.
- Hired talented Professional Graduates from the reputed universities and Institutes.

**iv) Motivational and Focus Areas**

- The Company continues to invest in the form of training for enhancing its Human Capital by providing opportunities to its employees to develop their skills and competencies relevant to the business requirements.
- It always believes to enhance motivation, job engagement and commitment by introducing policies and process, which ensures that people are valued for what they do and achieve and for the levels of skill and competency, they reach.
- We follow Equal Opportunities & Non Discrimination Policy and do not discriminate on basis of race, color, gender, caste or religion.
- The Company's relentless pursuit to connect with employees on a regular basis, communicate in an open and transparent manner, provide opportunities to learn and grow within the organization are yielding desired results as is evident from the high retention rate and the motivation and engagement levels of the employees.

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

( In ₹ Thousand)

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Gross Income	6,84,821	7,40,217	747,693	762,209
Total Expenditure	3,52,950	4,22,239	412,745	444,102
Gross profit before depreciation and Taxation	2,39,498	2,07,499	238,959	204,478

There is significant impact of various factors on performance of your company. These are discussed in detail in the Management Discussion and Analysis. However your company has managed to improve profitability despite of the planned tapering of revenue.

**G. Key Financial Ratios:**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) Amendment Regulations 2018, the Company is required to give details of significant changes ( changes of 25% or more as compared to the immediately previous financial year ) in key financial ratios. There are no significant changes in the key financial ratios that are identified by the Company, below are the details (Standalone):

Particulars	Unit	March 2019	March 2018
Debtors Turnover Ratio	Times	1.79	2.12
Current Ratio	Times	21.52	26.10
Debt Equity Ratio	Times	0.00	0.00
Net profit Margin	%	24.54	20.18
Return on Net worth	%	9.98	9.95

**19. RISK MANAGEMENT:**

The Company has developed and adopted a Risk Management Policy that ensures the appropriate management of risks in line with its internal systems and culture. The Company perceives risk management as a means of value optimization. The Company also recognizes the importance of internal controls and risk management in sustaining the business continuity and endeavors to make risk management and control as essential components of business environment which is exposed to different modalities of risks arising from both internal and external sources. Risks are assessed department-wise such as financial risks, information technology related risks, legal risks, accounting fraud, etc. It further 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 details of the Committee and its terms of reference are set out in the Corporate Governance report forming part of this report.

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

- 1. Industry:** Industry risks are competition, newer business models like PPP, and disruptive technologies like Artificial Intelligence, Machine Learning, Virtual Reality (VR) and Augmented Reality (AR), Automation, slower decision making due to impending state elections in a few states in coming year.
- 2. Supply side risk for talent acquisition:** With growing customer base and mission critical projects, unavailability of right skilled resources at right time in right quantity can pose a risk. The company constantly trains and re-trains existing resources for different skills and technologies. Suitable HR practices are adopted to minimise the attrition rate. Lateral hiring is done to bring in fresh leaders.
- 3. Operational efficiency:** The operational risk is mainly associated with client acquisition, execution of projects, information security and continuity of customer's business operations. The company has project level monitoring where such risks are identified and escalated to board for suitable corrective measures on time.
- 4. Reputation:** The Company's projects are in Government sector which are necessarily funded by public finance. This may expose the company to the risk of motivated public scrutiny from elements which are adversely affected by success of project leading to transparency as well as some times by competition. The company strictly follows the Govt. processes of procurement and executes the projects with highest possible standards of ethics and best industry processes. Employees are made well aware of the company policy and ensure the proper code of conduct is followed across projects uniformly. Company has published its own code of conduct for benefit of employees. This has been helping company so far to win over the confidence of customers, even in the situations of motivated public scrutiny which is aimed at hurting reputation of the Company.

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

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

**21. CODE OF CONDUCT:**

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

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

**22. AUDIT COMMITTEE COMPOSITION:**

The Composition of the Audit Committee is as per Section 177 of the Companies Act, 2013 and the Listing Regulations and is as described in the Corporate Governance Report, which forms part of this report. The Constitution, meetings, attendance and other details of the Audit Committee are given in the Corporate Governance Report which is part of the Report. During the year all the recommendations of the Audit Committee were accepted by the Board.

**23. VIGIL MECHANISM:**

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

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

**24. PREVENTION OF INSIDER TRADING:**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has in place a Code of Conduct to Regulate, Monitor and Report Trading by Insiders, the disclosure requirements and procedure thereto. The Company endeavours to preserve the confidentiality of Unpublished Price Sensitive Information and to prevent misuse of such information. With respect to this, the Company has also developed a Code for Procedure for Inquiry in case of Leak of Unpublished Price Sensitive Information. This code is prepared in accordance with Regulation 9(1) and Schedule B of the SEBI (Prohibition of Insider Trading) Regulation 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 effective from 1<sup>st</sup> April, 2019. The Company regularly reminds the Employees about their obligation under the policies and also informs about prevention of insider trading into the securities of the Company.

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

**25. RELATED PARTY TRANSACTIONS:**

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

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

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

**26. EXTRACT OF ANNUAL RETURN:**

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

**27. CORPORATE SOCIAL RESPONSIBILITY:**

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

**28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

**29. PREVENTION OF SEXUAL HARASSMENT (POSH) ATWORKPLACE:**

The Company has adopted a Policy for prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules thereunder. The Company has also formed an "Internal Complaints Committee" for prevention and redressal of sexual harassment at workplace. The Company has appointed external independent person who worked in this area and has the requisite experience in handling such matters, as member of Internal Complaints Committee. The Company has ensured a wide dissemination of the Policy and have conducted various awareness programmes in the organization. The Company has not received any complaint of sexual harassment during the financial year 2018-2019.

**30. PARTICULARS OF EMPLOYEES:**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been appended as Annexure to this Report. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid

annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

**31. CONSERVATION OF ENERGY:**

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

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

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

**33. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

**34. LISTING FEES:**

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

**35. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts on a going concern basis;
- e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**36. ACKNOWLEDGEMENT:**

The Board express their deep sense of gratitude to all Shareholders, Business Associates, Clients, Vendors, Banks, Financial Institutions, Central and State Government Organizations, Regulatory Authorities, for their continued co-operation and support which was a great help to us in managing our continued growth. We acknowledge their



contributions and commit ourselves to continue and strengthen this fruitful alliance in all times to come.

Your Directors very warmly thank all of our employees for their perseverance, loyalty and unflinching efforts by their hard work, dedication and commitment. We applaud them for their superior level of competence, enthusiasm and unstinting efforts, which have enabled the Company to remain an innovative leader in Software & Services segment of Indian IT Industry.

**For and on behalf of the Board**

**Date : 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

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

**Sharadchandra D. Abhyankar**  
**Director**  
**(DIN: 00108866)**

**ANNEXURE TO THE DIRECTORS' REPORT**
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY**
**(Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014**
**1. A Brief Outline of the Company's Corporate Social Responsibility (CSR) Policy:**

The objective of CSR policy of the Company is to directly / indirectly undertake projects / programs which will enhance the quality of life and economic well-being of communities in and around our society at large. This policy focuses on addressing social, environmental and economic needs of underprivileged sections of the society and also a sustainable development for the society. The Company has identified education, environment protection, protection of art & Culture as the areas, healthcare 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](http://www.abmindia.com).

**2. Composition of CSR Committee :**

Mrs. Supriya P Rane, Chairperson

Mr. Sharadchandra Abhyankar, Member

Dr. Sumit Chowdhury, Member

**3. Average Net Profit of the Company for last three financial years: ₹ 26,91,39,078**
**4. Prescribed CSR Expenditure: ₹ 53,82,782**
**5. Previous year unspent amount : Nil**
**6. Details of CSR spent during the financial year**

a) Total amount to be spent for the financial year: ₹ 53,83,782

b) Total amount spent during the year: ₹ 53,90,100

c) Amount unspent as on 31<sup>st</sup> March, 2019: Nil.

d) Manner in which the amount was spent during the financial year 2018-2019 is detailed below:

( ₹ In Thousand)

Sr. No.	Project/ Activities	Sector	Projects/ Programmes coverage	Amount Outlay	Amount spent on the project/ programs	Cumulative expenditure upto 31 <sup>st</sup> March, 2019	Amount Spent Direct / through implementing agency*
1	Promotion of Education	Education	Maharashtra	5,300	5,265	5,265	5,265
2	Ethnicity	Protection art and culture	Maharashtra	100	25	25	25
3	Healthcare	Treatment of needy patient	Maharashtra	200	100	100	100
			<b>Total</b>	<b>5,600</b>	<b>5,390</b>	<b>5,390</b>	<b>5,390</b>

**\*Details of implementing agencies :**

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

NGO/Trust/Institutions like Bhausahab Hiray Smaranika Samiti Trust, Unique Features & News Private Limited, Radha Foundation, Expa India, Halim Academy of Sitar and Isha Education 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 : 24<sup>th</sup> May, 2019**  
**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 31.03.2019  
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	2 <sup>nd</sup> 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: <a href="mailto:egovernance@abmindia.com">egovernance@abmindia.com</a> Website: <a href="http://www.abmindia.com">www.abmindia.com</a>
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093 Tel No: 022-28207203 Fax: 022-28207207 Email: <a href="mailto:gamare@uniseq.in">gamare@uniseq.in</a> Website: <a href="http://www.uniseq.in">www.uniseq.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

Name & Address of the Company	CIN	% of shares held	Section
<b>InstaSafe Technologies Pvt. Ltd.</b> Reg. Off: C 1003, Salarpuria Symphony House Road, Electronic City, P.O. Bangalore, Karnataka - 560100	U72200KA2012PTC066848	20.82	2(87)
<b>InstaSafe Inc. *</b> Registered Off: 3500 South Dupont Highway, Dover, Delaware-19901	N.A.	100	2(87)

\*Wholly-owned subsidiary of InstaSafe Technologies Pvt. Ltd.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****A) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	12005679	-	12005679	60.02	12005429	-	12005429	60.02	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	981500	-	981500	4.91	981500	-	981500	4.91	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)									
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)+(2)</b>	<b>12987179</b>	<b>-</b>	<b>12987179</b>	<b>64.93</b>	<b>12986929</b>	<b>-</b>	<b>12986929</b>	<b>64.93</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
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	-	-	-	-	174000	-	174000	0.87	0.87
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174000</b>	<b>-</b>	<b>174000</b>	<b>0.87</b>	<b>0.87</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1116860	5000	1121860	5.61	1011012	4800	1015812	5.08	-0.53
ii) Overseas	-	2000000	2000000	10.00	-	2000000	2000000	10.00	0.00
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ` 1 lakh	1953098	197324	2150422	10.75	1861824	148724	2010548	10.05	-0.7
ii) Individual shareholders holding nominal share capital in excess of ` 1lakh	845517	-	845517	4.23	881295	30000	911295	4.56	0.33
c) Others: NBFCc registered with RBI	300	-	300	0.00	4418	-	4418	0.02	0.02

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
Non Resident Indians	366012	-	366012	1.83	363230	-	363230	1.82	-0.01
Clearing Members	84493	-	84493	0.42	17448	-	17448	0.09	-0.34
Directors & Relatives	-	-	-	-	-	-	-	-	-
HUF	183095	-	183095	0.91	246778	-	246778	1.23	0.32
IEPF Suspense A/c	263322	-	263322	1.32	271742	-	271742	1.36	0.04
<b>Sub-total (B)(2):-</b>	<b>4812697</b>	<b>2202324</b>	<b>7015021</b>	<b>35.07</b>	<b>4657747</b>	<b>2183524</b>	<b>6841271</b>	<b>34.20</b>	<b>-0.87</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4812697</b>	<b>2202324</b>	<b>7015021</b>	<b>35.07</b>	<b>4831747</b>	<b>2183524</b>	<b>7015271</b>	<b>35.07</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>17384076</b>	<b>2618124</b>	<b>20002200</b>	<b>100.00</b>	<b>17818676</b>	<b>2183524</b>	<b>20002200</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoter:**

Sr. No.	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Prakash B. Rane	9542300	47.71	-	9542300	47.71	-	0.00
2.	Supriya P. Rane	2454000	12.27	-	2454000	12.27	-	0.00
3.	Baburao B. Rane	5000	0.02	-	5000	0.02	-	0.00
4.	Sunita B. Rane	2500	0.01	-	2500	0.01	-	0.00
5.	Sharada Rane	1879	0.01	-	1629	0.01	-	0.00
6.	Lipsita Projects & Services Pvt. Ltd.	981500	4.91	-	981500	4.91	-	0.00
	<b>Total</b>	<b>12987179</b>	<b>64.93*</b>	<b>-</b>	<b>12986929</b>	<b>64.93*</b>	<b>-</b>	<b>0.00</b>

\*Percentage rounded off

**C) Change in Promoters' Shareholding:**

Sr. No.	Particulars	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
<b>1</b>	<b>Sharada Rane</b>				
	At the beginning of the Year	1879	0.01	1879	0.01
	Increase / Decrease in Shareholding during the year (Transfer)				
	22/06/2018	100	0.00	1979	0.01
	15/02/2019	(350)	0.00	1629	0.01
	At the end of the Year			<b>1629</b>	<b>0.01</b>

There are no changes in the Promoter's shareholding except Sharada Rane during the Financial Year 2018-2019.

**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
<b>1</b>	<b>New Computer Era Limited</b>				
	At the beginning of the Year	1000000	5.00	1000000	5.00
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	1000000	5.00
	At the end of the Year			<b>1000000</b>	<b>5.00</b>
<b>2</b>	<b>Computer Digital Network Limited</b>				
	At the beginning of the Year	500000	2.50	500000	2.50
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	500000	2.50
	At the end of the Year			<b>500000</b>	<b>2.50</b>
<b>3</b>	<b>Rosewell Group Services Limited</b>				
	At the beginning of the Year	500000	2.50	500000	2.50
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	500000	2.50
	At the end of the Year			<b>500000</b>	<b>2.50</b>
<b>4</b>	<b>Aegis Transportation Pvt. Ltd.</b>				
	At the beginning of the Year	400000	2.00	400000	2.00
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	400000	2.00
	At the end of the Year			<b>400000</b>	<b>2.00</b>
<b>5</b>	<b>Dr. Sanjeev Arora</b>				
	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			<b>251310</b>	<b>1.26</b>
<b>6</b>	<b>Mohan Datar</b>				
	At the beginning of the Year	209968	1.05	209968	1.05
	Increase / Decrease in Shareholding during the year (Transfer)		0.00	209968	1.05
	At the end of the Year			<b>209968</b>	<b>1.05</b>
<b>7</b>	<b>Meridian Corporate Services Ltd.</b>				
	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			<b>165000</b>	<b>0.82</b>
<b>8</b>	<b>Kashish Jain</b>				
	At the beginning of the Year	145022	0.73	145022	0.73
	Increase / Decrease in Shareholding during the year (Transfer) 16/11/2018	22686	0.11	167708	0.84
	At the end of the Year			<b>167708</b>	<b>0.84</b>
<b>9</b>	<b>Shree Krishna Agro Ind. Ser. Pvt. Ltd.</b>				
	At the beginning of the Year	142032	0.71	142032	0.71
	Increase / Decrease in Shareholding during the year (Transfer)			142032	0.71
	At the end of the Year			<b>142032</b>	<b>0.71</b>

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
<b>10</b>	<b>Veena Kothari</b>				
	At the beginning of the Year	85000	0.42	85000	0.42
	Increase / Decrease in Shareholding during the year (Transfer)			85000	0.42
	At the end of the Year			<b>85000</b>	<b>0.42</b>

**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
<b>1</b>	<b>Prakash B. Rane, Managing Director</b>				
	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			<b>9542300</b>	<b>47.71</b>
<b>2</b>	<b>Supriya P. Rane, Non-Executive Director</b>				
	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			<b>2454000</b>	<b>12.27</b>
<b>3</b>	<b>Sharadchandra Abhyankar, Non-Executive Director</b>				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			-	-
<b>4</b>	<b>Sanjay Mehta, Non-Executive Director *</b>				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			-	-
<b>5</b>	<b>Dr. Sumit Chowdhury, Non-Executive Director</b>				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			-	-
<b>6</b>	<b>Devendra Parulekar, Non-Executive Director **</b>				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			-	-
<b>7</b>	<b>Paresh Golatkar, CFO</b>				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			-	-

\* Resigned as a Director of the Company w.e.f. 14<sup>th</sup> August, 2018

\*\* Appointed as an Independent Director w.e.f. 10<sup>th</sup> August, 2018.



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
<b>8</b>	<b>Sarika Ghanekar, Company Secretary</b>				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year				

**V. INDEBTEDNESS –**

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the financial year 2018-19.

**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
		<b>Prakash B. Rane</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		16,200.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		473.94
	(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 (A)		<b>16,673.94</b>
	Ceiling as per the Act		<b>16,800.00</b>
	Since there is inadequacy profit, Part II, Section II(A) of Schedule V is applicable.		

**B. Remuneration to other directors**

( ₹ In Thousand)

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		Dr. Sumit Chowdhury	Sharadchandra Abhyankar	Sanjay Mehta	Devendra Parulekar	
1	<b>Independent Directors</b>					
	Fee for attending Board / Committee meetings	32.00	56.00	36.00	16.00	140.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>32.00</b>	<b>56.00</b>	<b>36.00</b>	<b>16.00</b>	<b>140.00</b>

( ₹ In Thousand)

Sr. No.	Particulars of Remuneration	Name of Director	Total Amount
2	<b>Other Non-Executive Directors</b>	<b>Supriya P. Rane</b>	
	Fee for attending Board / Committee meetings	44.00	44.00
	Commission	-	-
	Others, please specify	-	-
	Total (2)		<b>44.00</b>
	Total (B)=(1+2)		<b>184.00</b>
	Total Managerial Remuneration		<b>16,857.94</b>
	Overall Ceiling as per the Act		<b>16,984.00</b>
	Since there is inadequacy profit, Part II, Section II(A) of Schedule V is applicable.		

## 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	959.76	833.40	1,793.16
	(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	-	-	-
	<b>Total</b>	<b>959.76</b>	<b>833.40</b>	<b>1,793.16</b>

## 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 : 24<sup>th</sup> May, 2019  
Place: Mumbai

Prakash B. Rane  
Managing Director  
(DIN: 00152393)

Sharadchandra D. Abhyankar  
Director  
(DIN: 00108866)

## ANNEXURE TO THE DIRECTORS' REPORT

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

**1 The Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2018-2019, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the financial year 2018-2019**

The percentage increase in remuneration of each Director, Chief financial Officer and Company Secretary during the financial year 2018-2019, ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2018-2019 as under:

Sr. No.	Name of Directors and Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase / decrease in remuneration in the Financial Year 2017-2018
1	Prakash B. Rane	Managing Director	71.20	61%***
2	Supriya P. Rane	Non-Executive Director	0.19	-97%
3	Sharadchandra D. Abhyankar	Non-Executive Director	0.24	-76%
4	Sanjay B. Mehta *	Non-Executive Director	#	#
5	Dr. Sumit D. Chowdhary	Non-Executive Director	0.14	-82%
6	Devendra K. Parulekar **	Non-Executive Director	#	#
7	Paresh M. Golatkar	Chief Financial Officer	3.56	14%
8	Sarika A. Ghanekar	Company Secretary	4.10	12%

\* Mr. Sanjay Mehta resigned on 14<sup>th</sup> August 2018.

\*\* Mr. Devendra K. Parulekar was appointed as Non – Executive Independent director from 10<sup>th</sup> August 2018.

\*\*\* The increase in the percentage of managerial remuneration is seen due to the change in the remuneration structure of basic salary and commission. Otherwise the total remuneration paid to managerial personnel is in line with the average remuneration paid during the last 3 years.

# Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated.

**2 The Percentage increase in the median remuneration of employees in the financial year:** The Median remuneration of the employees in the financial year have increased by 45%. During the previous financial year 2017-18 a lot of entry level employees resigned leading to increase in Median remuneration in the current financial year .

**3 The Number of permanent employees on the rolls of Company:** 441 employees as of March, 2019.

**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:** The average percentile increase in salaries of employees is approximately 5.41% other than managerial remuneration. Managerial remuneration during the year have increased by 61.00 %. The increase in the percentage of managerial remuneration is seen due to the change in the remuneration structure of basic salary and commission. Otherwise the total remuneration paid to managerial personnel is in line with the average remuneration paid during the last 3 years.

