



27<sup>TH</sup>  
ANNUAL  
REPORT  

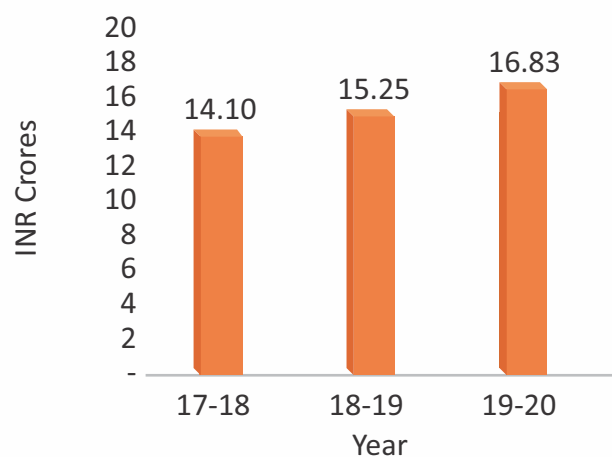
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2019-20

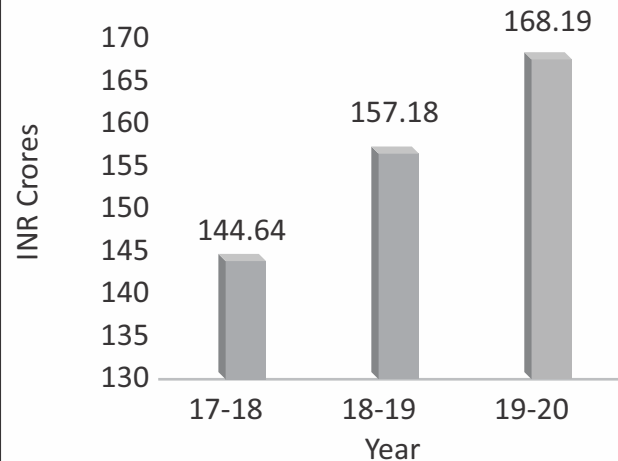


## Financials At A Glance

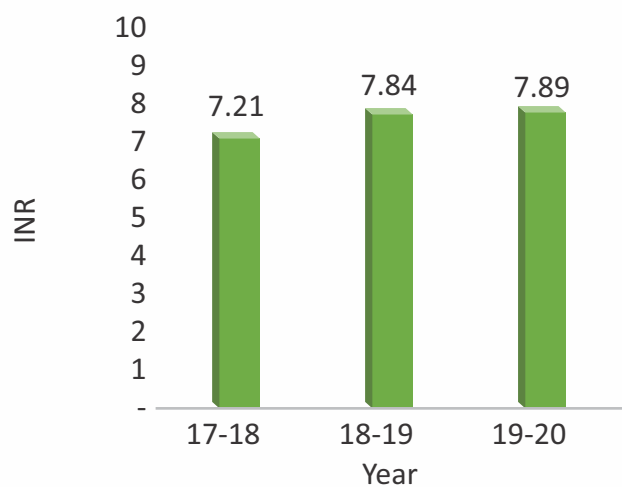
### Profit After Tax (PAT)



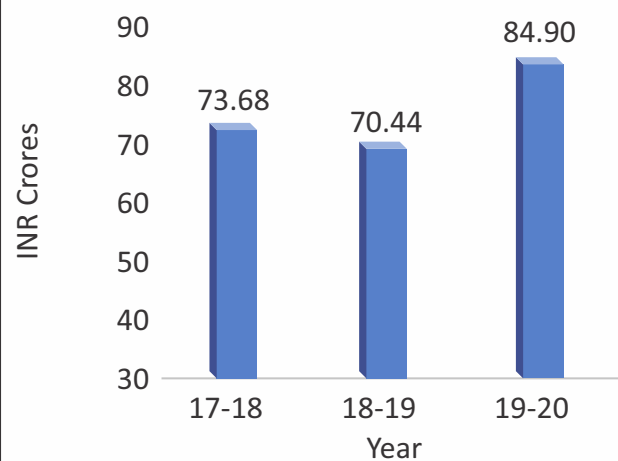
### Net Worth



### EPS



### Gross Turnover



Consolidated



**BOARD OF DIRECTORS**

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

**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 Seventh Annual General Meeting of the Members of **ABM KNOWLEDGEWARE LIMITED** will be held on Friday, the 04<sup>th</sup> day of September, 2020 at 10.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), 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, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend @25% i.e ₹ 1.25/- per Equity Share of Face Value of ₹ 5/- each, already paid during the year as the Final Dividend for the Financial Year 2019-2020.
3. To appoint a Director in place of Mrs. Supriya P. Rane (DIN: 00152890), who retires by rotation and being eligible, offers herself for re-appointment.