**5 The key parameters for any variable component of remuneration availed by the directors:** During the year no commission have been paid to any of the Executive or Non-executive directors of the company. 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 : 24<sup>th</sup> May, 2019  
Place: Mumbai

Prakash B. Rane  
Managing Director  
(DIN: 00152393)

Sharadchandra D. Abhyankar  
Director  
(DIN: 00108866)

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the system of rules, practices and processes through which objectives of a corporate entity are set and pursued in the context of the social, regulatory and market environment. It essentially involves balancing the interests of various stakeholders, such as shareholders, Management, customers, suppliers, financiers, Government and the community.

Your Company is fully committed to conduct its business with due compliance of all applicable laws, rules and regulations. The Company's philosophy on Corporate Governance lays strong emphasis on integrity, transparency, accountability and full disclosure in all facets of its operations to achieve the highest standards of Corporate Governance and also to enhance the trust of the creditors, employees, suppliers, customers and public at large.

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

### I. BOARD OF DIRECTORS

The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect interest of the stakeholders and enhance value for shareholders. The Board monitors the strategic direction of the Company. The Board has delegated the operational conduct of the business to the Managing Director of the Company. The Management Committee of the Company is headed by the Managing Director and has business / functional heads as its members, which look after the management of the day-to-day affairs of the Company.

The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with at least one Women Director and not less than fifty per cent of the Board comprising of Independent Directors. As on 31<sup>st</sup> March, 2019, the Board consists of Five Directors comprising one Executive Director, Three Independent Directors and one Non-Executive Woman Director. The Independent Directors of the Company have been appointed for a term of 5 years in accordance with the relevant provisions of the Companies Act, 2013 and are not eligible to retire by rotation. The profile of Directors can be found at our website at [www.abmindia.com](http://www.abmindia.com).

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

During the year under review, five Board Meetings were held on 20<sup>th</sup> April, 2018, 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 31<sup>st</sup> January, 2019. The previous Annual General Meeting (AGM) of the Company held on 8<sup>th</sup> August, 2018 was attended by all the Directors.

#### **Composition and Directorship(s) / Committee Membership(s) / Chairmanships(s) as on 31<sup>st</sup> March 2019:**

The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and the Listing Regulations.

Name of the Directors & Category	Date of Joining the Board	Number of Shares held in the Company	Number of Board Meeting attended	Other Directorship #	Memberships/ Chairmanship in Committees of Board of other Public Companies ##
Mr. Prakash B Rane (Executive-Managing Director)	27/04/2000	95,42,300	5	Nil	Nil
Mrs. Supriya P Rane (Non-Executive Director)	27/04/2000	24,54,000	5	Nil	Nil
Mr. Sharadchandra Abhyankar (Independent Director)	28/10/2010	Nil	5	2	2
Mr. Sanjay Mehta* (Independent Director)	22/08/2015	Nil	3	Nil	Nil
Dr. Sumit Chowdhury, (Independent Director)	28/03/2016	Nil	3	Nil	Nil
Mr. Devendra Parulekar ** (Independent Director)	10/08/2018	Nil	3	Nil	Nil

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

## Includes only Audit Committee and Stakeholders' Relationship Committee.

\* Resigned as a Director of the Company w.e.f. 14<sup>th</sup> August, 2018.

\*\* Appointed as an Independent Director of the Company w.e.f. 10<sup>th</sup> August, 2018.

The names of listed entities along with category of Directorship is given on page 8.

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

The Company has obtained a certificate from Mr. Upendra Shukla, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations / disclosures received from the Directors and on evaluation of the relationships disclosed, as per the requirement of Regulation 25(8) of the Listing Regulations, the Board confirms, that the Independent Directors fulfil the conditions as specified under Schedule V of the Listing Regulations, 2015 and are independent of the management.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. Board meeting dates are finalized in consultation with all directors. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Managing Director of the Company and agenda papers with detailed notes and other background information, which are essential for the Board to effectively and reasonably perform their duties and functions, are circulated well in advance before the meeting thereby enabling the Board to take proper decisions. The Chairman of various Board Committees brief the Board on all the

important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting. Time gap between two Board meetings were not more than four months.

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

The Company conducts Familiarization Programme for the Independent Directors to enable them to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with Senior Management Personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part. A familiarization policy in this regard has been framed by the Company and hosted on the Company's Website at [www.abmindia.com](http://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](http://www.abmindia.com).

All the Board members and senior management have confirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2019. A declaration to this effect signed by the Managing Directors forms part of this Annual Report.

**SEPERATE INDEPENDENT DIRECTORS' MEETING:**

As required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 of the Listing Regulations, Independent Directors of the Company met separately on 30<sup>th</sup> January, 2019 without the presence of Non-Independent Directors and members of Management. In accordance with the Listing Regulations, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Managing Director of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

**BOARD EVALUATION:**

Regulation 4(2)(f) of the Listing Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee. Criteria for performance evaluation included aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency. Further, performance evaluation of the Managing Director was based on the implementation of various plans & policies in the Company, monitoring and implementation of the projects including the smooth day to day affairs and operations of the Company and finally performance and business achievements of the Company.

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

## II. COMMITTEES OF DIRECTORS

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas of concern for the Company and need a closer review. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

### A) AUDIT COMMITTEE:

As on 31<sup>st</sup> March, 2019, the Audit Committee comprises of the members as stated below. The composition of the committee is in conformity with the Listing Regulations. The Audit Committee consists of three (3) Independent Directors. All the members of the Committee have relevant experience in financial matters.

During the financial year 2018-2019, the Committee met five times on 20<sup>th</sup> April, 2018, 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 31<sup>st</sup> January, 2019.

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

Name	Categories of Director	Out of total 5 meetings the attendance is
Mr. Sharadchandra D. Abhyankar, Chairman	Independent and Non-Executive Director	5
Mr. Sanjay B. Mehta, Member *	Independent and Non-Executive Director	3
Dr. Sumit D. Chowdhury, Member	Independent and Non-Executive Director	5
Mr. Devendra Parulekar, Member	Independent and Non-Executive Director	2

\*Mr. Sanjay Mehta resigned as director of the Company w. e. f. 14<sup>th</sup> August, 2018 and ceased to be member of the Committee.

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

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;

- reviewing 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;
- 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;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- 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;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Code of the Company and Whistle Blowing Mechanism.
- reviewing the utilisation of loans and / or advances from / investment in the Subsidiary exceeding ₹100 crores of 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. During the year, the terms of reference of the Committee was updated in line with the amendments to the Listing Regulations.

#### **B) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders' Relationship Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, non- receipt of declared dividend, the performance of the Company's Registrars and Transfer Agents and other allied complaints.

The Stakeholders' Relationship Committee comprises of two Non-Executive Directors of the Board. During the year the Committee met four times on 16<sup>th</sup> April, 2018, 19<sup>th</sup> July, 2018, 3<sup>rd</sup> November, 2018 and 21<sup>st</sup> January, 2019. Mr. Sanjay Mehta resigned as director from the Company w. e. f. 14<sup>th</sup> August, 2018 and ceased to be the Chairman of this committee. The Board nominated Mr. Sharadchandra Abhyankar – Non-Executive and Independent Director as Chairman of the Committee w. e. f. 14<sup>th</sup> August, 2018.

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

<b>Name</b>	<b>Status</b>	<b>Out of total 4 meetings the attendance is -</b>
Mr. Sanjay B. Mehta, Chairman	Independent and Non-Executive Director	2
Mrs. Supriya P. Rane, Member	Non-Executive Director	4
Mr. Sharadchandra Abhyankar, Chairman	Independent and Non-Executive Director	2

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, the Company Secretary of the Company. The total numbers of correspondences were received from investors and resolved during the year under review were 16. One complaint was received during the year.



The Company has designated an e-mail ID [egovernance@abmindia.com](mailto: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 is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter alia, includes:

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses etc;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.
- Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

The Nomination and Remuneration Committee presently comprises of three Directors. During the year under review, two Committee meetings were held on 22<sup>nd</sup> May, 2017 and 29<sup>th</sup> January, 2018.

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

Name	Status	Out of total 2 meetings the attendance is -
Dr. Sumit Chowdhury, Chairman **	Independent and Non-Executive Director	1
Mrs. Supriya P Rane, Member	Non-Executive Director	2
Mr. Sharadchandra Abhyankar, Member	Independent and Non-Executive Director	2
Mr. Sanjay Mehta*	Independent and Non-Executive Director	1

\*Mr. Sanjay Mehta resigned as director of the Company w. e. f. 14<sup>th</sup> August, 2018 and ceased to be member of the Committee

\*\*Appointed as a Chairman of CSR Committee w.e.f. 14<sup>th</sup> August, 2018.

### POLICY FOR SELECTION, APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation

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

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

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

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

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

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

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

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

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

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

( ₹ In Thousand)

Name of the Director	Status	Salary & Perquisites	Commission	Sitting Fees
Mr. Prakash B. Rane	Managing Director	16,673.94	0.00	0.00
Mrs. Supriya P. Rane	Director	0.00	0.00	44.00
Mr. Sharadchandra Abhyankar	Director	0.00	0.00	56.00
Mr. Sanjay Mehta	Director	0.00	0.00	36.00
Dr. Sumit Chowdhury	Director	0.00	0.00	32.00
Mr. Devendra Parulekar	Director	0.00	0.00	16.00
<b>Total ( ₹ )</b>		<b>16,673.94</b>	<b>0.00</b>	<b>184.00</b>

In terms of requirement of Listing Regulations, 2015, the Board has identified the following core skills / expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

1. **Business Leadership:** Innate leadership skills including ability to appropriately represent the organization; set appropriate Board and organization Culture and make and take responsibility for decisions and actions.
2. **Strategy and Strategic Planning:** Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of strategic objectives of the company's relevant policies and priorities.
3. **Finance & Accounting:** Qualifications and experience in accounting and/or finance and ability to analyse key financial statements, financial performance; contribute to strategic financial planning; oversees budgets and the efficient use of resources; oversees funding arrangements resources; oversees funding arrangements and accountability.
4. **Risk:** Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems
5. **Law:** Expert knowledge of Corporate Law and overseeing compliance with other applicable laws.
6. **Information Technology:** Knowledge and experience in the strategic use and governance of information management and information technology within the organization.
7. **Commercial:** broad range of commercial/business experience in areas including communications, marketing, branding and business systems, practices and improvement.
8. **Marketing:** Knowledge of and experience in marketing services to business clients.

**Directors:**

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

**Mr. Sharadchandra Abhyankar:** Mr. Sharadchandra Abhyankar is a Solicitor and Advocate by profession. He has professional expertise of more than 30 years in various branches of law including corporate laws, securities laws, anti-trust laws, telecom regulations, constitutional litigation and international commercial arbitrations. He is member of the Bombay Incorporated Law Society and has been a Registered Patent and Trade Mark Attorney. He has advised on complex regulatory issues relating to digital signatures, corporate restructuring, mergers and acquisitions in various manufacturing and services sectors.

He has authored several articles on various legal subjects in Indian and International journals and is a Guest Faculty at numerous seminars for professions. He has been a part-time faculty on various legal subjects at the Government Law College, Mumbai for more than 27 years. He conducts specialized sessions on Business Ethics and Corporate Governance across various industry sectors and professional bodies. He is member of Advisory Committee and drafting committee of the NSE Centre for Excellence in Corporate Governance.

**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:**

The main responsibility of the Committee is to formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company as specified in Companies Act, 2013, recommending the expenditure on CSR activities & monitoring the activities undertaken from time to time.

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 2018-2019 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	2
Mr. Sharadchandra Abhyankar, Member	Independent and Non-Executive Director	4
Dr. Sumit Chowdhury, Member**	Independent and Non-Executive Director	2

\* Mr. Sanjay Mehta resigned as director of the Company w. e. f. 14<sup>th</sup> August, 2018 and ceased to be member of the Committee.

\*\* Appointed as a member of CSR Committee w.e.f. 14<sup>th</sup> August, 2018.

During the Financial Year ended 31<sup>st</sup> March, 2019, the Committee met four times on 16<sup>th</sup> April, 2018, 19<sup>th</sup> July, 2018, 29<sup>th</sup> October, 2018 and 14<sup>th</sup> January, 2019.

The Company has in place a CSR Policy formulated by the Committee and approved by the Board of Directors. During the Financial Year 2018-19, the Committee approved the CSR activities and monitored the progress on CSR activities undertaken by the Company on quarterly basis. The Company has been able to spend the mandatory 2% of average net profits of immediately preceding 3 years on various CSR activities, the details of which are given in CSR Report approved by the Committee and attached to the Director's Report. The CSR Policy is uploaded on Company's website at [www.abmindia.com](http://www.abmindia.com).

**E) RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee of the Company comprises Mr. Prakash B. Rane as the Chairman and Mr. Sharadchandra Abhyankar and Mr. Govind Singh Chauhan as members of the Committee.

The Risk Management Committee is responsible for ensuring the effectiveness of the risk management framework of the Company, focusing on the strategic risks and reviewing the progress of the mitigation plan. It reviews, assesses the quality, integrity and effectiveness of the Risk Management plan and systems and ensures that the risk policies and strategies are effectively managed by the management and that risks taken are within the agreed tolerance and appetite levels.

During the Financial Year ended 31<sup>st</sup> March, 2019, the Committee met twice on 14<sup>th</sup> May, 2018 and 5<sup>th</sup> January, 2019 for reviewing the Company level risks and mitigation plans and actions.

**Code for prevention of insider-trading practices:**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices And Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the

unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mrs. Sarika Ghanekar, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code. In line with the requirements of amendments to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has amended the Code.

**Whistle Blower Policy:**

The Company promotes ethical behaviour in all its business activities and in line with the best governance practices, Pursuant to Section 177(9) and (10) of the Act, Regulation 4(2)(d) of Chapter II of the Listing Regulations and Regulation 9A (6) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Whistle Blower Policy, as part of vigil mechanism through which Directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal.

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. Adequate safeguards have been provided in the policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. Audit Committee periodically reviews the existence and functioning of this mechanism. The Company has provided dedicated email address [whistleblower@abmindia.com](mailto:whistleblower@abmindia.com) for reporting such concerns. The details of establishment of vigil mechanism are available on the website of the Company.

**Fees paid to Auditors :**

Total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the M/s. Borkar & Muzumdar, Chartered Accountants Statutory Auditors and all the entities in the network firm / network entity of which Statutory Auditors forms part of the Explanatory Statement to the Notice of Annual General Meeting at page 9.

**Certification by Chief Executive Officer:**

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

**III. SHAREHOLDERS' INFORMATION:**

**a) General Information:**

**26<sup>th</sup> Annual General Meeting**

Date	: 16 <sup>th</sup> August, 2019
Time	: 10.30 a.m.
Venue	: 1 <sup>st</sup> Floor, Dadar Bhagini Samaj, 3 <sup>rd</sup> Lane, Hindu Colony, Dadar (E), Mumbai- 400 014
Date of Book Closure	: 10 <sup>th</sup> August, 2019 to 16 <sup>th</sup> August, 2019 (both days inclusive)
Dividend Payment Date	: On or before September 15 <sup>th</sup> , 2019 (Subject to shareholders' approval)
Corporate Identity Number (CIN)	: 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
23 <sup>rd</sup> AGM on 12.08.2016	11.00 a.m.	Dadar Bhagini Samaj, 1 <sup>st</sup> 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.
24 <sup>th</sup> AGM on 27.07.2017	11.00 a.m.	Dadar Bhagini Samaj, 1 <sup>st</sup> Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	-
25 <sup>th</sup> AGM on 08.08.2018	10.30 a.m.	Dadar Bhagini Samaj, 1 <sup>st</sup> Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	i) Special Resolution passed for approval for payment of remuneration to Mr. Prakash B. Rane, Managing Director of the Company. ii) Special Resolution passed for determination of fees to be charged for service of documents in a particular mode.

**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 2019-2020  
(Tentative and subject to change)**

- Financial Results for the:
 

Quarter ending 30 <sup>th</sup> June, 2019	Within 45 days of end of respective quarter
Quarter ending 30 <sup>th</sup> September, 2019	
Quarter ending 31 <sup>st</sup> December, 2019	
- **Year ending 31<sup>st</sup> March, 2020** By 30<sup>th</sup> May, 2020
- **Annual General Meeting 2019-2020** By September, 2020

**IV. OTHER DISCLOSURES:**

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of Companies Act, 2013 and other relevant provision of the Act while preparing financial statements.

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

**Compliance with Secretarial Standards:**

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial standards (SS) on various aspects of corporate law and practices. The Company has complied with the SS -1 on Board Meetings and SS - 2 on General Meetings.

**Disclosure on Materially Significant Related Party Transactions:**

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

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

**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.

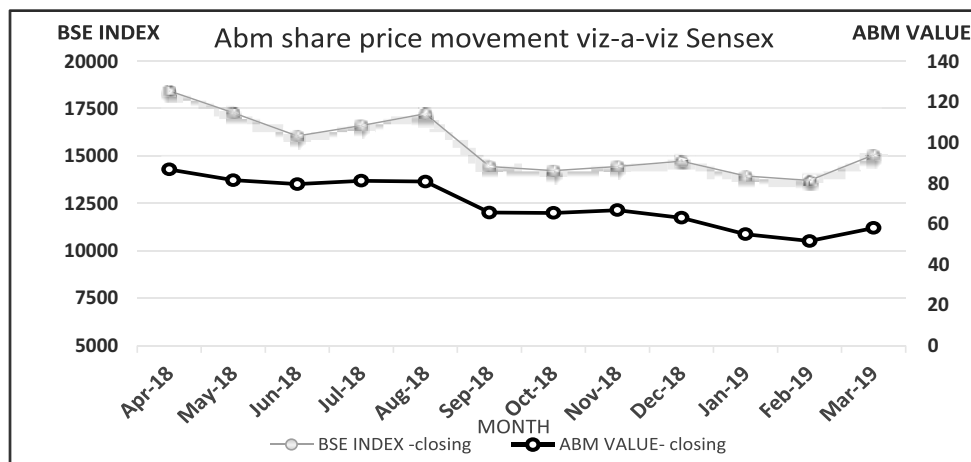
**Listing At Stock Exchange:**

The Equity Shares of the Company are listed at The Bombay Stock Exchange Limited, Dalal Street, Fort, Mumbai Code No. ABMKNOWLEDGE: 531 161 and the Company has duly paid the Listing fees as applicable to the Company.

**Listing and Market Price Data:**

The high and low prices of every month during the financial year 2018-2019 are given below:

Month	High	Low	Close	Volume (Number)
April 2018	94.75	77.75	92.70	92,884
May 2018	96.95	86.00	87.05	1,11,116
June 2018	94.00	82.40	85.00	94,768
July 2018	92.50	84.50	86.75	92,780
August 2018	99.00	84.20	86.30	92,523
September 2018	93.50	70.00	70.00	1,06,790
October 2018	77.00	65.00	69.85	22,130
November 2018	86.00	65.15	71.30	53,423
December 2018	73.90	65.10	67.30	85,296
January 2019	72.00	56.20	58.65	1,01,315
February 2019	66.50	51.10	55.05	95,603
March 2019	74.90	57.00	61.90	48,037



**Share Transfer System:**

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to the M/s. Universal Capital Securities Pvt. Ltd., Registrar & Share Transfer Agent of the Company. Stakeholders' Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the Company Secretary of the Company. A summary of all the transfers/ transmissions etc. so approved by Company Secretary of the Company is placed at every Committee meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

The Company obtains, from a Company Secretary in practice, half yearly certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

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

**Shareholding Pattern and Distribution of Shares - as at 31<sup>st</sup> March, 2019:**

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	2478	73.140	374322	1.871
NRIs / OCBs	2366012	11.83	501-1000	443	13.076	359723	1.789
Indian Public	2995939	14.98	1001-2000	213	6.287	335456	1.677
Bodies Corporate	1121860	5.61	2001-3000	58	1.712	153720	0.769
Others:	-	-	3001-4000	38	1.122	140278	0.701
HUF	183095	0.92	4001-5000	33	0.974	154252	0.771
Clearing Members/ Foreign Nationals / Mutual Funds / NBFCs registered with RBI	84793	0.42	5001-10000	64	0.974	459174	2.296
IEPF A/c	263322	1.32	10001-Above	61	1.800	18025275	90.116
<b>Total</b>	<b>20002200</b>	<b>100.00</b>		<b>3388</b>	<b>100.00</b>	<b>20002200</b>	<b>100.00</b>

**Dematerialization of Shares:**

The Shares of the Company are compulsory traded in the dematerialized form on Stock Exchange by all investors. As on 31<sup>st</sup> March, 2019, 86.08% 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.

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

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

The dividend for following years (see table below), which remains unclaimed for seven years from the date it is lying in the unpaid dividend account, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not encashed their dividend warrants relating to the dividends specified below are requested to immediately send



their request for issue of duplicate warrants. The details of dividends specified below are available on the website of the Company [www.abmindia.com](http://www.abmindia.com). Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, w.e.f. September 7, 2016, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. [www.iepf.gov.in](http://www.iepf.gov.in).

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

Financial Year	Date of Declaration	Last Date for claiming unpaid dividend (before)
2006-2007	26.09.2007	Transferred to IEPF
2007-2008	25.09.2008	Transferred to IEPF
2008-2009	25.08.2009	Transferred to IEPF
2009-2010	29.07.2010	Transferred to IEPF
2010-2011	25.08.2011	Transferred to IEPF
2011-2012	25.07.2012	28.08.2019
2012-2013	24.07.2013	27.08.2020
2013-2014	18.09.2014	22.10.2021
2014-2015	20.08.2015	24.09.2022
2015-2016	12.08.2016	30.09.2023
2016-2017	27.07.2017	01.09.2024
2017-2018	08.08.2018	13.09.2025

**Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPF) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years :**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPF) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits, if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPF can be claimed back by the shareholder from IEPF by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Consequent to the above, during the financial year 2018-19, 8420 equity shares of the Company were transferred to the IEPF. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. Relevant details of such shares is available on the website of the Company [www.abmindia.com](http://www.abmindia.com).

**Governance of Subsidiary Companies:**

InstaSafe Technologies Private Limited (“Instasafe”) is subsidiary of ABM. InstaSafe has incorporated a wholly owned subsidiary Company by name “InstaSafe Inc” in Delaware, United State of America. The operations and performance of the subsidiary company is reviewed on a quarterly basis as under:

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

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

The Company has adopted a Policy for determining Material Subsidiary in line with the requirements of the Listing Regulations and the same is disclosed on the website of the Company. The Company does not have a material subsidiary as on date of this report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company.

**Proceeds from Preferential allotment or Qualified Institutional Placement etc.:**

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

**Credit Ratings:**

CRISIL has given the credit rating of CRISIL BBB+/ Stable for debt instrument / facilities of the Company.

**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](http://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.
13. Policy on preservation of documents
14. Policy for determining Material Subsidiary
15. Archival Policy
16. Policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information

**Means of Communication:**

- a) The quarterly, half yearly and annual results are published in *Navshakti* (in Marathi) and *Free Press Journal* (in English) within 48 hours from the date of declaration. These are not sent individually to the Shareholders.
- b) The Company's website [www.abmindia.com](http://www.abmindia.com) contains a dedicated functional segment called "Investors" where all the information needed by the shareholders is available, including the Shareholding pattern, Financial Results, Annual Reports, Notices etc.
- c) The Company's dedicated email address for Investors' Complaints and other communications is [egovernance@abmindia.com](mailto:egovernance@abmindia.com).
- d) SCORES (SEBI complaints redressal system): SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- e) All price sensitive information and matters that are material to Members are disclosed to the Stock Exchange where the securities of the Company are listed. The Quarterly Results, Corporate Governance Report, Shareholding Pattern and all other corporate communications to the Stock Exchange are filed through BSE Listing Centre, for dissemination on their website.
- f) The Management Discussion & Analysis Report forms part of this Annual Report.

**For and on behalf of the Board**

**Date: 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

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

**Sharadchandra D. 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 31<sup>st</sup> March, 2019 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 : 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

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

**Paresh Golatkar**  
**Chief Financial Officer**

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**

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

**To The Members of**

**ABM KNOWLEDGEWARE LIMITED**

We have examined the compliance of conditions of Corporate Governance by ABM KNOWLEDGEWARE LIMITED ('the Company') for the year ended 31<sup>st</sup> March, 2019, as stipulated in stipulated in Regulations 17 to 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 31<sup>st</sup> March, 2019.

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

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

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

**Deepak Kumar Jain**  
**Partner**  
**(M.No. 154390)**

**Date: 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

[Pursuant to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To**

**The Board of Directors**  
**ABM Knowledgeware Ltd.**  
 ABM House, Plot No. 268  
 Linking Road, Bandra(W)  
 Mumbai- 400 050

I have examined the registers, records, books, form, returns and disclosures received from the Directors of ABM Knowledgeware Limited, (CIN L67190MH1993PLC113638), having Registered Office at ABM House, Plot No. 268, Linking Road, Bandra(West) Mumbai-400050 (the Company), produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification(including Director Identification Number(DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31<sup>st</sup> March, 2019 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and / or Ministry of Corporate Affairs:

<b>Sr. No.</b>	<b>Name of the Director &amp; DIN</b>	<b>Designation</b>	<b>Date of Appointment in the Company</b>
1	Mr. Prakash B. Rane (DIN: 00152393)	Managing Director	27/04/2000
2	Mrs. Supriya P. Rane (DIN: 00152890)	Non-Executive Director	27/04/2000
3	Mr. Sharadchandra Abhyankar (DIN: 00108866)	Independent Director	28/10/2010
4	Dr. Sumit D. Chowdhury (DIN: 06705320)	Independent Director	28/03/2016
5	Mr. Devendra Parulekar (DIN: 02117586)	Independent Director	10/08/2018

**Note:** Ensuing the eligibility for appointment / continuing as Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of documents / information available to me. This certificate is neither and assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date : 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

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

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**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2019**

[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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 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 exists 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.

**Date : 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

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

**ANNEXURE A**

**To,  
The Members,  
ABM Knowledgeware Ltd.**

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

**Date : 24<sup>th</sup> May, 2019  
Place: Mumbai**

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



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**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF****ABM KNOWLEDGEWARE LIMITED****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of **ABM KNOWLEDGEWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We conclude that there are no key audit matters to be reported.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's report, including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this our auditor's report

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decision of the reasonably knowledgeable user of the of the financial statement may be influenced. We considered quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the result of our work, and (ii) evaluate the effects of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charge with governance, we determine those matters that were of most significance in audit of standalone financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the 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 Ind AS specified under Section 133 of

- the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s Internal Financial Controls over the financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 2.31 to the standalone 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 amount, required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Deepak Kumar Jain  
Partner  
(M.No. 154390)**

**Date: 24<sup>th</sup> May, 2019  
Place: Mumbai**

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **ABM KNOWLEDGEWARE LIMITED**)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2019 we report that:

**i. FIXED ASSET**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanation given to us and on the basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

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

iii. The Company has not granted loans to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 (“the Act”);

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Act, with respect to the loans, securities, guarantee and investment made.

v. The Company has not accepted any deposits from the public.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered 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, employees' state insurance, value added tax, goods and service 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, employees' state insurance, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 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, goods and service tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Service Tax and Value added Tax have not been deposited by the Company on account of disputes:

Name of the statute	Name of Dues	F.Y. to which the matter pertains	Amount *(1) (in ₹ 000's)	Forum where dispute is pending
Finance Act, 1994	Service Tax	F.Y. 2014-17	1,143.67	Assistant Comm. Of ST

\* (1) Net of Amount paid under Protest.

- viii. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank and government. The Company has not issued any debentures.
- iv. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (ix) of the Order is not applicable in all these respects.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations give to us, the Company has paid /provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act, 2013 where applicable and the details of transactions with the related parties have been disclosed in the standalone financial statements as required by applicable Indian Accounting Standard.
- xiv. According the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Date: 24<sup>th</sup> May, 2019  
Place: Mumbai**

**Deepak Kumar Jain  
Partner  
(M.No. 154390)**

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **ABM KNOWLEDGEWARE LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of ABM KNOWLEDGEWARE LIMITED (“the Company”) as of March 31, 2019 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

**Date: 24<sup>th</sup> May, 2019**

**Place: Mumbai**

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

**Deepak Kumar Jain  
Partner  
(M.No. 154390)**



**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(In ₹ Thousand)

Particulars	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
a) Property, plant and equipment	2.03	4,57,011	4,61,375
b) Capital work-in-progress	2.03	867	-
c) Intangible assets	2.03	78	3,280
d) Financial assets			
i) Investment	2.04	79,276	81,954
ii) Loans	2.05	12,898	11,989
iii) Others	2.06	4,305	21,713
e) Other Non-Current Assets	2.07	13,574	15,910
<b>Total non-current assets</b>		<b>5,68,009</b>	<b>5,96,221</b>
<b>2 Current assets</b>			
a) Financial assets			
i) Investments	2.08	4,17,406	2,76,355
ii) Trade receivables	2.09	1,93,468	5,25,267
iii) Cash and cash equivalents	2.10	3,01,133	26,643
iv) Bank balances other than cash and cash equivalents	2.11	45,755	17,599
v) Loans	2.12	19,858	11,796
vi) Others	2.13	12,060	7,017
vii) Current tax assets (Net)	2.14	22,728	49,391
b) Other current assets	2.15	1,35,434	61,083
<b>Total current assets</b>		<b>11,47,842</b>	<b>9,75,151</b>
<b>TOTAL ASSETS</b>		<b>17,15,851</b>	<b>15,71,372</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
a) Equity share capital	2.16	1,02,415	1,02,415
b) Other equity	2.17	14,77,973	13,50,263
<b>Total equity</b>		<b>15,80,388</b>	<b>14,52,678</b>
<b>2. LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Deferred tax liabilities (Net)	2.18	79,910	79,110
b) Other non-current liabilities	2.19	2,227	2,227
<b>Total non-current liabilities</b>		<b>82,137</b>	<b>81,337</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Trade payables			
a) Trade payables- outstanding dues to micro and small enterprises	2.20	-	-
b) Trade payables- outstanding dues to other than micro and small enterprises	2.20	9,143	11,756
ii) Other financial liabilities	2.21	16,438	7,278
b) Other current liabilities	2.22	27,745	18,323
<b>Total current liabilities</b>		<b>53,326</b>	<b>37,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,15,851</b>	<b>15,71,372</b>

Notes 1.1 to 2.40 form an integral part of these financial statements

**This is the Balance Sheet referred to in our audit report of even date**
**For Borkar & Muzumdar**

Chartered Accountants

**Firm Registration No.:101569W**
**Deepak Kumar Jain**

Partner

**Membership No.: 154390**

Mumbai

 24<sup>th</sup> May, 2019

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

(DIN : 00152393)

**Sharadchandra D. Abhyankar - Director**

(DIN : 00108866)

**Sarika A. Ghanekar - Company Secretary**
**Paresh M. Golatkar - Chief Financial Officer**

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
(In ₹ Thousand)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>1. Income</b>			
a) Revenue From Operations	2.23	5,50,462	6,05,826
b) Other Income	2.24	41,986	23,912
<b>Total Income</b>		<b>5,92,448</b>	<b>6,29,738</b>
<b>2. Expenses:</b>			
a) Operating expense		43,778	35,160
b) Employee benefits expense	2.25	2,33,437	2,95,723
c) Finance costs	2.26	2,550	2,934
d) Depreciation and amortisation expense	2.27	14,387	15,931
e) Rent expenses		5,946	9,664
f) Travelling and conveyance expenses		7,500	33,173
g) Impairment losses	2.28	12,610	7,165
h) Other expenses	2.29	47,129	38,421
<b>Total Expenses</b>		<b>3,67,337</b>	<b>4,38,170</b>
<b>3. Profit before exceptional items and tax (1-2)</b>		<b>2,25,111</b>	<b>1,91,568</b>
<b>4. Exceptional Item</b>		-	-
<b>5. Profit before tax (3-4)</b>		<b>2,25,111</b>	<b>1,91,568</b>
<b>6. Tax expense:</b>			
a) Current tax	2.30	66,537	63,252
b) Deferred tax		800	(16,227)
<b>7. Profit for the year from continuing operations (5-6)</b>		<b>1,57,774</b>	<b>1,44,543</b>
<b>8. Other comprehensive income (OCI)</b>			
<b>Items that will not to be reclassified to profit or loss</b>			
Measurements of defined employee benefit plans	2.33	46	633
Fair value changes of investments in equity shares		(5)	(19)
Income tax effect on the above	2.30	(12)	(212)
<b>Total Other Comprehensive Income (OCI) net of Tax</b>		<b>29</b>	<b>402</b>
<b>9. Total comprehensive income for the year (7+8)</b>		<b>1,57,803</b>	<b>1,44,945</b>
<b>10. Earnings per equity share of ₹ 5 each</b>			
a) Basic (₹)	2.32	7.89	7.25
b) Diluted (₹)	2.32	7.89	7.25

Notes 1.1 to 2.40 form an integral part of these financial statements

**This is the Statement of Profit & Loss referred to in  
our audit report of even date**
**For Borkar & Muzumdar**

Chartered Accountants

**Firm Registration No.:101569W**
**Deepak Kumar Jain**

Partner

**Membership No.: 154390**

Mumbai

24<sup>th</sup> May, 2019

**For and on behalf of the Board of Directors**  
**Prakash B. Rane - Managing Director**  
(DIN : 00152393)

**Sharadchandra D. Abhyankar - Director**  
(DIN : 00108866)

**Sarika A. Ghanekar - Company Secretary**
**Paresh M. Golatkar - Chief Financial Officer**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

( In ₹ Thousand)

Particulars	2018-2019	2017-2018
<b>Cash flow from operating activities</b>		
Profit Before Tax	2,25,111	1,91,568
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	14,387	15,931
Interest income	(3,380)	(13,269)
Interest Income on Preference shares accounted at FVTPL	(958)	-
Impairment expense of Trade receivable	5,260	6,002
Impairment on non current/current assets	7,350	1,163
Remeasurement of defined benefit obligation	46	(633)
Fair valuation loss on preference shares	2,547	1,391
Change in fair value of financial assets measured at fair value through profit or loss	(24,804)	(1,346)
Dividend income	(8,141)	(8,249)
Finance costs	2,550	3,158
Other adjustment	-	-
	<b>2,19,968</b>	<b>1,95,717</b>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	3,31,799	(3,76,942)
Increase/(decrease) in trade payables	(2,613)	2,864
Decrease/(increase) in loans & other financial assets	3,394	45,778
Decrease/(increase) in other bank balance	(28,156)	1,18,862
Decrease/(increase) in other non-current assets	(5,014)	6,074
Decrease/(increase) in other current assets	(79,612)	32,070
Increase/(decrease) in provisions		
Increase/(decrease) in other financial Liability	9,159	(6,727)
Increase/(decrease) in other current liabilities	9,422	6,986
Increase/(decrease) in other non-current liabilities	-	-
<b>Cash generated from operations</b>	<b>2,38,380</b>	<b>(1,71,034)</b>
<b>Direct taxes paid (net of refunds)</b>	<b>(47,002)</b>	<b>(81,331)</b>
Prior Period Adjustment	-	-
<b>Net cash flow generated /(used in) operating activities (A)</b>	<b>4,11,346</b>	<b>(56,650)</b>
<b>Cash flow from investing activities</b>		
Purchases of fixed assets, including capital work-in-progress and capital advances	(7,745)	(3,681)
Payments for purchase of investments	(10,66,500)	(5,39,397)
Loans to employees and related parties		
Proceeds from sale of investments	9,58,511	4,02,314
Investment in subsidiaries	-	(92,793)
Interest received	3,380	13,269
Dividends received	8,141	8,249
<b>Net cash flow generated / (used in) investing activities (B)</b>	<b>(1,04,213)</b>	<b>(2,12,039)</b>

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

( In ₹ Thousand)

Particulars	2018-2019	2017-2018
<b>Cash flows from financing activities</b>		
Finance Cost	(2,550)	(3,158)
Dividends paid to equity shareholders	(30,093)	(30,093)
<b>Net cash flow generated/(used in) in financing activities (C)</b>	<u>(32,643)</u>	<u>(33,250)</u>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<u>2,74,490</u>	<u>(3,01,939)</u>
Cash and cash equivalents at the beginning of the year	<u>26,643</u>	<u>3,28,582</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>3,01,133</u>	<u>26,643</u>
<b>Cash and cash equivalents as per note 2.10 to the financial statements</b>		
Balance with Bank	2,98,114	26,041
Cash on hand	388	602
Cheques in hand	2,631	-
<b>Total</b>	<u>3,01,133</u>	<u>26,643</u>

Notes 1.1 to 2.40 form an integral part of these financial statements

Note:

The Cash Flow Statement has been prepared under Indirect Method as set out in Indian Accounting Standard (Ind AS)-7, Statement of Cash Flows.

**This is the Cash Flow Statement referred to in our audit report of even date**

**For Borkar & Muzumdar**  
Chartered Accountants  
**Firm Registration No.:101569W**  
**Deepak Kumar Jain**  
Partner  
**Membership No.: 154390**  
Mumbai  
24<sup>th</sup> May, 2019

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

**Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2019**

( In ₹ Thousand)

Particulars	Equity Share Capital	Other Equity				Total
		Reserve and Surplus		Items of OCI		
		General Reserve	Retained Earnings	Equity instrument through OCI	Other items of OCI	
As at 1 April , 2017	1,02,415	30,805	12,04,163	57	386	12,35,411
Profit for the year		-	1,44,543	-	-	1,44,543
Measurements of defined employee benefit plans (net of tax)		-	-	-	421	421
Fair value changes of investments in equity shares		-	-	(19)	-	(19)
Equity dividend and Dividend Distribution Tax		-	(30,093)	-	-	(30,093)
<b>Balance as on March 31, 2018</b>	<b>1,02,415</b>	<b>30,805</b>	<b>13,18,613</b>	<b>38</b>	<b>807</b>	<b>13,50,263</b>
As at 1 April , 2018	1,02,415	30,805	13,18,613	38	807	13,50,263
Profit for the year			1,57,774	-	-	1,57,774
Measurements of defined employee benefit plans (net of tax)			-	-	34	34
Fair value changes of investments in equity shares			-	(5)	-	(5)
Equity dividend and Dividend Distribution Tax			(30,093)	-	-	(30,093)
<b>Balance as on March 31, 2019</b>	<b>1,02,415</b>	<b>30,805</b>	<b>14,46,294</b>	<b>33</b>	<b>841</b>	<b>14,77,973</b>

Notes 1.1 to 2.40 form an integral part of these financial statements

**This is the Statement of changes in equity referred to in our report of even date**

**For Borkar & Muzumdar**  
Chartered Accountants  
**Firm Registration No.:101569W**  
**Deepak Kumar Jain**  
Partner  
**Membership No.: 154390**  
Mumbai  
24<sup>th</sup> May, 2019

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

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019****Notes to the Standalone Financial Statements for the year ended March 31, 2019****1. COMPANY BACKGROUND:**

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

**2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS****SIGNIFICANT ACCOUNTING POLICIES:****a. Basis of Preparation of Financial Statements:**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (India Accounting Standard) (Amendment) Rules 2016 and other relevant provision of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements of the Company have been prepared and presented in accordance with Ind AS.

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

**b. Use of estimates, assumptions and judgements**

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

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

**3. Summary of Significant Accounting Policies:****a) Current vs non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

#### **b. Revenue**

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

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) 'Revenue from contracts with customers' using the cumulative transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 1 "Significant Accounting policies" in the Group's 2018 annual report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on service rendered by the seller on behalf of the government. Accordingly, it is initially included and subsequently gets excluded from the gross revenue.

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

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

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

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

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

goods sold.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Accrued revenues are recognised when there is excess of revenue earned over billings on contracts. Accrued revenues are classified as accruals - receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue is recognised when there are billings in excess of revenues.

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

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

### **c. Property, Plant and Equipment**

Measurement and recognition:

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

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

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

Capital work in progress and Capital advances:

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

#### **Depreciation:**

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



( In Years)

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

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

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

All assets Costing up to Rs 5000/- are expensed out in the year of purchase/use.

Derecognition:

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

### **Intangible Assets**

Measurement at recognition:

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

Amortization:

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

<b>Assets</b>	<b>Life</b>
<b>Software</b>	<b>1 - 8 years</b>

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

Derecognition:

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

**d. Impairment of Assets:**

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

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

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

**e. Leases:**

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

**f. Borrowing costs**

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

**g. Financial Instruments**

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

**Initial Recognition and Measurement – Financial Assets and Financial Liabilities**

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

**Classification and Subsequent Measurement: Financial Assets.**

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

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

**Amortized Cost:**

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

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

**FVTOCI:**

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

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

**FVTPL:**

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

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

**h) Impairment of Financial Assets:**

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

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

Classification and Subsequent measurement: Financial Liabilities

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

**Financial Liabilities at FVTPL:**

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

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

**Other Financial Liabilities:**

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

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

**Derecognition of Financial Assets and Financial Liabilities:**

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

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

**i. Investment in Subsidiaries:**

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

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

**j. Derivatives Financial instruments and hedge accounting**

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

Instruments'.