### AS SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the recommendation of the Nomination and Remuneration Committee, Mr. Punit Kumar Jain (DIN: 07325636), being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold the office for a term of 5 (five) consecutive years for a term commencing 04<sup>th</sup> September, 2020 to 3<sup>rd</sup> September, 2025.

**RESOLVED FURTHER THAT** all the Directors and the Company Secretary be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this Resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 ("Companies Act") (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Articles of Association of the Company and subject to such other consent as may be required, the approval of the shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Prakash B. Rane (DIN:00152393) as the Managing Director of the Company for a period commencing from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025 (both days inclusive), as per terms of appointment including remuneration to be paid for a period of 3 (three) years from the date of his appointment, in the event of loss or inadequacy of profits in any financial year as detailed in the Explanatory Statement annexed hereto, and that the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the said re-appointment and / or remuneration payable from time to time based on the recommendations of the Nomination and Remuneration Committee.

#### 1. Term of Appointment

With effect from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025.

## 2. Remuneration:

- a) Basic Salary: ₹ 13,50,000/- per month.
- b) In addition to the aforesaid basic salary, he shall be entitled to following Perquisites and Allowance:
  - i) Reimbursement of medical expenses incurred for himself and his family.
  - ii) Leave Travel Allowance including expenses like travel, fare, lodging, boarding, conveyance and other incurred for self and family during leave / holiday travel periods, whenever undertaken, in India for an amount not exceeding of ₹ 3,50,000/-.
  - iii) House Rent Allowance will be payable as per the rules of the Company.
  - iv) Actual Fees of clubs including admission and membership fee.
  - v) Actual premium for Personal Accident insurance policy and premium on mediclaim policy.
  - vi) Provision of Credit Cards for use of Company's business.
  - vii) Reimbursement of Gas, Electricity and water charges at residence.
  - viii) Use of vehicles for official purpose including payment of fuel costs, repairs, maintenance, running expenses and driver's salary.
  - ix) Payment or reimbursement of telephone, mobile, fax, internet connectivity and other communication facilities at residence.
  - x) Reimbursement of all cost, charges and expenses including entertainment expenses as may be incurred for the purpose of or on behalf of Company.
  - xi) Gratuity payable as per rules of the Company.
  - xii) Leaves with full pay or encashment thereof for un-availed leaves as per the rules of the Company.
  - xiii) Company's Contribution towards Pension Scheme or Superannuation Fund and Provident Fund at rates as per Company's rules.
  - xiv) All other payments or reimbursements in nature of perquisites and allowances agreed by Board of Directors from time to time.
- c) **Commission:** Commission as determined by the Board of Directors on recommendation of Nomination and Remuneration Committee, which will be payable at end of each financial year after the annual accounts are approved by the Board, which shall be calculated with reference to the net profits of the Company and may exceed the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act (including any subsequent amendment/ modification) made thereunder.

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

## 3. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of the tenure of office of the Managing Director, the Company has loss, no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites, as may be decided by the Board, even if it exceeds the limits as prescribed under Schedule V of the Companies Act, 2013.

## 4. Overall Remuneration:

The aggregate of salary, perquisites, allowances and commission payable to Managing Director of the Company, in any financial year(s), as may be decided by the Board of Directors, i.e. total remuneration may exceed 5% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013 subject to necessary approvals

as prescribed under Section 197 of the Companies Act, and any subsequent amendment(s) and/or modification(s) in the Companies Act, Rules and / or applicable laws in this regard.