Recognition and measurement of fair value hedge:

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

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

#### **k. Fair Value**

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

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

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

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

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

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

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

#### **I. Foreign Currency Translation**

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that

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

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

#### **m. Income Taxes**

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

Current tax:

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

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

Deferred tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

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

**n. Provisions and Contingencies**

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

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

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

**o. Cash and Cash Equivalents**

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

**p. Gratuity and other post-employment benefits****a) Short-term obligations:**

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

**b) Post-employment obligations:**

The Company operates the following post-employment schemes:

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

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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

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

**q. Defined contribution plans:**

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

**r. Other long-term employee benefit obligations:**

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

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

**s. Earnings per share**

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

**t. Cash dividend to equity holders of the Company**

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

**u. Reclassification of financial assets**

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



**v. Offsetting of financial instruments**

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

**4. Recent accounting pronouncements****Ind AS 116 : Leases**

On 30<sup>th</sup> March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1<sup>st</sup> April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

**Ind AS 12 : Income taxes**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

**Significant accounting policies and other explanatory information as at  
and for the year ended March 31, 2019**

**Note 2.03 Property, Plant and Equipment**

( In ₹ Thousand)

Particulars	Gross Carrying Value						Accumulated depreciation				Net Block	
	As at 1 <sup>st</sup> April 2018	Additions during the Period	Deletions during the year	Adjust- ments	Transfers	As at 31 <sup>st</sup> march 2019	As at 1 <sup>st</sup> April 2018	Depreciation For the year	Deduction or Adjustment	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	
<b>Property, Plant &amp; Equipments</b>												
Computers	2,101	147	-	-	-	2,248	1,174	433	-	1,607	927	
Office Equipments	6,594	2,372	889	-	-	8,077	4,537	1,016	836	4,717	2,057	
Furniture	9,226	4,359	26	-	-	13,559	2,086	1,196	21	3,261	7,140	
Motor Car	11,036	-	-	-	-	11,036	1,770	1,466	-	3,236	9,266	
Office Premises	4,67,792	-	-	-	-	4,67,792	25,807	7,073	-	32,881	4,41,985	
<b>Total</b>	<b>4,96,749</b>	<b>6,878</b>	<b>915</b>	<b>-</b>	<b>-</b>	<b>5,02,712</b>	<b>35,374</b>	<b>11,184</b>	<b>857</b>	<b>45,701</b>	<b>4,61,375</b>	
<b>Intangible Assets</b>												
Computers Software	9,629	-	-	-	-	9,629	6,349	3,202	-	9,551	3,280	
<b>Grand Total</b>	<b>5,06,378</b>	<b>6,878</b>	<b>915</b>	<b>-</b>	<b>-</b>	<b>5,12,341</b>	<b>41,723</b>	<b>14,386</b>	<b>857</b>	<b>55,252</b>	<b>4,64,655</b>	
<b>Previous year</b>	<b>5,02,697</b>	<b>3,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,06,378</b>	<b>25,793</b>	<b>15,931</b>	<b>-</b>	<b>55,252</b>	<b>4,76,905</b>	
<b>Capital work-in-progress</b>	<b>-</b>	<b>4,944</b>	<b>-</b>	<b>-</b>	<b>4,077</b>	<b>867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,723</b>	<b>-</b>	

**Significant accounting policies and other explanatory information as at  
and for the year ended March 31, 2019**

( In ₹ Thousand)

Particulars	Gross Carrying Value						Accumulated depreciation				Net Block	
	As at 1 <sup>st</sup> April 2017	Additions during the Period	Deletions during the year	Adjust- ments	Transfers	As at 31 <sup>st</sup> march 2018	As at 1 <sup>st</sup> April 2017	Depreciation For the year	Deduction or Adjustment	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	
<b>Property, Plant &amp; Equipments</b>												
Computers	1,973	1129	-	-	-	2,101	606	568	-	1,174	927	
Office Equipments	6,514	80	-	-	-	6,594	2,262	2,275	-	4,537	2,057	
Furniture	5,930	3,296	-	-	-	9,226	737	1,349	-	2,086	7,140	
Motor Car	11,036	-	-	-	-	11,036	304	1,466	-	1,770	9,266	
Office Premises	4,67,792	-	-	-	-	4,67,792	18,733	7,074	-	25,807	4,41,985	
<b>Total</b>	<b>4,93,245</b>	<b>3,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,96,749</b>	<b>22,643</b>	<b>12,732</b>	<b>-</b>	<b>35,374</b>	<b>4,61,375</b>	
<b>Intangible Assets</b>												
Computers Software	9,452	177	-	-	-	9,629	3,150	3,199	-	6,349	3,280	
<b>Grand Total</b>	<b>5,02,697</b>	<b>3,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,06,378</b>	<b>25,793</b>	<b>15,931</b>	<b>-</b>	<b>41,723</b>	<b>4,64,655</b>	
<b>Previous year</b>	<b>4,97,500</b>	<b>7,006</b>	<b>1,810</b>	<b>-</b>	<b>-</b>	<b>5,02,697</b>	<b>-</b>	<b>26,746</b>	<b>954</b>	<b>25,793</b>	<b>4,76,904</b>	
<b>Capital work-in-progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019

**Note 2.04 Non Current Investments**

( In ₹ Thousand)

Particulars	Face Value	As at 31 <sup>st</sup> March			
		2019		2018	
		No	Amount	No	Amount
<b>Investment in equity instruments</b>					
<b>Quoted</b>					
<b>Investments measured at Fair value through Other Comprehensive Income (FVTOCI)</b>					
Canara Bank Limited	10	-	-	500	132
<b>Unquoted</b>					
<b>Investment in Subsidiary</b>					
Instasafe Technologies Private Limited	10	25,225	32,793	25,225	32,793
Total (equity instrument)					
<b>Unquoted</b>					
<b>Investments in preference shares</b>					
<b>Investments measured at Fair value through profit and loss</b>					
Compulsory Convertible preference shares of Instasafe Technologies Private Limited	170	71,259	46,483	71,259	49,030
<b>Total Non-current Investments</b>			<b>79,276</b>	-	81,954
Aggregate books value of quoted Investments			-		132
Aggregate market value of investments designated at FVTOCI			-		132
Aggregate amount of unquoted investments			<b>79,276</b>		81,822

**Note 2.05 Non Current Loans**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March	
	2019	2018
<b>Security Deposits</b>		
Unsecured, considered good	2,361	2,410
<b>Loans to related party</b>		
Loan to Subsidiary Company		
Secured, considered good	-	-
Unsecured, considered good	10,537	9,579
Loans to related party which have increase in credit risk	-	-
Less - Allowance doubtful debts (expected credit loss)	-	-
Loan to related party credit impaired	-	-
<b>Total Non Current Loans</b>	<b>12,898</b>	11,989

**Note: 2.06 Others Non Current Financial Asset**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Deposits with bank</b>		
- with maturity period of more than 12 months *	4,305	21,713
<b>Total others non current financial asset</b>	<b>4,305</b>	21,713

\* Amount held as margin money or security against Bank Guarantee ₹ 4,204 and Previous year ₹ 17,417.

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.07 Other Non Current Assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Advances other than capital advance</b>		
CENVAT/VAT receivable	-	540
Security/margin deposit	2,227	2,227
Employee benefit assets	2,413	1,642
Income tax receivable	5,872	-
Prepaid expenses	437	1,526
	<b>10,949</b>	<b>5,935</b>
<b>Advances to other parties</b>		
Unsecured, considered good	2,625	9,975
Unsecured, considered doubtful	7,875	525
Less: Provision for doubtful advance	(7,875)	(525)
	<b>2,625</b>	<b>9,975</b>
<b>Total</b>	<b>13,574</b>	<b>15,910</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Investment in mutual funds</b>		
Quoted		
Investments carried at fair value through the statement of profit and loss		
(i) 8,788 Units of Baroda Pioneer Mutual fund - Dividend reinvestment (March 2018: 37,207 units)	<b>8,866</b>	37,538
(ii) 2,50,000 Units Canara Rebeco - Capital Protection Fund - Series 7 (March 2018: 2,50,000 units)	<b>2,892</b>	2,734
(iii) 2,50,000 Units of Canara Rebeco - Capital Protection Fund - Series 8 (March 2018: 2,50,000 units)	<b>2,776</b>	2,610
(iv) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 9 (March 2018: 1,00,000 units)	<b>1,071</b>	1,007
(v) 4,03,624 Units of Canara Rebeco Savings Plus Fund - Regular Growth (March 2018: 16,83,977)	<b>11,799</b>	45,781
(vi) 19,96,408 Units of Canara Rebeco Savings Plus Fund - Regular Plan-Dividend reinvestment (March 2018: 1,71,95,188 units)	<b>20,483</b>	1,76,423
(vii) 12 units of Reliance Liquid Fund-Treasury Plan - Divident reinvestment (March 2018: 11 units)	<b>18</b>	17
(viii) 3,15,052 units of Baroda Ultra Short Duration Fund - Direct plan-Regular Growth Dividend reinvestment (March 2018: Nil units)	<b>3,37,053</b>	-
(ix) 20,952 units of Canara Robeco Liquid - Regular Daily Dividend Plan (March 2018: Nil units)	<b>21,067</b>	-
(x) 10,000 units of Edelweiss Alpha Fund - Scheme I (March 2018: Nil units)	<b>10,371</b>	-
(xi) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 10 (March 2018: Nil units)	<b>1,010</b>	-
Unquoted		
<b>Investments carried at fair value through the statement of profit and loss:</b>		
(x) Trivantage Capital Management Private Limited	-	10,245
<b>Total</b>	<b>4,17,406</b>	<b>2,76,355</b>
Aggregate books value of quoted Investments	<b>4,17,406</b>	2,66,110
Aggregate market value of investments designated at FVTPL	<b>4,17,406</b>	2,66,110
Aggregate amount of unquoted investments	-	10,245

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.09 Trade Receivable**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	1,78,624	5,13,987
Trade receivable which have significant increase in credit risk	20,923	17,359
Less: Allowance for doubtful debts (expected credit loss)	(6,079)	(6,079)
Trade receivable - credit impaired	-	-
<b>Total trade receivables</b>	<b>1,93,468</b>	<b>5,25,267</b>

**Note 2.10 Cash and Cash Equivalents**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Balances with Banks</b>		
(i) In current accounts #	1,18,063	9,454
(ii) Deposits with original maturity less than 3 months	1,80,051	16,587
<b>Cash in hand</b>	<b>388</b>	<b>602</b>
<b>Cheques in hand</b>	<b>2,631</b>	<b>-</b>
<b>Total cash and cash equivalents</b>	<b>3,01,133</b>	<b>26,643</b>

# The current accounts are in form of bank overdrafts which 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 Society 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 B. Rane
- v) Personal Guarantees from director – Mr. Prakash B. Rane

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

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Earmarked balances in unclaimed dividend account	2,350	2,587
Fixed Deposits with maturity period of more than 3 months but less than 12 months **	43,405	15,012
<b>Total bank balances other than cash and cash equivalents</b>	<b>17,599</b>	<b>1,36,461</b>

\*\* Amount held as margin money or security against Bank Guarantee ₹ 38,903 and Previous year ₹ 15,012.

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.12 Current Loans**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Security deposits</b>		
Unsecured, considered good	19,460	11,526
Significant increase in credit risk	638	638
	<b>20,098</b>	12,164
Less: Provision for doubtful deposits	(638)	(638)
	<b>19,461</b>	11,526
<b>Loans and advances to employees</b>		
Unsecured, considered good	240	250
<b>Other loans and advances</b>	240	250
Unsecured, considered good	158	19
	<b>158</b>	19
<b>Total current loans</b>	<b>19,858</b>	11,796

**Note 2.13 Others financial assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Accruals - receivables	12,060	7,017
<b>Total others financial assets</b>	<b>12,060</b>	7,017

**Note 2.14 Current tax assets (Net)**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Tax provision	1,28,141	3,95,081
Less: tax paid	1,50,869	4,44,472
<b>Total current tax assets</b>	<b>22,728</b>	49,391

**Note 2.15 Other Current Assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Prepaid Expenses</b>	4,304	3,798
<b>Project under Process(WIP)</b>		
Unsecured, considered good	84,927	56,103
Unsecured, considered doubtful	6,011	751
Less: Provision for doubtful WIP	(6,011)	(751)
	<b>84,927</b>	56,103
<b>Advance to vendors</b>	34,378	-
<b>Balances with statutory / revenue authorities</b>		
- Goods & Service Tax	10,630	-
<b>Others</b>	1,195	1,183
<b>Total other current assets</b>	<b>1,35,434</b>	61,083

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**

Amounts in ₹ thousand, except for per equity share data and number of shares are stated in absolute figures.

**Note 2.16 Equity share capital**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,			
	2019		2018	
	Number	Amount	Number	Amount
<b>Authorised Share Capital</b> 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</b> Equity Shares of ₹ 5/- each at par with voting rights	2,07,00,000	1,03,500	2,07,00,000	1,03,500
<b>Subscribed &amp; Fully Paid up</b> Equity Shares of ₹ 5/- each at par with voting rights	2,00,02,200	1,00,011	2,00,02,200	1,00,011
<b>Subscribed but not fully Paid up</b>	Nil	Nil	Nil	Nil
<b>Forfeited Shares ( amount originally paid-up)</b> Equity Shares of ₹ 5/- each at par with voting rights	6,97,800	2,404	6,97,800	2,404
<b>Total</b>	<b>2,07,00,000</b>	<b>1,02,415</b>	<b>2,07,00,000</b>	<b>1,02,415</b>

**Note 2.16(i) Reconciliation of the number of shares outstanding and the amount of share capital as at the March 31, 2019 and as at March 31, 2018 as set out below.**

( In ₹ Thousand)

Equity shares	As at 31 <sup>st</sup> March,			
	2019		2018	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	2,07,00,000	1,02,415	2,07,00,000	1,02,415
Add:- Issued during the year	-	-	-	-
Less:- Forfeited during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,07,00,000</b>	<b>1,02,415</b>	<b>2,07,00,000</b>	<b>1,02,415</b>

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

( In ₹ Thousand)

Name of Shareholder	As at 31 <sup>st</sup> March,			
	2019		2018	
	No. of shares	% of Holding	No. of shares	% 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
<b>Total</b>	<b>1,19,96,300</b>	<b>59.98</b>	<b>1,19,96,300</b>	<b>59.98</b>

**Note 2.16(iii) Details of Shares forfeited**

( In ₹ Thousand)

Class of shares	As at 31 <sup>st</sup> March,			
	2019		2018	
	No. of Shares	Amount paid up	No. of Shares	Amount paid up
Equity Shares with voting rights	6,97,800	2,404	6,97,800	2,404
<b>Total</b>	<b>6,97,800</b>	<b>2,404</b>	<b>6,97,800</b>	<b>2,404</b>



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.16 (iv) Rights, preferences and restrictions attached to Equity shares**

The Company has a only one class of share referred as Equity shares having par value of ` 5 per share. Each Shareholder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the company after distribution of all preferential amounts in proportion to no. of shares held.

**Note 2.17 Other Equity**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
General reserve	30,805	30,805
Retained earning	14,47,168	13,19,458
<b>Total Other Equity</b>	<b>14,77,973</b>	<b>13,50,263</b>

**Note 2.18 Deferred Tax Liabilities (Net)**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Deferred income tax asset		
Deductible Expenditure		
Provision for doubtful financial assets	(3,791)	(2,172)
Deferred income tax liability		
Taxable tempoary difference		
Depreciation adjustment as per Books and Income Tax	83,701	81,282
<b>Net Deferred Tax Liability</b>	<b>79,910</b>	<b>79,110</b>

**Note 2.18(a) Movement in gross deferred tax liability/asset**
**( In ₹ Thousand)**

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
<b>2018-2019</b>			
Deferred Tax Liability/Asset in Relation to unabsorbed depreciation as per Income tax	81,282	2,419	83,701
Provision for doubtful financial assets	(2,172)	(1,619)	(3,791)
<b>Total</b>	<b>79,110</b>	<b>800</b>	<b>79,910</b>
<b>2017-2018</b>			
Deferred Tax Liability/Asset in Relation to unabsorbed depreciation as per Income tax	95,337	(14,055)	81,282
Expenses allowed on provision for doubtful debts	-	(2,172)	(2,172)
<b>Total</b>	<b>95,337</b>	<b>(16,227)</b>	<b>79,110</b>

**Note 2.18(b) The analysis of deferred tax asset and deferred tax liability**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Deferred Tax Asset:</b>		
Deferred tax asset to be recovered after more than 12 Month	( 3,791)	( 2,172)
Deferred tax asset to be recovered within 12 Month	-	-
	<b>( 3,791)</b>	<b>( 2,172)</b>
<b>Deferred Tax Liability:</b>		
Deferred tax liability to be recovered after more than 12 Month	83,701	81,282
Deferred tax liability to be recovered within 12 Month	-	-
	<b>83,701</b>	<b>81,282</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.18(c) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Accounting Profit	2,25,111	1,91,568
Tax at the domestic rate of 29.12% in 2019, (34.61% in 2018)	65,552	66,298
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	(1,647)	(2,201)
Other than temporary differences	(3,190)	71
Adjustments for current tax of prior periods	3,469	(703)
Income tax effect on OCI	(12)	(212)
Current tax on short term capital gain on sale of units of mutual fund	2,364	-
<b>Tax Expense</b>	<b>67,244</b>	<b>63,252</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Provision for Disputed Liability	2,227	2,227
<b>Total other non-current liabilities</b>	<b>2,227</b>	<b>2,227</b>

**Note 2.20 Trade payables**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	9,143	11,756
Trade payable with related parties	-	-
<b>Total Trade payables</b>	<b>9,143</b>	<b>11,756</b>

**Note 2.21 Other financial liabilities**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Salary Payable	1,520	1,278
Unclaimed Dividend	2,350	2,587
Liability for Expenses	12,568	3,413
<b>Total Other financial liabilities</b>	<b>16,438</b>	<b>7,278</b>

**Note: 2.22 Other current liabilities**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Statutory Remittances	23,635	18,323
Advance from Customer	1,832	-
Deposit from Member for nomination of Independent Director	162	-
EMD Refundable	2,116	-
<b>Total Other current liabilities</b>	<b>27,745</b>	<b>18,323</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.23 Revenue from operations**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Income from sale of products and Services	6,42,835	7,16,305
Less: GST/Service tax recovered	92,373	1,10,479
<b>Total Revenue from operation</b>	<b>5,50,462</b>	<b>6,05,826</b>

**Note 2.24 Other Incomes**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Income related to financial assets</b>		
Interest on bank deposit	3,380	13,269
Dividend income	8,141	8,249
Interest Income on Preference shares accounted at FVTPL	958	731
Interest on income tax refund	4,511	-
Miscellaneous income	192	317
<b>Other non - operating income</b>		
Fair value of investment through Profit and Loss account (FVTPL)	24,804	1,346
<b>Total other incomes</b>	<b>41,986</b>	<b>23,912</b>

**Note 2.25 Employee benefit expenses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Salaries and wages	2,13,231	2,65,211
Contribution to provident and other funds	15,162	21,895
Staff welfare Expenses	5,044	8,573
<b>Total employee benefit expenses</b>	<b>2,33,437</b>	<b>2,95,723</b>

**Note 2.26 Finance cost**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Other borrowing cost</b>		
1) Bank limit charges	630	1,039
2) Bank guarantee charges	1,920	1,895
<b>Total finance cost</b>	<b>2,550</b>	<b>2,934</b>

**Note 2.27 Depreciation and amortisation expenses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Depreciation and amortisation expenses	14,387	15,931
<b>Total depreciation and amortisation expenses</b>	<b>14,387</b>	<b>15,931</b>

**Note 2.28 Impairment Losses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Impairment loss allowance on trade receivable and work - in - progress (WIP)	5,260	6,002
Impairment loss allowance on other financial assets	7,350	1,163
<b>Total impairment losses</b>	<b>12,610</b>	<b>7,165</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.29 (i) Other expenses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Rates and taxes	3,435	3,207
Repairs and maintenance	2,087	1,343
Electricity charges	3,275	3,722
Legal and professional fees	7,243	5,350
Printing and stationery	1,081	1,087
Membership and subscription	1,042	1,036
Telephone expenses	1,480	2,497
Advertising and business promotion expenses	4,133	4,302
Corporate social responsibility contributions	5,390	5,892
Bank charges	538	224
Insurance expenses	625	555
Other expenses	13,403	6,434
<b>Total other expenses</b>	<b>43,732</b>	<b>35,649</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Auditors of the company	-	-
Service as statutory auditor (including limited review)	850	650
<b>Total payment to auditors</b>	<b>850</b>	<b>650</b>

**Note 2.29 (iii) Net gains / losses on fair value changes**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Net loss on fair value changes on other financial instrument classified as FVTPL	2,547	2,122
<b>Total</b>	<b>2,547</b>	<b>2,122</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2019	2019
<b>(a) Income tax expenses :</b>		
Current tax		
Current tax on profit for the year	63,080	64,167
Current tax expense pertaining to prior year	3,469	(703)
	<b>66,549</b>	<b>63,464</b>
Deferred tax		
Deferred tax expense for the current year	800	(16,227)
	<b>800</b>	<b>(16,227)</b>
Total income tax expense recognised in current year	<b>67,349</b>	<b>47,237</b>
<b>(b) Income tax recognised in other comprehensive income</b>		
Remeasurement of the defined benefit plans	(12)	(212)
	<b>(12)</b>	<b>(212)</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
(c) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss		
Profit from continuing operations before income tax expense	2,25,111	1,91,568
Profit from discontinuing operations before income tax expense	-	-
<b>Tax at the Indian tax rate of 25% (effective tax rate - 29.12%)</b>	<b>65,552</b>	<b>66,298</b>
Adjustments for current tax of prior periods	3,469	(703)
Current tax on short term capital gain on sale of units of mutual fund	2,364	-
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	(1,647)	(2,201)
Expenses provided but allowable in Income Tax on payment/writeoff (net)		
Other than temporary differences	(3,190)	71
Income tax effect on OCI	(12)	(212)
<b>Income tax expense</b>	<b>66,537</b>	<b>63,252</b>

**Note 2.31 Contingent Liabilities and commitments (to the extend not provided for):**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>(i) Contingent liabilities:</b>		
(a) Bank Gurantees [Refer Note 2.31 (i)]	86,462	53,866
(b) Service Taxes [Refer Note 2.31(ii)]	1,144	4,881
<b>(ii) Capital Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Office interior	1,138	-
(b) Other Commitments	-	-
<b>(iii) Investment in the shares of InstaSafe Technologies Pvt. Ltd.</b> [Refer note 2.31 (iii)]	<b>40,000</b>	<b>40,000</b>

**Note 2.31 (i)**

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

- (a) Hypothecation of book debts of the company.
- (b) Collateral:

- i) EMT of Office premises at Swastik Chambers, Office No.514 and 515, 5th floor, Umarshi Bappa Chowk, Chembur, Mumbai - 400071 Standing in the name of the company.
- ii) EMT of Office Premises at Prabhadevi Unique Industrial Premises Co-op Soc. Ltd., Unit No.5, Ground Floor, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 standing in the name of the company.
- iii) Three fixed deposits in Canara bank amounting to ₹ 313 thousand representing maturity value of 3 LIC Policies which were earlier hypothecated to the bank.
- iv) 5 KDR's having face value of ₹ 260 thousand in the personal names of director Mr. Prakash B. Rane.

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

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.31 (ii)**

The service tax amount shown of ₹ 1,144 thousand pertains to the show cause notices received by the company for disallowances of cenvat credit for the F.Y. 2014-15 to 2017-18. The Company is in process of contesting or filing appeals in respect of the aforesaid disputed matters before the authorities. The management is hopeful that matters will be decided in favour of the Company.

**Note 2.31 (iii)**

The Company at a Board Meeting held on 23rd January, 2017 approved a strategic investment in InstaSafe Technologies Private Limited ("InstaSafe"). InstaSafe Provides innovative cloud based security-as-a-service solutions. ABM has executed definitive agreements including Share Purchase Agreement and Share Subscription & Shareholders' Agreement. The transactions will be completed subject to satisfactory fulfillment of certain conditions precedent. The aggregate investment would be upto INR 13.32 crore. As of 31st March, 2019 the Company completed an aggregate investment of ₹ 9.32 Cr in Instasafe Technologies Pvt Limited. Pursuant to the rights conferred on ABM under the Shareholder's agreement and nomination of two Non-executive Directors on the Board of Directors of Instasafe, the said Company has become a subsidiary of the Company.

**Note :2.32 Earnings per share (EPS)**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Net profit after tax attributable to equity shareholders for Basic EPS	1,57,803	1,44,945
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	1,57,803	1,44,945
Weighted average no. of equity shares (in thousand) outstanding during the year		
For basic EPS	20,002	20,002
For diluted EPS	20,002	20,002

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Face Value per Equity Share (₹)	5	5
Basic EPS (₹)	7.89	7.25
Diluted EPS (₹)	7.89	7.25
Reconciliation between no. of shares (in thousand) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	20,002	20,002
Add: Potential equity shares	-	-
No. of shares used for calculating Diluted EPS	20,002	20,002

**Note : 2.33 Employee Benefits**
**A) Defined contribution plans**

Provident fund:

The company operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expense recognised in the statement of profit and loss of ₹ 10,701 thousand (for the year ended March 31, 2018: ₹ 13,909 thousand) represents contributions payable to Provident fund by the Company at rates specified in rules of the plans.

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**B) Defined Benefit plans:-  
Movement in plan assets and Plan liabilities:-**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Amount recognised in the statement of Profit and Loss		
Current service cost	3,441	3,399
Finance cost/(income)	(275)	(313)
Past service cost	-	1,331
Total expense recognised in the Statement of profit /loss	3,166	4,417
Amount recognised in Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognised for the period	(392)	(930)
Return on plan assets excluding net interest	346	297
Total actuarial (gain)/loss recognised in Other Comprehensive Income (OCI)	(46)	(633)
Changes in present value of obligation		
Present value of obligation at the beginning	14,883	14,648
Interest cost	1,071	919
Current service cost	3,441	3,399
Past service cost	-	1,331
Benefits paid	(1,831)	(4,484)
Actuarial (Gains)/Losses on present value of obligation	(392)	(930)
Present value of obligation at the end	17,173	14,883
Changes in present value of planned assets		
Fair value at the beginning	16,525	17,508
Return on plan assets	(346)	(297)
Interest income	1,346	1,231
Contributions	3,891	2,567
Benefits paid	(1,831)	(4,484)
Fair Value at the end of the year	19,585	16,525
Compostion of the plan assets is as follow		
Equity instruments	5.55%	5.55%
Debt instruments		
Government bonds	74.55%	74.55%
Corporate bonds/debentures	17.28%	17.28%
Asset backed securities	0.85%	0.85%
Cash and cash equivalents	1.77%	1.77%
	100%	100%
Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Actuarial assumptions		
Financial assumptions		
Discount rate	7.64%	7.67%
Salary Escalation	4%	5%
Expected return on plan assets	7.59%	7.55%
Attrition	2%	2%
Demographic assumptions	IALM (2006-08)	IALM (2006-08)
Mortality rate	Ultimate	Ultimate

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**C) The defined benefit obligations shall mature after year end 31st March, 2019 as follows:**
**( In ₹ Thousand)**

Year	As at 31 <sup>st</sup> March,	
	2019	2018
First year	592	1,458
Second year	705	443
Third year	820	560
Fourth year	1,098	752
Fifth year	5,220	1,080
Sixth to Ten year	9,767	13,701

**Sensitivity analysis:**

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

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Discount rate increase by 100 basis Points	15,564	13,253
Discount rate decrease by 100 basis Points	19,070	16,571
Salary Escalation rate increase by 100 basis points	19,102	16,438
Salary Escalation rate decrease by 100 basis points	15,512	13,359

**Note: 2.34 Related party disclosure**
**(A) Name of related parties and description of relationship**
**(i) Key Management Personnel (KMP):**

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

**(ii) Non-Executive Directors**

Mrs. Supriya Prakash Rane  
 Mr. Sharadchandra Abhyankar  
 Mr. Sanjay Bharatkumar Mehta (resigned w.e.f. 14<sup>th</sup> August 2018)  
 Mr. Sumit Dutta Chowdhary  
 Mr. Devendra Kamalakar Parulekar (appointed w.e.f. 10<sup>th</sup> August 2018)

**(iii) Subsidiaries**

InstaSafe Technologies Private Limited

**(iv) Fellow subsidiary**

InstaSafe Inc. (wholly owned subsidiary of InstaSafe Technologies Private Limited)

**(iv) Enterprises over which directors and relatives of such personnel exercise significant influence:**

Khaitan & Company LLP, Mumbai  
 Lipsita Projects & Services Private Limited  
 Gaia Smart Cities Solutions Private Limited  
 Blue Star Software Limited (till 14<sup>th</sup> August 2018)  
 Saffron Studios Private Limited



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**(B) Transactions with related parties**

( In ₹ Thousand)

Nature of transactions	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Purchase of services:</b>		
Khaitan & Company LLP	837	98
Gaia Smart Cities Solutions Private Limited	-	1,770
Blue Star Software Limited	-	2,684
Saffron Studios Private Limited	590	-
InstaSafe Technologies Private Limited	590	-
<b>Key Management Personnel Remuneration</b>	<b>18,467</b>	<b>9,799</b>
Other long term benefit	1,782	1,335
<b>Dividend</b>		
Mr. Prakash Rane	11,928	11,928
Mrs. Supriya Rane	3,068	3,068
Lipsita Projects & Services Private Limited	1,227	1,227
<b>Sitting Fees</b>		
Mrs. Supriya Rane	44	44
Mr. Sharadchandra Abhyankar	56	48
Mr. Sanjay Mehta	36	64
Mr. Sumit Dutta Chowdhary	32	40
Mr. Devendra Kamalakar Parulekar	16	-
<b>Commission</b>		
Mr.Prakash Rane	-	1,220
Mrs. Supriya Rane	-	1,408
Mr.Sharadchandra Abhyankar	-	188
Mr. Sanjay Mehta	-	141
Mr.Sumit Dutta Chowdhary	-	141
<b>Subscription of compulsory convertible preference shares in InstaSafe Technologies Private Limited</b>	-	60,888
<b>Outstanding</b>		
InstaSafe Technologies Private Limited	10	10

**Note 2.35 Capital management**
**Risk management**

The company's objectives when managing capital are to

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

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

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**

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

Net debt (total borrowings net of cash and cash equivalents)  
divided by

Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Net debt	-	-
Total equity	15,80,388	1,452,678
Net debt to equity ratio	Nil	Nil

**Note 2.36 Financial Instruments**

(i) Method and assumptions used to estimate the fair value

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

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

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

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability

**March 31, 2019**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
<b>Financial assets</b>							
Long Term Loans	12,898	-	-	12,898			
Trade Receivables	1,93,468	-	-	1,93,468			
Cash & Cash equivalents	3,01,133	-	-	3,01,133			
Other Bank Balances	45,755	-	-	45,755			
Short term Loans	19,858	-	-	19,858			
Other financial assets	16,365	-	-	16,365			
Investments	4,96,682	4,17,406	-	79,276	4,17,406		
	<b>10,86,158</b>	<b>4,17,406</b>	-	<b>6,68,753</b>	<b>4,17,406</b>	-	-
<b>Financial Liabilities</b>							
Borrowings	-			-			
Trade payables	9,143			9,143			
Other financial liabilities	27,745			27,745			
	<b>36,889</b>	-	-	<b>36,889</b>	-	-	-

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**March 31, 2018**
**( In ₹ Thousand)**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
Financial assets							
Long Term Loans	11,989			11,989			
Trade Receivables	5,25,267			5,25,267			
Cash & Cash equivalents	26,643			26,643			
Other Bank Balances	17,599			17,599			
Short term Loans	11,796			11,796			
Other financial assets	28,729			28,729			
Investments	3,58,309	2,66,110	132	92,067	2,66,242		
	<b>9,80,333</b>	<b>2,66,110</b>	<b>132</b>	<b>7,14,091</b>	<b>2,66,242</b>		
Financial Liabilities							
Trade payables	11,756			11,756			
Other financial liabilities	7,278			19,035			
	<b>19,035</b>	-	-	<b>19,035</b>	-	-	-

**Financial Risk Management**

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

**Note 2.37 Details of Corporate Social Responsibility (CSR) expenditure**

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

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Amount required to be spent as per Section 135 of the Act for the year	<b>5,383</b>	5,886
Shortfall of previous year/s (if any)	-	-
Total amount required to be spent for the year	<b>5,383</b>	5,886
Amount spent during the year	<b>5,390</b>	5,892
Excess/(short) amount spent	<b>7</b>	6

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019****Note 2.38**

The Company's business activity falls within a single business segment i.e. software and services and hence no additional disclosure other than those already made in the financial statements are required under Accounting Standard 108, "Operating Segments". The Company at present, operates in India only and therefore analysis of geographical segment is not applicable.

**Note 2.39**

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

**Note 2.40**

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

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**As per our report of even date****For Borkar & Muzumdar**

Chartered Accountants

**Firm Registration No.:101569W****Deepak Kumar Jain**

Partner

**Membership No.: 154390**

Mumbai

24<sup>th</sup> May, 2019**For and on behalf of the Board of Directors****Prakash B. Rane - Managing Director****(DIN : 00152393)****Sharadchandra D. Abhyankar - Director****(DIN : 00108866)****Sarika A. Ghanekar - Company Secretary****Paresh M. Golatkar - Chief Financial Officer**

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF****ABM KNOWLEDGEWARE LIMITED****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **ABM KNOWLEDGEWARE LIMITED** (hereinafter referred to as the “Company”) and its subsidiary (the Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year then ended on that date, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by The Institute of Chartered Accountant of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We conclude that there are no key audit matters to be reported.

**Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other

accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosure, and whether the consolidated financial statement represent the underlying transaction and the events in a manner that achieve fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatement in the consolidated financial statement that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings , including any other significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

- We did not audit the consolidated financial statements of One subsidiary included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 623.49 Lakhs as at March 31, 2019, total revenues of Rs. 584.42 Lakhs and net cash flows amounting to Rs. (1.34) Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These consolidated financial statements have been audited by other auditor whose reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the section 143 (3) of the Act, based on our report and on consideration of report of the other auditor on consolidated financial statements and the other financial information of subsidiary as referred in the 'Other Matter'

paragraph, we report, to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law have been relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards Prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
- e. On the basis of the written representations received from the directors of Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory auditors of its subsidiary Company incorporated in India, none of the directors of the Group Companies are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting; refer to our separate report in "Annexure A" which is based on the auditor's report of the Company and the reports of the statutory auditors of its subsidiary Company incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated therein.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us and based on the consideration of the report of the other auditor on consolidated financial statements as also the other financial information of the subsidiary as noted in the 'Other Matter' paragraph:
  - i. The Consolidated Financial Statements disclose the impact of pending litigation on the Consolidated Financial Position of the Group. Refer to Note 2.35 to the Consolidated Financial Statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2019.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2019.

**Date: 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

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

**Deepak Kumar Jain**  
**Partner**  
**(M.No. 154390)**



**ANNEXURE “A” TO THE INDEPENDT AUDITOR'S REPORT**

(Referred to in the paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ABM Knowledgeware Limited of even date).

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of ABM KNOWLEDGEWARE LIMITED (hereinafter referred to as “Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company and its subsidiary companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by The Institute of Chartered Accountant of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company and its subsidiary Companies, which are incorporate in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to best of our information and according to the explanation given to us, and based on the consideration of report of other auditor, as referred to in 'Other Matter' paragraph the Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

**Other Matters**

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

**Date: 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

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

**Deepak Kumar Jain**  
**Partner**  
**(M.No. 154390)**

**Consolidated Balance sheet as at 31<sup>st</sup> March, 2019**

( In ₹ Thousand)

Particulars	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, plant and equipment	2.03	4,57,207	4,61,836
b) Capital work-in-progress	2.03	867	13,024
c) Intangible assets	2.03	21,200	3,280
d) Goodwill		33,545	33,545
e) Financial assets			
i) Investments	2.04	-	132
ii) Loans	2.05	2,712	2,665
iii) Others	2.06	4,305	21,713
f) Deferred tax asset	2.07	-	333
g) Other non-current assets	2.08	13,574	15,910
<b>Total non-current assets</b>		<b>5,33,410</b>	<b>5,52,437</b>
<b>2 Current assets</b>			
a) Financial assets			
i) Investments	2.09	4,34,956	3,06,650
ii) Trade receivables	2.10	2,04,252	5,32,753
iii) Cash and cash equivalents	2.11	3,08,773	34,416
iv) Bank balances other than cash and cash equivalents	2.12	45,755	17,599
v) Loans	2.13	20,105	11,902
vi) Others	2.14	12,060	7,017
b) Current tax assets (Net)	2.15	26,644	51,791
c) Other current assets	2.16	1,35,969	62,355
<b>Total current assets</b>		<b>11,88,514</b>	<b>1,024,483</b>
<b>TOTAL ASSETS</b>		<b>17,21,924</b>	<b>1,576,920</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity share capital	2.17	1,02,415	1,02,415
b) Other equity	2.18	14,76,781	13,49,543
c) Non-controlling interest		(7,392)	(5,599)
<b>Total equity</b>		<b>15,71,804</b>	<b>1,446,359</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Financial Liabilities (Net)	2.19	80,123	79,110
b) Provisions	2.20	1,106	906
c) Other non-current liabilities	2.21	2,227	2,227
<b>Total non-current liabilities</b>		<b>83,456</b>	<b>82,244</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Trade payables			
a) Trade payables - outstanding dues to micro and small enterprises	2.22	15	-
b) Trade payables - outstanding dues to other than micro and small enterprises	2.22	10,203	13,813
ii) Other financial liabilities	2.23	19,772	11,866
b) Other current liabilities	2.24	35,342	22,611
c) Provisions	2.25	49	26
d) Current tax liability	2.26	1,282	-
<b>Total Current Liabilities</b>		<b>66,664</b>	<b>48,317</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,21,924</b>	<b>15,76,920</b>

Notes 1.1 to 2.47 form an integral part of these financial statements

**This is the Balance Sheet referred to in our audit report of even date**  
**For Borkar & Muzumdar**

Chartered Accountants

**Firm Registration No.:101569W**
**Deepak Kumar Jain**

Partner

**Membership No.: 154390**

Mumbai

 24<sup>th</sup> May, 2019

**For and on behalf of the Board of Directors**
**Prakash B. Rane - Managing Director**  
 (DIN : 00152393)

**Sharadchandra D. Abhyankar - Director**  
 (DIN : 00108866)

**Sarika A. Ghanekar - Company Secretary**
**Paresh M. Golatkar - Chief Financial Officer**

**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March ,2019**

( In ₹ Thousand)

Particulars	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>1 Income</b>			
a) Revenue from operations	2.27	6,08,404	6,23,136
b) Other income	2.28	43,300	25,444
<b>Total income</b>		<b>6,51,704</b>	<b>6,48,580</b>
<b>2 Expenses:</b>			
a) Operating expense		77,929	35,160
b) Employee benefits expense	2.29	2,48,614	3,05,431
c) Finance costs	2.30	2,550	2,942
d) Depreciation and amortisation expense	2.31	17,258	16,192
e) Rent expense		7,437	10,984
f) Travelling and conveyance expenses		9,056	35,529
g) Impairment losses	2.32	12,610	7,165
h) Other expenses	2.33	54,549	46,892
<b>Total expenses</b>		<b>4,30,003</b>	<b>4,60,294</b>
<b>3 Profit before exceptional items and tax (1-2)</b>		<b>2,21,701</b>	<b>1,88,286</b>
<b>4 Exceptional Items</b>		-	-
<b>5 Profit before tax (3-4)</b>		<b>2,21,701</b>	<b>1,88,286</b>
<b>6 Tax Expense:</b>	2.34		
a) Current tax		67,818	63,252
b) Deferred tax		1,345	(15,972)
<b>7 Profit for the year from continuing operations (5-6)</b>		<b>1,52,538</b>	<b>1,41,006</b>
<b>8 Other comprehensive income (OCI)</b>			
<b>Items that will not to be reclassified to profit or loss</b>			
Measurements of defined employee benefit plans		194	713
Fair value changes of investments in equity shares		(5)	(19)
Exchange differences on translation into presentation currency		10	-
Income tax effect on the above	2.34	(12)	(212)
<b>Total Other Comprehensive Income (OCI) net of Tax</b>		<b>187</b>	<b>482</b>
<b>9 Total comprehensive income for the year (7+8)</b>		<b>1,52,725</b>	<b>1,41,488</b>
Profit attributable to			
Owners		1,56,684	1,43,807
Non controlling interest		(4,145)	(2,801)
		<b>1,52,538</b>	<b>1,41,488</b>
Other Comprehensive Income (OCI) attributable to:			
Owners		62	418
Non-controlling interests		125	64
		<b>187</b>	<b>482</b>
Total comprehensive income attributable to:			
Owners		1,56,745	1,44,225
Non-controlling interests		(4,020)	(2,737)
		<b>1,52,725</b>	<b>1,41,488</b>
<b>10 Earnings per equity share of ₹ 5 each</b>			
a) Basic (₹)	2.38	7.84	7.21
b) Diluted (₹)	2.38	7.84	7.21