#### **5. Termination of Term of Office:**

The Company will have the right to terminate the term of office of Managing Director at any time by providing the Managing Director with 3 (three) months prior written notice or provide the Managing Director with 3 (three) months salary and allowances in lieu thereof. The Managing Director shall also have a right to relinquish his office at any time before expiry of his term by issuing a written prior notice of termination of not less than 3 (three) months to the Company ("Notice Period"), provided that the Company may, at its discretion relieve the Managing Director from his duties at any time after the receipt of his notice, prior to the expiry of the Notice Period by payment of salary for the remaining period of the Notice Period.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, empowered and vested with the substantial powers to alter, amend or vary the terms and conditions of the appointment including the remuneration structure as may be agreed to between the Board of Directors and Mr. Prakash B. Rane subject to the limits within such guidelines or amendments as may be made to the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may think necessary, expedient or desirable in order to give effect to above 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. Due to outbreak of COVID-19 and in view of the continuing restrictions on the movement of people at several places in the country, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audit Visual Means (OAVM) without physical presence of the Members at common venue during the calendar year 2020. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 27<sup>th</sup> AGM of the Company shall be conducted through VC / OAVM.
3. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The instructions for participation by Members are given in the subsequent paragraphs.
4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.abmindia.com](http://www.abmindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 29<sup>th</sup> August, 2020 to Friday, 4<sup>th</sup> September, 2020 (both days inclusive).
9. In accordance with, the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by MCA and Circular No. SEBI / HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
10. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company or Registrar along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [cs@abmindia.com](mailto:cs@abmindia.com)
11. The Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and Bank Account Details by every participant in securities market. Members holding shares in demat form, are therefore, requested to submit PAN and Bank Account details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN and Bank Details details to M/s. Universal Capital Securities Pvt. Ltd. or to the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheques should bear the name of the member. In the alternative Members can submit a copy of bank passbook / statement attested by the bank.
12. 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 16<sup>th</sup> August, 2019 (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>.
13. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on [cs@abmindia.com](mailto:cs@abmindia.com).

**PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

14. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at [cs@abmindia.com](mailto:cs@abmindia.com). Questions / queries received by the Company till 5.00 p.m. on Tuesday, 1<sup>st</sup> September, 2020 shall only be considered and responded during the AGM.



15. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting the link <https://www.evoting.nsdl.com> between 9.00 a.m. on Saturday, 29<sup>th</sup> August, 2020 and 5.00 p.m. on Tuesday, 1<sup>st</sup> September, 2020.
16. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

**PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

17. Pursuant to Section 108 of the Act, 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 facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
18. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 28<sup>th</sup> August, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
19. The remote e-voting period begins on Tuesday, 01<sup>st</sup> September, 2020 at 09:00 A.M. and ends on Thursday, 03<sup>rd</sup> September, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned 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 eservices 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered

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.

**General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ucshukla@rediffmail.com](mailto:ucshukla@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. 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.
3. 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 to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@abmindia.com](mailto:cs@abmindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@abmindia.com](mailto:cs@abmindia.com).

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
20. 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.
21. 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.
22. Members of the Company had approved the appointment of M/s. Borkar & Muzumdar, Chartered Accountants, as the Statutory Auditors at the Twenty Sixth AGM of the Company which is valid till Thirty First AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.
23. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

**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	51 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.

<b>II</b>	<b>Name</b>	<b>Mr. Prakash B. Rane</b>
	Date of Birth	21/12/1965
	DIN	00152393
	Age	54 years
	Date of Appointment on Board	27/04/2000
	Qualification	B.Tech, M.M.S
	Expertise in specific functional areas	Mr. Prakash B. Rane is a first generation entrepreneur and has 22 years' experience in the field of e-Governance and 30 years' experience in IT business in govt. sector in India. Some of his areas of expertise are conceptualization and execution of e-Government project with high potential for replication, Business Management, Thought Leadership in business segment, Enterprise wide IT strategy and execution, Software Project Management, New Business Development, Risk Assessment and Mitigation, Talent Management.
	Other Directorships	Diagnostica Thrombus Private Limited InstaSafe Technologies Private Limited
	Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil
	No. of Shares held in the Company	95,42,300 Equity Shares of ₹ 5/- each.
	Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Mr. Prakash B Rane is also one of the Promoters of the Company holding 95,42,300 Equity Shares singly. His wife, Mrs. Supriya Rane is also holding 24,54,000 Equity Shares. Together with her and other relatives, Mr. Prakash B Rane is holding 60.01% of the total paid up capital.
<b>III</b>	<b>Name</b>	<b>Mr. Punit Jain</b>
	Date of Birth	08/11/1963
	DIN	07325636
	Age	56 years
	Date of Appointment on Board	04/09/2020
	Qualification	B.Tech. in Electrical Engineering from IIT Bombay and PGDM from IIM Bangalore
	Expertise in specific functional areas	Banking and Financial Services, an elected member of NASSCOM's Product Council, to promote software product industry in India
	Other Directorships	Nelito Systems Limited
	Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee)	Nil
	No. of Shares held in the Company	Nil
	Relationship with other Directors, Manager and Key Managerial Personnel of the Company	None