Notes 1.1 to 2.47 form an integral part of these financial statements

**This is the Statement of Profit & Loss referred to in our audit report of even date**
**For Borkar & Muzumdar**

Chartered Accountants

**Firm Registration No.:101569W**
**Deepak Kumar Jain**

Partner

**Membership No.: 154390**

Mumbai

 24<sup>th</sup> May, 2019

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

(DIN : 00152393)

**Sharadchandra D. Abhyankar - Director**

(DIN : 00108866)

**Sarika A. Ghanekar - Company Secretary**
**Paresh M. Golatkar - Chief Financial Officer**

**Consolidated Cash Flow Statement for the year ended March 31, 2019**

Particulars	Note	( In ₹ Thousand)	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Cash flow from operating activities</b>			
Profit Before Tax		2,21,701	1,88,286
<b>Non-cash adjustment to Profit Before Tax:</b>			
Depreciation and amortization expense		17,258	16,210
Interest income		(3,449)	(13,874)
Impairment expense of Trade receivable		5,260	6,002
Impairment on non current/current assets		7,350	1,163
Remeasurement of defined benefit obligation		194	(633)
Fair valuation loss on preference shares		-	1,391
Change in fair value of financial assets measured at fair value through profit or loss		(25,484)	(1,346)
Dividend income		(8,141)	(8,249)
Finance costs		2,550	3,889
Other adjustment		-	(3,276)
		<b>2,17,239</b>	<b>1,89,564</b>
<b>Change in operating assets and liabilities :</b>			
Decrease/(increase) in trade receivables		3,28,501	(3,78,006)
Increase/(decrease) in trade payables		(3,595)	2,439
Decrease/(increase) in loans & other financial assets		4,114	45,667
Decrease/(increase) in other bank balance		(28,156)	1,18,862
Decrease/(increase) in other non-current assets		(5,014)	6,336
Decrease/(increase) in other current assets		(78,875)	31,824
Increase/(decrease) in other financial Liability		7,906	2,407
Increase/(decrease) in other current liabilities		12,731	7,736
Increase/(decrease) in other non-current liabilities		-	49,030
Increase/(decrease) in Provisions		-	237
<b>Cash generated from operations</b>		<b>2,37,612</b>	<b>(1,13,468)</b>
Direct taxes paid (net of refunds)		(47,504)	(82,748)
<b>Net cash flow generated /(used in) operating activities (A)</b>		<b>4,07,347</b>	<b>(6,653)</b>
<b>Cash flow from investing activities</b>			
Purchases of fixed assets, including capital work-in-progress and capital advances		(18,448)	(3,936)
Software Development Cost		-	(13,024)
Payments for purchase of investments		(10,66,500)	(5,69,692)
Investment in Subsidiary		-	(92,793)
Loans to employees and related parties		-	-
Proceeds from sale of investments		9,73,011	4,02,314
Interest received		3,449	13,874
Dividends received		8,141	8,249
<b>Net cash flow generated/(used in) investing activities (B)</b>		<b>(1,00,347)</b>	<b>(2,55,008)</b>

**Consolidated Cash Flow Statement for the year ended March 31, 2019**
**( In ₹ Thousand)**

Particulars	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Cash flows from financing activities</b>			
Finance Cost		(2,550)	(3,889)
Dividends paid to equity shareholders		(30,093)	(30,093)
<b>Net cash flow generated/(used in) in financing activities (C)</b>		<b>(32,643)</b>	<b>(33,982)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>		<b>2,74,357</b>	<b>(2,95,643)</b>
Cash and cash equivalents at the beginning of the year		34,416	3,30,059
Cash and cash equivalents at the end of the year		<b>3,08,773</b>	34,416
<b>Cash and cash equivalents Comprises of:</b>			
Balance with Bank		3,05,754	33,814
Cash in hand		388	602
Cheques in hand		2,631	-
<b>Total</b>		<b>3,08,773</b>	<b>34,416</b>

Notes 1.1 to 2.47 form an integral part of these financial statements

Note:

The Cash Flow Statement has been prepared under Indirect Method as set out in Indian Accounting Standard (Ind AS)-7, Statement of Cash Flows.

**This is the Cash Flow Statement referred to in our audit report of even date**

**For Borkar & Muzumdar**  
Chartered Accountants  
**Firm Registration No.:101569W**  
**Deepak Kumar Jain**  
Partner  
**Membership No.: 154390**  
Mumbai  
24<sup>th</sup> May, 2019

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

Consolidated Statement of changes in equity for the year ended 31<sup>st</sup> March 2019

(In ₹ Thousand)

Particulars	Equity Share Capital	Other Equity					Amount attributable to Owners of the parent	Non Controlling Interest	Total
		Reserve and Surplus		Items of OCI					
		General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity instrument through OCI	Other items of OCI			
<b>As at 1 April, 2017</b>	1,02,415	30,805	12,04,163	-	57	386	12,35,411	-	13,37,826
Profit for the year	-	-	1,43,807	-	-	-	1,43,807	(2,801)	1,41,006
On acquisition of subsidiary	-	-	-	-	-	-	-	(2,862)	(2,862)
Measurements of defined employee benefit plans (net of tax)	-	-	-	-	-	437	437	64	501
Fair value changes of investments in equity shares	-	-	-	-	(19)	-	(19)	-	(19)
Exchange differences on translation into presentation currency	-	-	-	-	-	-	-	-	-
Equity dividend and Dividend Distribution Tax	-	-	(30,093)	-	-	-	(30,093)	-	(30,093)
<b>Balance as at March 31, 2018</b>	<b>1,02,415</b>	<b>30,805</b>	<b>13,17,877</b>	<b>-</b>	<b>38</b>	<b>823</b>	<b>13,49,543</b>	<b>(5,599)</b>	<b>14,46,359</b>
<b>As at 1 April, 2018</b>	1,02,415	30,805	13,17,877	-	38	823	13,49,543	(5,599)	14,46,359
Add:- Ind AS 115 Transition Effect	-	-	585	-	-	-	585	2,227	2,812
Profit for the year	-	-	1,56,684	-	-	-	1,56,684	(4,145)	1,52,539
Measurements of defined employee benefit plans (net of tax)	-	-	-	-	-	65	65	125	190
Fair value changes of investments in equity shares	-	-	-	-	(5)	-	(5)	-	(5)
Exchange differences on translation into presentation currency	-	-	-	2	-	-	2	-	2
Equity dividend and Dividend Distribution Tax	-	-	(30,093)	-	-	-	(30,093)	-	(30,093)
<b>Balance as on March 31, 2019</b>	<b>1,02,415</b>	<b>30,805</b>	<b>14,45,053</b>	<b>2</b>	<b>33</b>	<b>888</b>	<b>14,76,781</b>	<b>(7,392)</b>	<b>15,71,804</b>

Notes 1.1 to 2.47 form an integral part of these financial statements

This is the Statement of changes in equity referred to in our report of even date

For Borkar &amp; Muzumdar

Chartered Accountants

Firm Registration No.: 101569W

Deepak Kumar Jain

Partner

Membership No.: 154390

Mumbai

24<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

Prakash B. Rane - Managing Director

(DIN : 001523993)

Sharadchandra D. Abhyankar - Director

(DIN : 00108866)

Sarika A. Ghanekar - Company Secretary

Paresh M. Golatkar - Chief Financial Officer

**Notes to the Consolidated Financial Statements for the year ended March 31, 2019****1. GROUP BACKGROUND:**

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

ABM Knowledgeware Limited along with its subsidiary, InstaSafe Technologies Private Limited and sub subsidiary InstaSafe Inc. (incorporated in USA) (hereinafter referred to as "Group") is engaged in providing activities in e-governance, information security, technology enabled applications through cloud services and other software services.

**2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS****SIGNIFICANT ACCOUNTING POLICIES:****a) Basis of Preparation of Consolidated Financial Statements:**

These Financial Statements are the separate Consolidated Financial Statements of the Group (also called Consolidated Financial Statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (India Accounting Standard) (Amendment) Rules 2016 and other relevant provision of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements. The Consolidated Financial Statements of the Company have been prepared and presented in accordance with Ind AS.

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

**b) Use of estimates, assumptions and judgements**

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

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

**c) Principles of consolidation and equity accounting Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between Group companies are



eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and Balance Sheet respectively.

**d) Business Combinations:**

The Group accounts for Business combinations using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs which are administrative in nature are expensed out.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed-off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed-off in this circumstance is measured based on the relative values of the operation disposed-off and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a Group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest's method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the consolidated financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

**3. Summary of Significant Accounting Policies:**

**a) Current vs non-current classification**

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.

- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

## **b) Revenue**

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

Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 1 “Significant Accounting policies” in the Group's 2018 annual report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind-AS 115 on group is given in note no. 2.36.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Goods and Service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on service rendered by the seller on behalf of the government. Accordingly, it is initially included and subsequently gets excluded from the gross revenue.

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

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

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

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

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

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Accrued revenues are recognised when there is excess of revenue earned over billings on contracts. Accrued revenues are classified as accruals - receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue is recognised when there are billings in excess of revenues.

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

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

### **c) Property, Plant and Equipment**

Measurement and recognition:

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

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

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

Capital work in progress and Capital advances:

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

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the

requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset etc. The estimated useful life of items of property, plant and equipment is mentioned below:

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

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

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

All assets Costing up to Rs 5000/- are expensed out in the year of purchase/use.

Derecognition:

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

#### d) Intangible Assets

Measurement at recognition:

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

Amortization:

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

Assets	Life
Software	1 - 8 years

**e) Impairment of Assets:**

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

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

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

**f) Leases:**

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

**g) Borrowing costs**

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

**h) Financial Instruments**

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

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the

financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

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

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

**Amortized Cost:**

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

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

**FVTOCI:**

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

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

**FVTPL:**

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

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

**i) Impairment of Financial Assets:**

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

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

**Classification and Subsequent measurement: Financial Liabilities**

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

**j) Financial Liabilities at FVTPL:**

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

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

**k) Other Financial Liabilities:**

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

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

**l) Derecognition of Financial Assets and Financial Liabilities:**

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

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

**Derivatives Financial instruments and hedge accounting**

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

**Recognition and measurement of fair value hedge:**

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

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

**m) Fair Value**

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

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

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

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

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

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

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

**n) Foreign Currency Translation**

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

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

**o) Income Taxes**

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

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or



deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

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

Deferred tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

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

#### **p) Provisions and Contingencies**

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

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but

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

**q) Cash and Cash Equivalents**

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

**r) Gratuity and other post-employment benefits**

a) Short-term obligations:

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

b) Post-employment obligations:

The Group operates the following post-employment schemes:

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

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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

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

**s) Defined contribution plans:**

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

**t) Other long-term employee benefit obligations:**

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

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

**u) Earnings per share**

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

**v) Cash dividend to equity holders of the Group**

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

**w) Reclassification of financial assets**

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

**x) Offsetting of financial instruments**

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

**4. Recent accounting pronouncements**

Ind AS 116: Leases

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian

Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group is currently evaluating the impact on account of implementation of Ind AS 116 which might have impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

#### Ind AS 12 : Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

### Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019

#### Note 2.03 Property, plant and equipment

( In ₹ Thousand)

Particulars	Gross Carrying Value						Accumulated depreciation			Net Block	
	As at 1 <sup>st</sup> April 2018	Additions during the Period	Deletions during the year	Adjustments	Transfers	As at 31 <sup>st</sup> march 2019	As at 1 <sup>st</sup> April 2018	Depreciation For the year	Deduction or Adjustment	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Property, Plant &amp; Equipments</b>											
Computers	2,883	147	-	-	-	3,030	1,585	674	-	771	1,298
Office Equipments	6,716	2,372	889	-	-	8,199	4,569	1,041	836	3,425	2,147
Furniture	9,226	4,359	26	-	-	13,559	2,086	1,196	21	10,298	7,140
Motor Car	11,036	-	-	-	-	11,036	1,770	1,466	-	7,800	9,266
Office Premises	4,67,792	-	-	-	-	4,67,792	25,807	7,073	-	4,34,913	4,41,985
<b>Total</b>	<b>4,97,653</b>	<b>6,878</b>	<b>915</b>	<b>-</b>	<b>-</b>	<b>5,03,617</b>	<b>35,817</b>	<b>11,450</b>	<b>857</b>	<b>4,57,207</b>	<b>4,61,836</b>
<b>Intangible Assets</b>											
Computers Software	9,629	23,727	-	-	-	33,356	6,349	5,807	-	21,200	3,280
<b>Grand Total</b>	<b>5,07,281</b>	<b>30,605</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,36,973</b>	<b>42,165</b>	<b>17,257</b>	<b>857</b>	<b>4,78,407</b>	<b>4,65,116</b>
<b>Previous year</b>	<b>5,02,697</b>	<b>3,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,06,378</b>	<b>25,793</b>	<b>15,931</b>	<b>-</b>	<b>4,64,655</b>	<b>4,76,904</b>
<b>Capital work-in-progress</b>	<b>13,024</b>	<b>4,944</b>	<b>-</b>	<b>-</b>	<b>17,100</b>	<b>867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867</b>	<b>13,024</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**

( In ₹ Thousand)

Particulars	Gross Carrying Value						Accumulated depreciation				Net Block	
	As at 1 <sup>st</sup> April 2017	Additions during the Period	Deletions during the year	Adjustments	Transfers	As at 31 <sup>st</sup> march 2018	As at 1 <sup>st</sup> April 2017	Depreciation For the year	Deduction or Adjustment	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	
<b>Property, Plant &amp; Equipments</b>												
Computers	2,511	373	-	-	-	2,883	760	825	-	1,298	1,752	
Office Equipments	6,625	91	-	-	-	6,716	2,272	2,297	-	2,147	4,353	
Furniture	5,930	3,296	-	-	-	9,226	737	1,349	-	7,140	5,193	
Motor Car	11,036	-	-	-	-	11,036	304	1,466	-	9,266	10,732	
Office Premises	4,67,792	-	-	-	-	4,67,792	18,733	7,074	-	4,41,985	4,49,059	
<b>Total</b>	<b>4,93,894</b>	<b>3,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,97,653</b>	<b>22,805</b>	<b>13,012</b>	<b>-</b>	<b>4,61,836</b>	<b>4,71,089</b>	
<b>Intangible Assets</b>												
Computers Software	9,452	177	-	-	-	9,629	3,150	3,199	-	3,280	6,302	
<b>Grand Total</b>	<b>5,03,346</b>	<b>3,936</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,07,281</b>	<b>25,955</b>	<b>16,210</b>	<b>-</b>	<b>4,65,116</b>	<b>4,77,391</b>	
<b>Previous year</b>	<b>4,97,500</b>	<b>7,006</b>	<b>1,810</b>	<b>-</b>	<b>-</b>	<b>5,02,696</b>	<b>-</b>	<b>26,746</b>	<b>954</b>	<b>4,76,903</b>	<b>4,97,500</b>	
<b>Capital work-in-progress</b>	<b>-</b>	<b>13,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,024</b>	<b>-</b>	

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.04 Non current investments**
**( In ₹ Thousand)**

Particulars	Face Value	As at 31 <sup>st</sup> March,			
		2019		2018	
		No	Amount	No	Amount
<b>Investment in equity instruments</b>					
<b>Quoted</b>					
<b>Investments measured at Fair value through Other Comprehensive Income (FVTOCI)</b>					
Canara Bank Limited	10	-	-	500	132
<b>Total Non-current Investments</b>	10	-	-	500	132
Aggregate books value of quoted Investments			-		132
Aggregate market value of investments designated at FVTOCI			-		132
Aggregate amount of unquoted investments			-		-

**Note 2.05 Non Current Loans**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Security Deposits Unsecured, considered good	2,712	2,665
<b>Total Non Current Loans</b>	<b>2,712</b>	<b>2,665</b>

**Note: 2.06 Others non current financial asset**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Deposits with bank - with maturity period of more than 12 months *	4,305	21,713
<b>Total others non current financial asset</b>	<b>4,305</b>	<b>21,713</b>

\*Amount held as margin money or security against Bank Guarantee of ₹4,204 thousand (Previous year - ₹ 17,417 thousand).

**Note: 2.07 Deferred tax assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Deferred income tax asset</b>		
Deductible Expenditure		
Provision for doubtful financial assets	-	379
<b>Deferred income tax liability</b>		
Taxable temporary difference		
Depreciation adjustment as per Books and Income Tax	-	47
<b>Total Deferred Tax Asset</b>	<b>-</b>	<b>333</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.08 Other Non Current Assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Advances other than capital advance</b>		
CENVAT/VAT receivable	-	540
Security/margin deposit	2,227	2,227
Employee benefit assets	2,413	1,642
Income tax receivable	5,872	-
Prepaid expenses	437	1,526
	<b>10,949</b>	<b>5,935</b>
<b>Advance to other Parties</b>		
Unsecured, considered good	2,625	9,975
Unsecured, considered doubtful	7,875	525
Less: Provision for doubtful advance	(7,875)	(525)
	<b>2,625</b>	<b>9,975</b>
<b>Total other non-current assets</b>	<b>13,574</b>	<b>15,910</b>

**Note 2.09 Current Investment**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Investment in mutual funds</b>		
<b>Quoted</b>		
<b>Investments carried at fair value through the statement of profit and loss</b>		
(i) 8,788 Units of Baroda Pioneer Mutual fund - Dividend reinvestment (March 2018: 37,207 units)	8,866	37,538
(ii) 2,50,000 Units Canara Rebeco - Capital Protection Fund - Series 7 (March 2018: 2,50,000 units)	2,892	2,734
(iii) 2,50,000 Units of Canara Rebeco - Capital Protection Fund - Series 8 (March 2018: 2,50,000 units)	2,776	2,610
(iv) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 9 (March 2018: 1,00,000 units)	1,071	1,007
(v) 1,003,956 Units of Canara Rebeco Savings Plus Fund - Regular Growth (March 2018: 2,798,326 units)	29,348	76,075
(vi) 19,96,408 Units of Canara Rebeco Savings Plus Fund - Regular Plan-Dividend reinvestment (March 2018: 1,71,95,188 units)	20,483	1,76,423
(vii) 12 units of Reliance Liquid Fund-Treasury Plan - Divident reinvestment (March 2018: 11 units)	18	17
(viii) 3,15,052 units of Baroda Ultra Short Duration Fund - Direct plan-Regular Growth Dividend reinvestment (March 2018: Nil units)	3,37,053	-
(ix) 20,952 units of Canara Robeco Liquid - Regular Daily Dividend Plan (March 2018: Nil units)	21,067	-
(x) 10,000 units of Edelweiss Alpha Fund - Scheme I (March 2018: Nil units)	10,371	-
(xi) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 10 (March 2018: Nil units)	1,010	-
<b>Unquoted</b>		
Investments carried at fair value through the statement of profit and loss:		
(xii) Trivantage Capital Management Private Limited	-	10,245
<b>Total</b>	<b>4,34,956</b>	<b>3,06,650</b>
Aggregate books value of quoted Investments	4,34,956	2,96,405
Aggregate market value of investments designated at FVTPL	4,34,956	2,96,405
Aggregate amount of unquoted investments	-	10,245



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.10 Trade Receivable**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	1,89,408	5,27,552
Trade receivable which have significant increase in credit risk	20,923	11,280
Less: Allowance for doubtful debts (expected credit loss)	(6,079)	(6,079)
Trade receivable - credit impaired	-	-
<b>Total trade receivable</b>	<b>2,04,252</b>	<b>5,32,753</b>

**Note 2.11 Cash and cash equivalents**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Balances with Banks		
(i) In current accounts #	1,24,403	16,088
(ii) Deposits with original maturity less than 3 months	1,81,351	17,726
Cash in hand	388	602
Cheques in hand	2,631	-
<b>Total cash and cash equivalents</b>	<b>3,08,773</b>	<b>34,416</b>

# The current accounts are in form of bank overdrafts which 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 Society 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. Three fixed deposits in Canara Bank amounting to ₹ 313 thousand representing maturity value of 3 LIC Policies
- iv) 5 KDR's having face value of ₹ 2.60 lac in the personal names of directors Mr. Prakash Rane
- v) Personal Guarantees from director – Mr. Prakash B. Rane

**Note 2.12 Bank balances other than cash and cash equivalents**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Earmarked balances in unclaimed dividend account	2,350	2,587
Fixed Deposits with maturity period of more than 3 months but less than 12 months **	43,405	15,012
<b>Total bank balances other than cash and cash equivalents</b>	<b>45,755</b>	<b>17,599</b>

\*\* Amount held as margin money or security against Bank Guarantee Rs.38,903 thousand (Previous year - ₹15,012 thousand).

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.13 Current Loans**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Security deposits</b>		
Unsecured, considered good	19,460	11,526
Significant increase in credit risk	638	638
	20,098	12,164
Less: Provision for doubtful deposits	(638)	(638)
	19,460	11,526
<b>Loans and advances to employees</b>		
Unsecured, considered good	497	367
	497	367
<b>Other loans and advances</b>		
Unsecured, considered good	148	9
	148	9
<b>Total current loans</b>	<b>20,105</b>	<b>11,902</b>

**Note 2.14 Other financial assets**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Accruals - receivables	12,060	7,017
<b>Total others financial assets</b>	<b>12,060</b>	<b>7,017</b>

**Note 2.15 Current Tax Assets (Net)**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Tax Provision	1,28,141	3,95,081
Less: Tax Paid	1,54,785	4,46,872
<b>Total current tax assets</b>	<b>26,644</b>	<b>51,791</b>

**Note 2.16 Other Current Assets**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Prepaid Expenses</b>	<b>4,840</b>	<b>5,069</b>
<b>Project under Process(WIP)</b>		
Unsecured, considered good	84,927	56,103
Unsecured, considered doubtful	6,011	751
Less: Provision for doubtful WIP	( 6,011)	(751)
	84,927	56,103
Advance to vendors	34,378	-
Balances with statutory / revenue authorities		
- Goods & Service Tax	10,630	-
Others	1,195	1,183
<b>Total other current assets</b>	<b>1,35,969</b>	<b>62,355</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**

Amounts in ₹ thousand, except for per equity share data and number of shares are stated in absolute figures.

**Note 2.17 Equity Share capital**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,			
	2019		2018	
	Number	Amount	Number	Amount
<b>Authorised Share Capital</b> 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</b> Equity Shares of ₹ 5/- each at par with voting rights	2,07,00,000	1,03,500	2,07,00,000	1,03,500
<b>Subscribed &amp; Fully Paid up</b> Equity Shares of ₹ 5/- each at par with voting rights	2,00,02,200	1,00,011	2,00,02,200	1,00,011
<b>Subscribed but not fully Paid up</b>	Nil	Nil	Nil	Nil
<b>Forfeited Shares ( amount originally paid-up)</b> Equity Shares of ₹ 5/- each at par with voting rights	6,97,800	2,404	6,97,800	2,404
<b>Total</b>	<b>2,07,00,000</b>	<b>1,02,415</b>	<b>2,07,00,000</b>	<b>1,02,415</b>

**Note 2.17(i) Reconciliation of the number of shares outstanding and the amount of share capital as at the March 31, 2019 and as at March 31, 2018 as set out below.**

( In ₹ Thousand)

Equity shares	As at 31 <sup>st</sup> March,			
	2019		2018	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	2,07,00,000	1,02,415	2,07,00,000	1,02,415
Add:- Issued during the year	-	-	-	-
Less:- Forfeited during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,07,00,000</b>	<b>1,02,415</b>	<b>2,07,00,000</b>	<b>1,02,415</b>

**Note 2.17(ii) Details of Shares held by each shareholder holding more than 5% shares**

( In ₹ Thousand)

Name of Shareholder	As at 31 <sup>st</sup> March,			
	2019		2018	
	No. of shares	% of Holding	No. of shares	% 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
<b>Total</b>	<b>1,19,96,300</b>	<b>59.98</b>	<b>1,19,96,300</b>	<b>59.98</b>

**Note 2.17(iii) Details of Shares forfeited**

( In ₹ Thousand)

Class of shares	As at 31 <sup>st</sup> March,			
	2019		2018	
	No. of Shares	Amount paid up	No. of Shares	Amount paid up
Equity Shares with voting rights	6,97,800	2,404	6,97,800	2,404
<b>Total</b>	<b>6,97,800</b>	<b>2,404</b>	<b>6,97,800</b>	<b>2,404</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**  
**Note 2.17 (iv) Rights, preferences and restrictions attached to equity shares**

The Company has a only one class of share referred as Equity shares having par value of ₹ 5 per share. Each Shareholder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares are entitled to receive the remaining assets of the company after distribution of all preferential amounts in proportion to no. of shares held.

**Note 2.18 Other Equity** ( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
General reserve	<b>30,805</b>	30,805
Retained earning	<b>14,45,976</b>	13,18,700
<b>Total Other Equity</b>	<b>14,76,781</b>	13,49,504

**Note 2.19 Deferred Tax Liabilities (net)** ( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Deferred income tax asset</b>		
Deductible Expenditure		
Provision for doubtful financial asset	<b>(4,091)</b>	(2,172)
<b>Deferred income tax liability</b>		
Taxable temporary difference		
Depreciation adjustment as per Books and Income Tax	<b>84,214</b>	81,282
<b>Net Deferred Tax Liability</b>	<b>80,123</b>	79,110

**Note 2.19(a) Movement in gross deferred tax liability/asset** ( In ₹ Thousand)

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
<b>2018-2019</b>			
<b>Deferred Tax Liability/Asset in Relation to</b>			
unabsorbed depreciation as per Income tax	81,282	2,932	<b>84,214</b>
Expenses allowed on provision for doubtful debts	(2,172)	(1,919)	<b>(4,091)</b>
<b>On account change deferred tax asset to liability</b>			
Unabsorbed depreciation as per income tax	47	(47)	-
Expenses allowed on provision basis for doubtful debts	(379)	379	-
<b>Total</b>	<b>78,778</b>	<b>1,345</b>	<b>80,123</b>
<b>2017-2018</b>			
<b>Deferred Tax Liability/Asset in Relation to</b>			
unabsorbed depreciation as per Income tax	95,387	(14,105)	<b>81,282</b>
Expenses allowed on provision for doubtful debts	(637)	(1,535)	<b>(2,172)</b>
<b>On account change deferred tax asset to liability</b>			
Unabsorbed depreciation as per income tax	-	47	<b>47</b>
Expenses allowed on provision basis for doubtful debts	-	(379)	<b>(379)</b>
<b>Total</b>	<b>94,750</b>	<b>(15,972)</b>	<b>78,778</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.19(b) The analysis of deferred tax asset and deferred tax liability**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Deferred Tax Asset:</b>		
Deferred Tax Asset to be recovered after more than 12 Month	(4,091)	( 1,793)
Deferred Tax Asset to be recovered within 12 Month	-	-
	<b>( 4,091)</b>	<b>( 1,793)</b>
<b>Deferred Tax Liability:</b>		
Deferred Tax Liability to be recovered after more than 12 Month	84,214	81,329
Deferred Tax Liability to be recovered within 12 Month	-	-
<b>Total</b>	<b>84,214</b>	<b>81,329</b>

**Note 2.19 (c) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Accounting Profit	2,21,701	1,88,286
Tax at the domestic rate of 29.12% in 2019, (34.61% in 2018)	65,552	65,162
Tax expense of Foreign subsidiary Instasafe Inc.	1,282	-
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	(1,647)	(2,201)
Other than temporary differences	(3,190)	1,206
Adjustments for current tax of prior periods	3,469	(703)
Income tax effect on OCI	(12)	(212)
Current tax on short term capital gain on sale of units of mutual fund	2,364	-
<b>Tax Expense</b>	<b>67,818</b>	<b>63,252</b>

**Note 2.20 Provisions**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Provision for employee benefit	1,106	906
<b>Total Provisions</b>	<b>1,106</b>	<b>906</b>

**Note 2.21 Other non-current liabilities**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Provision for disputed liability	2,227	2,227
<b>Total Other non-current liabilities</b>	<b>2,227</b>	<b>2,227</b>

**Note 2.22 Trade payables**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Total outstanding dues of micro and small enterprises	15	-
Total outstanding dues of creditors other than micro and small enterprises	10,203	13,813
Trade payable with related parties	-	-
<b>Total Trade Payables</b>	<b>10,218</b>	<b>13,813</b>

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019

**Note 2.23 Other financial liabilities**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Salary Payable	2,277	4,249
Unclaimed Dividend	2,350	2,587
Liability for Expenses	15,145	5,031
<b>Total Other financial liabilities</b>	<b>19,772</b>	<b>11,866</b>

**Note: 2.24 Other current liabilities**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Statutory remittances	25,486	19,799
Unearned revenue		-
Balance as on 1 April 2018	2,812	-
Less: Adjustment for Ind AS 115 transition	(2,812)	-
Less: Revenue recognised	-	-
Add: Contract Liability	7,578	2,812
Balance as on 31 March 2019	7,578	2,812
Creditors for capital goods	162	-
Excess realisation from debtor	2,116	-
<b>Total Other current liabilities</b>	<b>35,342</b>	<b>22,611</b>

**Note 2.25 Provisions**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Provision for employee benefit	49	26
<b>Total Provisions</b>	<b>49</b>	<b>26</b>

**Note 2.26 Current tax liabilities**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Current tax liabilities	1,282	-
<b>Total current tax liabilities</b>	<b>1,282</b>	<b>-</b>

**Note 2.27 Revenue from Operations**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Income from sale of products and services	7,04,393	7,36,765
Less: GST recovered	95,989	1,13,629
<b>Total revenue from operation</b>	<b>6,08,404</b>	<b>6,23,136</b>

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019

**Note 2.28 Other Incomes**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Income related to financial assets</b>		
Interest on bank deposit	3,449	13,874
Dividend income	8,141	8,249
Gain on Sale of Investment	1,075	405
Interest on income tax refund	4,511	-
Miscellaneous income	638	379
Gain on Foreign currency Translation	2	-
<b>Other non - operating income</b>		
Fair value gain of investment through Profit and Loss account (FVTPL)	25,484	2,537
<b>Total other incomes</b>	<b>43,300</b>	<b>25,444</b>

**Note 2.29 Employee Benefit Expenses**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Salaries and wages	2,27,588	2,74,105
Contribution to provident and other funds	15,532	22,213
Staff welfare Expenses	5,494	9,113
<b>Total Employee Benefit Expenses</b>	<b>2,48,614</b>	<b>3,05,431</b>

**Note 2.30 Finance Cost**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Other borrowing cost		
1) Bank Limit charges	630	1,039
2) Bank Guarantee Charges	1,920	1,904
<b>Total finance cost</b>	<b>2,550</b>	<b>2,942</b>

**Note 2.31 Depreciation and amortisation expenses**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Depreciation and amortisation Expenses	17,258	16,192
<b>Total depreciation and amortisation expenses</b>	<b>17,258</b>	<b>16,192</b>

**Note 2.32 Impairment Losses**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Impairment loss allowance on trade receivable and Work-in-Progress (WIP)	5,260	6,002
Impairment loss allowance on other financial assets	7,350	1,163
<b>Total impairment losses</b>	<b>12,610</b>	<b>7,165</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.33 (i) Other Expenses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Rates and taxes	3,534	3,560
Repairs and maintenance	2,248	1,510
Consultancy Charges	1,273	-
Data centre expenses	607	693
Electricity charges	3,275	3,722
Legal and professional fees	9,439	9,792
Printing and stationery	1,126	1,131
Membership and subscription	1,042	2,706
Communication expenses	1,660	2,753
Advertising and Business Promotion Expenses	7,480	4,746
Corporate social responsibility contributions	5,390	5,892
Software related expenses	187	585
Website hosting/domain renewals	21	-
Bank charges	690	224
Insurance expenses	625	555
Foreign exchange loss/(gain)	16	-
Other expenses	15,011	8,262
<b>Total Other Expenses</b>	<b>53,624</b>	<b>46,130</b>

**Note 2.33 (ii) Payment to auditors**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Auditors of the company		
Components of audit fees		
Service as statutory auditor (including limited review)	925	762
<b>Total Payment to Auditors</b>	<b>925</b>	<b>762</b>

**Note 2.34 Tax expenses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2019
<b>(a) Income tax expenses :</b>		
<b>Current tax</b>		
Current tax on profit for the year	664,361	64,167
Current tax expense pertaining to prior year	3,469	(703)
	<b>67,830</b>	<b>63,464</b>
<b>Deferred tax</b>		
Deferred tax expense for the current year	1,345	(15,972)
	<b>1,345</b>	<b>(15,972)</b>
<b>Total income tax expense recognised in current year</b>	<b>69,175</b>	<b>47,492</b>
<b>(b) Income tax recognised in other comprehensive income</b>		
Remeasurement of the defined benefit plans	12	(212)
	<b>12</b>	<b>(212)</b>



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>(c) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss"</b>		
Profit from continuing operations before income tax expense	2,21,701	1,88,286
Profit from discontinuing operations before income tax expense	-	-
<b>Tax at the Indian tax rate of 25%</b>	<b>65,552</b>	<b>65,162</b>
Tax expense of Foreign subsidiary Instasafe Inc.	1,282	-
Adjustments for current tax of prior periods	3,469	(915)
Current tax on short term capital gain on sale of units of mutual fund	2,364	-
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	(1,647)	(2,201)
Expenses provided but allowable in Income Tax on payment/writeoff(net) Other than temporary differences	(3,190)	71
Income tax effect on OCI	(12)	(212)
<b>Income tax expense</b>	<b>67,818</b>	<b>62,116</b>

**Note 2.35 Contingent Liabilities and commitments (to the extend not provided for):**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>(i) Contingent liabilities:</b>		
(a) Bank gurantees [Refer Note 2.35 (i)]	86,462	53,866
(b) Service taxes [Refer Note 2.35 (ii)]	1,402	4,881
(c) Income taxes [Refer Note 2.35 (iii)]	3,886	-
<b>(ii) Capital Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Office interior	1,138	-
(b) Other Commitments	-	-

**Note 2.35 (i)**

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

- (a) Hypothecation of book debts of the company.
- (b) Collateral:
  - i) EMT of Office premises at Swastik Chambers, Office No.514 and 515,5th floor, Umarshi Bappa Chowk, Chembur, Mumbai - 400071 Standing in the name of the company.
  - ii) EMT of Office Premises at Prabhadevi Unique Industrial Premises Co-op Soc. Ltd, Unit No.5, Ground Floor, Off Veer Savarkar Marg, Prabhadevi, Mumbai - 400025 standing in the name of the company.
  - iii) Three fixed deposits in Canara bank amounting to ₹ 313 thousand representing maturity value of 3 LIC Policies which were earlier hypothecated to the bank.
  - iv) 5 KDR's having face value of ₹ 260 thousand in the personal names of director Mr. Prakash B. Rane.
- (c) Personal Guarantees from directors – Mr. Prakash B. Rane.

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019****Note 2.35 (ii)**

The service tax amount shown of ₹ 1,144 thousand pertains to the show cause notices received by the company for disallowances of cenvat credit for the F.Y. 2014-15 to 2017-18. The Company is in process of contesting or filing 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 2.35 (iii)**

For Assessment Year 2016 - 2017, the subsidiary InsataSafe Technologies Private Limited has received assessment order u/s 143(3) of the Income Tax Act, dated 18th December 2018, raising a tax demand of Rs. 38,85,541. The Company has already contested the demand at the appropriate Appellate Forum and the Management feels that the outcome of the appeal will be in the company's favour in as much as the grounds on which the additions made to the income are applicable to many start-ups.

**Note 2.36**

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers notified on March 28, 2018. This standard will supersede all current revenue recognition requirements. The Group has decided to use the modified retrospective approach for transition. As per this approach, the Group has recognised the cumulative effect of applying Ind AS 115 retrospectively as an adjustment to the opening balance of retained earnings as at April 1, 2018. Under such modified retrospective approach, Ind AS 115 is applied to contracts that were not completed as of April 1, 2018.

The effect of adoption of Ind AS 115 has been ascertained as follows:

Balance of Retained Earnings as on April 1, 2018 has increased by ₹ 2,812 thousand (Refer Note no. 2.17)

Balance of Unearned Revenue as on April 1, 2018 has decreased by ₹ 2,812 thousand (Refer Note no. 2.24)

With the applicability of Ind AS 115, Revenue from Contract with Customers, and the prescribed guidance on identification of performance obligations, the Group determines the performance obligations promised in a contract based on the services that will be transferred to the customer. Accordingly, the Group has considered its product support service as part of the product implicit offering and not a separate standalone offering.

Further to the applicability of Ind AS 115, and the explicit guidance given in it pertaining to Licensing where a license establishes a customer's right to the intellectual property of the Group, it is evaluated that the performance obligations of the Group in the form of granting of license subscriptions is of the nature of granting of 'right to use' the Group's intellectual property. Accordingly, the related performance obligation is considered to be satisfied at a point in time as prescribed by the standard, and revenue recognised accordingly.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2019 is Rs. 5,746 thousand. The Group expects to recognise the whole of this amount within the next one year.

**Note 2.37**

At the beginning of F.Y. 2018-19, an amount of ₹ 13,024 thousand which was previously recognised as Capital-work-in-progress has been recognised as an Intangible Asset on fulfilment of recognition criteria. Furthermore, on the last day of the financial year an additional amount of ₹ 10,703 thousand has been recognised as an Intangible asset on fulfilment of the recognition criteria. Consequently, no amortisation has been provided for the financial year on this amount. Amortisation on this addition will commence from FY 2019-20 onwards. Thus, total additions recognised as Intangible Asset during FY 2018-19 was ₹ 23,727 thousand.

The useful life of the intangible asset is estimated to be 5 years and overall amortisation has been worked out accordingly.

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note :2.38 Earnings Per Share (EPS)**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Net profit after tax attributable to equity shareholders for Basic EPS	<b>1,56,745</b>	1,44,255
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	<b>1,56,745</b>	1,44,255
Weighted average no. of equity shares (in thousand) outstanding during the year		
For basic EPS	<b>20,002</b>	20,002
For diluted EPS	<b>20,002</b>	20,002

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
Face Value per Equity Share (₹)	<b>5</b>	5
Basic EPS (₹)	<b>7.84</b>	7.21
Diluted EPS (₹)	<b>7.89</b>	7.21
<b>Reconciliation between no. of shares (in thousand) used for calculating basic and diluted EPS</b>		
No. of shares used for calculating Basic EPS	<b>20,002</b>	20,002
Add: Potential equity shares	-	-
<b>No. of shares used for calculating Diluted EPS</b>	<b>20,002</b>	20,002

**Note : 2.39 Employee Benefits**
**A) Defined contribution plans**

Provident fund:

The company operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expense recognised in the statement of profit and loss of ₹ 10,701 thousand (for the year ended March 31, 2018:

₹13,909 thousand) represents contributions payable to Provident fund by the Company at rates specified in rules of the plans.