**By Order of the Board of Directors**

**Mumbai, July, 22, 2020**

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**

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

Mr. Punit Jain holds a B.Tech. in Electrical Engineering from IIT Bombay and PGDM from IIM Bangalore. He is currently the Co-Founder and Director at an LLP, which is an internet and mobile based job portal for the uneducated and unskilled. Before this, he was the CEO of a Software Company of 1200 people software company which focused on banking and financial services, during the period from Feb 2013 to Jun 2020. Earlier, he has worked in senior roles at any many companies.

Mr. Punit Jain is also an elected member of NASSCOM's Product Council, where he works with other software leaders to promote software product industry in India, and also mentors promising start-ups.

He is an avid tennis player, a half-marathon runner, a trekker and a singer in his free time.

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. Punit Jain is eligible for appointment as Independent Director. In view of his rich experience, the Board of Directors recommends the proposal to appoint him as Independent Director for a term as mentioned in the respective ordinary resolution.

The Company has received notice under Section 160 of the Act from a Member, 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. Punit Jain 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 for and is an independent of the management.

Brief resume of Mr. Punit Jain, 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. Punit Jain 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. Punit Jain 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 Ordinary Resolution at Item No. 4 of this Notice for approval of members.

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

Mr. Prakash B. Rane, aged 53 years with qualification of B.Tech., M.M.S, has been associated with the Company for last 22 years and has rich experience in various areas of operation of the Company. He oversees the overall management and functioning of the Company. During the years under Prakash B. Rane's stellar leadership, considerable value has been

added to the Company. He is the sole Executive Director taking care of the Company's Business and is actively involved in the business strategy, business development and research and development functions in the Company.

The members of the Company vide Resolution dated 20<sup>th</sup> August 2015 had appointed Mr. Prakash B. Rane as the Managing Director of the Company pursuant to provisions of Section 196, 197, 203 read with Schedule V of the Companies Act for a tenure of five years effective from 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2020.

As per recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 20<sup>th</sup> March, 2020, had, approved the re-appointment of Mr. Prakash B. Rane as Managing Director of the Company, for a further period of 5 years, with effect from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025 and remuneration for a period of 3 years with effect from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2023, subject to the approval of members and considering the increased activities, responsibilities, performance of business, strategic and growth initiatives contemplated and contribution of Mr. Prakash B. Rane in the growth of the Company, consent is sought for the re-appointment of Mr. Prakash B. Rane as Managing Director of the Company for further period of 5 years w.e.f 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025, and remuneration for a period of 3 years on the terms and conditions laid out in this item of the Notice.

Taking into consideration the challenging economic scenario and Company's cautious growth strategy Mr. Prakash B. Rane, Managing Director has declined any increment in the existing remuneration paid and has agreed to continue with same remuneration.

Section 197 of the Companies Act, 2013 have been amended pursuant to the Companies (Amendment) Act, 2017 which has come in force w.e.f. 12<sup>th</sup> September, 2018. Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a special resolution and without requiring the approval of the Central Government (as required under Section 197 read with Schedule V to the Act before the effective date).

Pursuant to the amended provisions of Section 197 (3) of the Act read with Schedule V thereto, if in any financial year(s), the Company has no profits or its profits are inadequate, it may pay remuneration to its Managing Director in accordance with the provisions of Schedule V or exceeding the limits specified under Item (A) of Section II of Part II of the said Schedule, if the resolution passed by the Members is a Special Resolution.