**B) Defined Benefit plans:-**
**Movement in plan assets and Plan liabilities:-**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Amount recognised in the statement of Profit and Loss</b>		
Current service cost	<b>3,740</b>	3,650
Finance cost/(income)	<b>(204)</b>	(364)
Past service cost	-	1,346
<b>Total expense recognised in the Statement of profit /loss</b>	<b>3,536</b>	4,632
Amount recognised in Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognised for the period	<b>(540)</b>	(1,386)
Return on plan assets excluding net interest	<b>346</b>	297
<b>Total actuarial (gain)/loss recognised in Other Comprehensive Income (OCI)</b>	<b>(194)</b>	(1,089)

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Changes in present value of obligation</b>		
Present value of obligation at the beginning	15,816	14,648
Add: Opening Liability of Instasafe on Bussiness Combination	-	696
Interest cost	1,143	971
Current service cost	3,740	3,650
Past service cost	-	1,346
Benefits paid	(1,831)	(4,484)
Actuarial (Gains)/Losses on present value of obligation	(540)	(1,010)
<b>Present value of obligation at the end</b>	<b>18,328</b>	<b>15,816</b>
<b>Changes in present value of planned assets</b>		
Fair value at the beginning	16,525	17,508
Return on plan assets	(346)	(297)
Interest income	1,346	1,231
Contributions	3,891	2,567
Benefits paid	(1,831)	(4,484)
<b>Fair Value at the end of the year</b>	<b>19,585</b>	<b>16,525</b>
<b>Compostion of the plan assets is as follow</b>		
Equity instruments	5.55%	5.55%
Debt instruments		
Government bonds	74.55%	74.55%
Corporate bonds/debentures	17.28%	17.28%
Asset backed securities	0.85%	0.85%
Cash and cash equivalents	1.77%	1.77%
	<b>100%</b>	<b>100%</b>
<b>Actuarial assumptions</b>		
<b>Financial assumptions</b>		
Discount rate	7.64%	7.67%
Salary Escalation	4%	5%
Expected return on plan assets	7.59%	7.55%
Attrition	2%	2%
<b>Demographic assumptions</b>	<b>IALM (2006-08)</b>	<b>IALM (2006-08)</b>
Mortality rate	<b>Ultimate</b>	<b>Ultimate</b>

**Sensitivity analysis:**

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

( In ₹ Thousand)

Particulars	ABM Knowledgeware Limited		InstaSafe Technologies Private Limited	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2019	2018	2019	2018
Discount rate increase by 100 basis Points	15,564	13,253	15,564	13,253
Discount rate decrease by 100 basis Points	19,070	16,571	19,070	16,571
Salary Escalation rate increase by 100 basis points	19,102	16,438	19,102	16,438
Salary Escalation rate decrease by 100 basis points	15,512	13,359	15,512	13,359

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019

**Note: 2.40 Related Party Disclosure**

**(A) Name of related parties and description of relationship**

**(i) Key Management Personnels (KMPs):**

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

**(ii) Non-Executive Directors**

Mrs. Supriya Prakash Rane  
Mr. Sharadchandra Abhyankar  
Mr. Sanjay Bharatkumar Mehta (resigned w.e.f. 14th August 2018)  
Mr. Sumit Dutta Chowdhary  
Mr. Devendra Kamalakar Parulekar (appointed w.e.f. 10th August 2018)

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

Khaitan & Company LLP, Mumbai  
Lipsita Projects & Services Private Limited  
Gaia Smart Cities Solutions Private Limited  
Blue Star Software Limited (till 14 August 2019)  
Saffron Studios Private Limited

**(B) Transactions with related parties**

Nature of Transactions	As at 31 <sup>st</sup> March,	
	2019	2018
<b>Purchase of material / services:</b>		
Khaitan & Company LLP	837	98
Gaia Smart Cities Solutions Private Limited	-	1,770
Blue Star Software Limited	-	2,684
Saffron Studios Private Limited	590	-
<b>Key Management Personnel</b>		
Remuneration	18,467	9,799
Other long term benefit	1,782	1,335
<b>Dividend</b>		
Mr. Prakash Rane	11,928	11,928
Mrs. Supriya Rane	3,068	3,068
Lipsita Projects & Services Private Limited	1,227	1,227
<b>Sitting Fees</b>		
Mrs. Supriya Rane	44	44
Mr. Sharadchandra Abhyankar	56	48
Mr. Sanjay Mehta	36	64
Mr. Sumit Dutta Chowdhary	32	40
Mr. Devendra Kamalakar Parulekar	16	-
<b>Commission</b>		
Mr. Prakash Rane	-	1,220
Mrs. Supriya Rane	-	1,408
Mr. Sharadchandra Abhyankar	-	188
Mr. Sanjay Mehta	-	141
Mr. Sumit Dutta Chowdhary	-	141

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**Note 2.41 Capital Management**
**Risk management**

The group's objectives when managing capital are to

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

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

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

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Net debt	-	-
Total equity	15,71,804	14,46,359
Net debt to equity ratio	Nil	Nil

**Note 2.42 Financial Instruments**

- (i) Method and assumptions used to estimate the fair value

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

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

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

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability

**March 31, 2019**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
Financial assets							
Long Term Loans	2,712	-	-	2,712			
Trade Receivables	2,04,252	-	-	2,04,252			
Cash & Cash equivalents	3,08,773	-	-	3,08,773			
Other Bank Balances	45,755	-	-	45,755			
Short term Loans	20,105	-	-	20,105			
Other financial assets	16,365	-	-	16,365			
Investments	4,34,956	4,34,956	-	-	4,34,956		
	<b>10,32,918</b>	<b>4,34,956</b>	-	<b>5,97,962</b>	<b>4,34,956</b>	-	-

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**
**March 31, 2019**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
<b>Financial Liabilities</b>							
Borrowings	-			-			
Trade payables	10,203			10,203			
Other financial liabilities	35,342			35,342			
	45,545	-	-	45,545	-	-	-

**March 31, 2018**
**( In ₹ Thousand)**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
<b>Financial assets</b>							
Long Term Loans	2,665	-	-	2,665	-	-	-
Trade Receivables	5,32,753	-	-	5,32,753	-	-	-
Cash & Cash equivalents	34,416	-	-	34,416	-	-	-
Other Bank Balances	17,599	-	-	17,599	-	-	-
Short term Loans	11,902	-	-	11,902	-	-	-
Other financial assets	28,729	-	-	28,729	-	-	-
Investments	3,06,782	2,96,405	132	10,245	2,96,537	-	-
	9,34,847	2,96,405	132	6,38,310	2,96,537	-	-
<b>Financial Liabilities</b>							
Trade payables	13,813	-	-	13,813	-	-	-
Other financial liabilities	11,866	-	-	11,866	-	-	-
	25,680	-	-	25,680	-	-	-

**Financial Risk Management**

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

**Note No 2.43 Additional Information required by Schedule III**
**2018-19**
**( In ₹ Thousand)**

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
ABM Knowledgeware Ltd	100.59%	15,80,386	103.43%	1,57,772	15.40%	28.76	103.32%	1,57,801
Subsidiaries (group's share)								
InstaSafe Technologies Pvt. Ltd.	-0.12%	(1,944)	-071%	(1,090)	17.61%	32.89	-0.69%	(1,057)
Non Controlling Interest in the Subsidiary								
Indian InstaSafe Technologies Pvt. Ltd.	-0.47%	(7,393)	-2.72%	(4,145)	66.99%	125.11	(0.03)	(4,020)
	100%	15,71,049	100%	1,52,537	100%	187	100%	1,52,724

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2019**  
**2017-18 ( In ₹ Thousand)**

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent ABM Knowledgeware Ltd	100.88%	14,52,678	106.87%	1,44,543	83.25%	401,057	106.79%	1,45,346
Subsidiaries (group's share) InstaSafe Technologies Pvt. Ltd.	-0.49%	(7,071)	-4.85%	(6,558)	3.49%	16.82	-4.82%	(6,541)
Non Controlling Interest in the Subsidiary Indian InstaSafe Technologies Pvt. Ltd.	-0.39%	(5,599)	-2.02%	(2,737)	13.27%	64.00	(0.02)	(2,673)
	<b>100%</b>	<b>14,40,007</b>	<b>100%</b>	<b>1,35,249</b>	<b>100%</b>	<b>482</b>	<b>100%</b>	<b>1,35,731</b>

**Note 2.44 Details of Corporate Social Responsibility (CSR) expenditure**

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

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Amount required to be spent as per Section 135 of the Act for the year	<b>5,383</b>	5,886
Shortfall of previous year/s (if any)	-	-
Total amount required to be spent for the year	<b>5,383</b>	5,886
Amount spent during the year	<b>5,390</b>	5,892
Excess/(short) amount spent	<b>7</b>	6

**Note 2.45**

The Company's business activity falls within a single business segment i.e. software and services and hence no additional disclosure other than those already made in the financial statements are required under Accounting Standard 108, "Operating Segments". The Company at present, operates in India only and therefore analysis of geographical segment is not applicable.

**Note 2.46**

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

**Note 2.47**

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 Borkar & Muzumdar**

Chartered Accountants

**Firm Registration No.:101569W**
**Deepak Kumar Jain**

Partner

**Membership No.: 154390**

Mumbai

24<sup>th</sup> May, 2019

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

(DIN : 00152393)

**Sharadchandra D. Abhyankar - Director**

(DIN : 00108866)

**Sarika A. Ghanekar - Company Secretary**
**Paresh M. Golatkar - Chief Financial Officer**



**FORM NO. AOC.1**
**Statement containing salient features of the financial statement of Subsidiary**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiary/associate companies/Joint ventures

**Part "A": Subsidiary**
**( In ₹ Thousand)**

Sr. No.	Name of the subsidiary	INSTASAFE TECHNOLOGIES PRIVATE LIMITED	INSTASAFE INC.
1	Date when Subsidiary was acquired / incorporated	12.5.2017	23.08.2018
2	Reporting currency	INR	INR
3	Share capital	1,212	175
4	Reserves & surplus	(14,243)	3,695
5	Total assets	57,303	5,394
6	Total Liabilities	70,334	1,524
7	Investments	17,549	-
8	Turnover	15,577	42,865
9	Profit/(Loss) before taxation	(8,374)	4,966
10	Provision for taxation	545	1,282
11	Profit (Loss)after taxation (before OCI)	(8,919)	3,684
12	Other Comprehensive Income	148	10
13	Profit (Loss) for the year (after OCI)- Total Comprehensive income attributable to the Owners of the Company	(8,771)	3,695
14	Proposed Dividend	-	-
15	% of shareholding	20.82%	100.00%

**Notes :** There is no Associate Company & Joint Venture . Hence Part B is not Applicable.

**For and on behalf of the Board of Directors**

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

**Sharadchandra D. Abhyankar**  
Director  
(DIN: 00108866)

**Date : 24<sup>th</sup> May, 2019**  
**Place: Mumbai**

**Sarika A. Ghanekar**  
Company Secretary

**Paresh M. Golatkar**  
Chief Financial Officer

# FY 2018-19 Glance

Successfully delivered 4+ Crore G2B & G2C services across India, a ten-fold increase in a mere 9 years and 32% growth over the previous year.

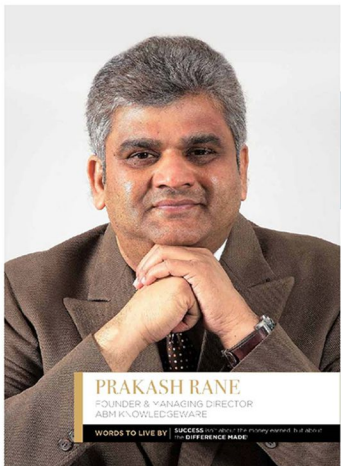
Bagged two more Smart City Projects - Thane Smart City in Maharashtra and Aligarh Smart City in Uttar Pradesh.

'Company of the year award' for 'India's best software development services company' conferred by Berkshire Media, USA.

ABM's subsidiary company, InstaSafe won the 'CIO Choice Award for Cloud Security' and was recognised by 'Firecompass as one of the Top Indian Cyber Security Vendors to look out for'.

The Crowdsourced Security Testing Services offered by InstaSafe, called 'SafeHats', got featured in Gartner's Market Guide for Application Crowdstesting Service as one of the Representative Vendors in the segments across the world.

Prakash Rane, Founder & Managing Director was recognized as one of the 'Most Promising Business Leaders of Asia' in a Coffee Table book published by Economic Times.



**Prakash Rane**  
FOUNDER & MANAGING DIRECTOR  
ABM KNOWLEDGEWARE

**LEADERSHIP LEARNINGS**  
ONE OF A KIND...  
EVOLUTION OF A LEADER...  
MY STORY...  
RIVALRY...  
WORDS TO LIVE BY...

**THE ECONOMIC TIMES**  
MOST PROMISING BUSINESS LEADERS OF ASIA  
2017-18

**ABM listed among '10 Best Oracle partners to watch in 2018' by an USA based magazine, 'Insight Success'**

## अब टेबलेट से ऑनलाइन कार्टी जाएंगी दुकानों और गुमटियों की रसीदें

निगम आयुक्त ने रेवेन्यू वसूलने वाले टीसी को बांटे टेबलेट इम्रान रिपोर्टर | खातिर  
उसने किराएदार को बैठाकर रखा है तो उसका आबंटन निरस्त किया जाऊ।  
निगम आयुक्त ने बैठक में कहा कि यदि इसके बाद निरीक्षण में मोके पर किराएदार दुकान पर बैठा मिला तो टीसी के खिलाफ सख्त एक्शन लिया जाएगा। बैठक में मौजूद टीसी ने आयुक्त को सामने नए सिस्टम से आने वाली परेशानियों से भी अवगत कराया। उनका कहना था कि नई व्यवस्था में नाम दुकानदार का दिखना चाहिए। दिख नही तो ओकरा रखा है तो उसका आबंटन निरस्त किया जाऊ।  
निगम आयुक्त ने बैठक में कहा कि यदि इसके बाद निरीक्षण में मोके पर किराएदार दुकान पर बैठा मिला तो टीसी के खिलाफ सख्त एक्शन लिया जाएगा। बैठक में मौजूद टीसी ने आयुक्त को सामने नए सिस्टम से आने वाली परेशानियों से भी अवगत कराया। उनका कहना था कि नई व्यवस्था में नाम दुकानदार का दिखना चाहिए। दिख नही तो ओकरा रखा है तो उसका आबंटन निरस्त किया जाऊ।

**एसएमएस से बताएं- कितना बकाया है संपत्ति और जल कर, पेमेंट भी ऑनलाइन**  
मास्कर एक्सप्लोसिव  
मैस्युअल जमा नहीं होगा टेक्स, पोओरस मशीन से जमा होगा बिल  
लोकल कर्मिक, एडवुड प्रोडेंट के अपने दिमागों में सस्ती और जल कर की अब ऑनलाइन सुवर्दी होगी, मैस्युअल जमा करने की अधिकार पूर्ण तरह से खत्म करने की किरायेदार नहीं है। किरायेदार को जल कर के बकाये के ऑडिट बिल की जानकारी दी जाएगी। किरायेदार, सभी निमावों में निमित्त लकाकर संपत्ति कर

**पानिकेच्या भांडारत्यावरून मालमत्ताचे हस्तांतरण ऑनलाइन ४६ हजार भांडेकरुंना दिलासा**  
प्रदेश में नई व्यवस्था जल्द लागू की जाएगी  
पानिकेच्या भांडारत्यावरून मालमत्ताचे हस्तांतरण ऑनलाइन ४६ हजार भांडेकरुंना दिलासा  
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प्रदेश में नई व्यवस्था जल्द लागू की जाएगी

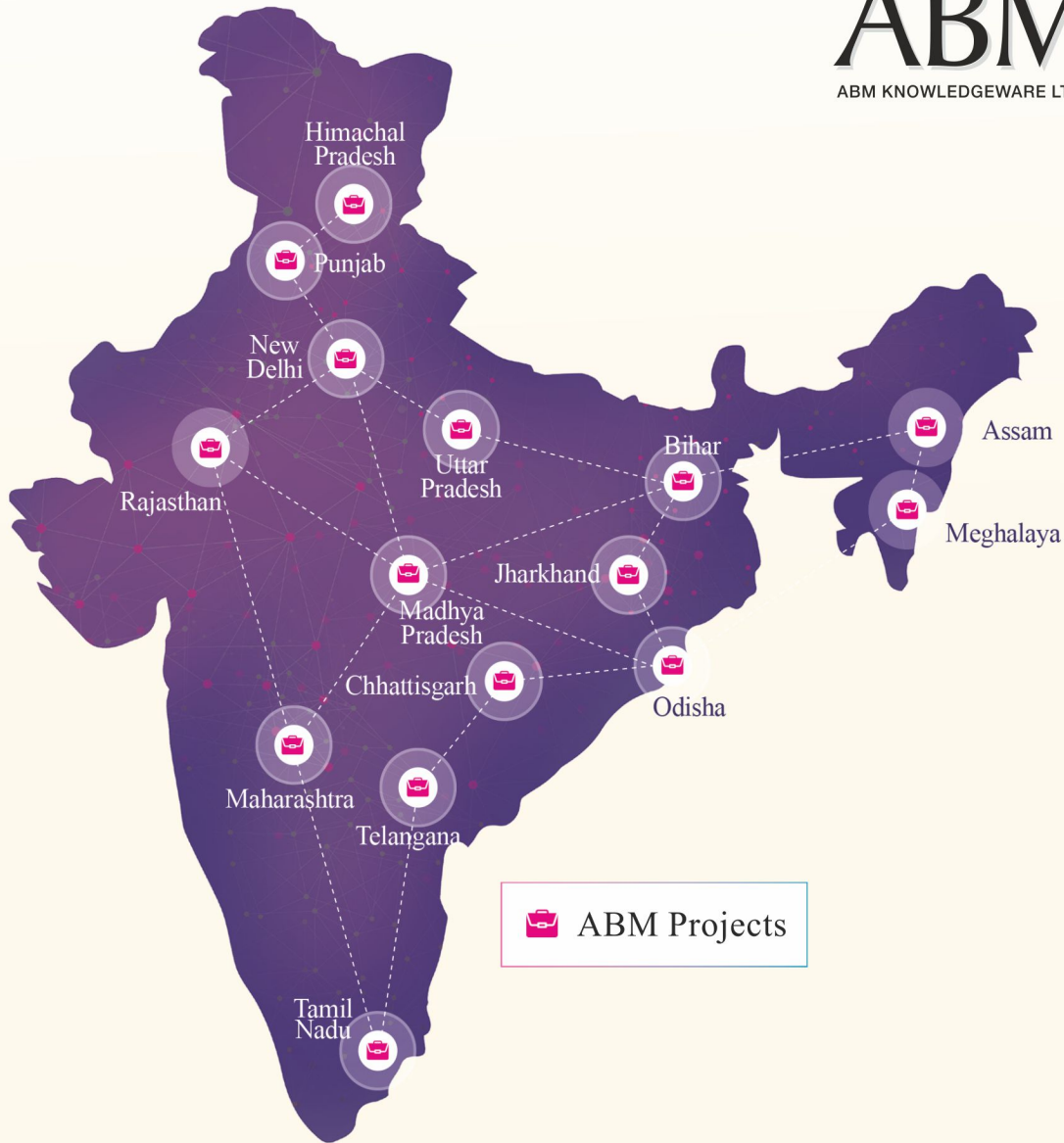
**ABM Knowledgeware Limited**  
Digital Growth that Works  
The Business Technology industry has been the fastest growing in India...  
ABM Knowledgeware is a leading provider of business technology solutions...  
ABM Knowledgeware is a leading provider of business technology solutions...

**IBC CORPORATE AWARDS 2018**  
8th MAHARASHTRA AWARDS FOR BEST IN BUSINESS  
BC InfoMedia Pvt. Ltd. is the winner of the award for Best IT Solution Provider.

**ई-नगर पालिका: अब जल कर भी ऑनलाइन हुआ**  
पञ्चूले दिन 25 हजार रुपय की ऑनलाइन रसीदें कटीं  
नगर पालिका के जल कर के लिए नए सिस्टम का उपयोग करने का निर्णय लिया गया है। नए सिस्टम के तहत जल कर के रसीदें ऑनलाइन कटी जाएंगी। नगर पालिका के अधिकारियों का कहना है कि नए सिस्टम का उपयोग करने से नगर पालिका के जल कर के रसीदें ऑनलाइन कटी जाएंगी। नगर पालिका के अधिकारियों का कहना है कि नए सिस्टम का उपयोग करने से नगर पालिका के जल कर के रसीदें ऑनलाइन कटी जाएंगी।

**Deloitte Technology Fast 50 India 2018 WINNER**  
InstaSafe® is Listed as One of The Fastest Growing Technology Company in the Deloitte Technology Fast 50 India 2018

# Digital Government that Works...



Delivered  
**40+ million**  
Citizen Services  
last year

Digital governance  
services to **1000+**  
Urban Local Bodies  
in India

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Digital Government  
services

Unique distinction of  
**most Statewide**  
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in E-Municipality

## ABM KNOWLEDGEWARE LIMITED

ABM House, Plot no. 268, Linking Road, Bandra (West), Mumbai - 400050  
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[www.abmindia.com](http://www.abmindia.com)