In the view of the above the Nomination and Remuneration Committee and Board of Directors of the Company at their respective Meetings held on 3<sup>rd</sup> February, 2020 and 20<sup>th</sup> March, 2020 have inter alia recommended above Resolution for approval of the Members by means of Special Resolution.

**Disclosure in terms of Schedule V of the Companies Act, 2013:**

<b>A. General Information</b>			
b) Nature of Industry	Information Technology (software & Services)		
b) Date or expected date of commencement of commercial production	Commenced business in 1993		
c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
d) Financial performance based on given indicators	F.Y. 2018-2019	Sales & Other income ₹ 59,24,48,000	Profit /Loss before Tax ₹ 22,51,11,000
e) Foreign investments or collaborations, if any.	Not Applicable		

<b>B. Information about the appointee:</b>	
a) Background details	Mr. Prakash B Rane is Founder and Managing Director of the Company, a qualified B. Tech., M.M.S. and has been associated with the Company for the last 22 years. The Shareholders at 22 <sup>nd</sup> Annual General Meeting held on 20 <sup>th</sup> August, 2015 had approved the appointment of Mr. Prakash B. Rane as Managing Director for 5 years upto 31 <sup>st</sup> March, 2020.
b) Past remuneration	Basic Salary of ₹13,50,000/- p.m. in the Financial Year 2018 - 2019.
c) Recognition or awards	<p>i) Recognized as one of the “<b>Most Promising Business Leaders of Asia</b>” by Economic Times.</p> <p>ii) Felicitated by Chief Minister of Maharashtra in October, 2019 for exemplary achievements in Industry.</p>
d) Job profile and his suitability	Having more than 30 years of experience in IT and related areas. He oversees the overall management and functioning of the Company. He supervises the functioning of various departments in the Organization.
e) Remuneration proposed	<p>Basic Salary of ₹13,50,000/- per month.</p> <p>Taking into consideration the challenging economic scenario and Company's cautious growth strategy Mr. Prakash B. Rane, Managing Director has declined any increment in the existing remuneration paid and has agreed to continue with same remuneration.</p>
f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed and is commensurate with the remuneration paid to similar senior level in other Companies.
g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Prakash B. Rane is also one of the Promoters of the Company holding 95,42,300 Equity Shares singly. His wife, Mrs. Supriya Rane is also holding 24,54,000 Equity Shares. Together with her and other relatives, Mr. Prakash B. Rane is holding 60.01% of the total paid up capital.
<b>C. Other information</b>	
a) Reasons of loss or inadequate profits	The Company has made reasonable profit during the past year as per the industry norms, however as per calculation of profit under Section 198 of the Companies Act, such profit are inadequate to remunerate managerial personnel.
b) Steps taken or proposed to be taken for improvement	All economic measures are being adopted to maintain profitability.
c) Expected increase in productivity and profits in measurable terms	The Company is expecting growth in the turnover and profits of the Company.



**Additional information on director recommended for re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards by ICSI:**

1.	<b>Mr. Prakash B. Rane</b>	
2.	Brief Resume, Qualification, Experience	B.Tech., M.M.S. Associated with the Company for the last 22 years and over 30 years of experience in IT
3.	Nature of expertise in specific functional areas-	IT
4.	Disclosure of relationships with other directors / KMP inter-se of the Company	Refer to Report on Corporate Governance
5.	Directorships held in other Companies	Instasafe Technologies Private Limited Diagnostica Thrombus Private Limited
6.	Memberships of Committees of other Boards	Refer to Report on Corporate Governance

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

**By Order of the Board of Directors**

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

**Mumbai, July, 22, 2020**

Corporate Identification Number (CIN) : L67190MH1993PLC113638

**Registered Office:**

ABM House, Plot No. 268,  
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Tel: 91 22 42909700 Fax: 91 22 42909701  
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## DIRECTORS' REPORT

To the Members of

**ABM Knowledgeware Limited**

Your Directors are delighted to present the 27<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31<sup>st</sup> March, 2020.

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

( In ₹ Thousand)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Gross Income	8,92,844	7,47,693	7,62,023	6,84,821
Profit Before Interest and Depreciation	2,27,573	2,41,509	2,06,081	2,42,048
Finance Charges	2,484	2,550	2,484	2,550
Gross Profit	2,25,089	2,38,959	2,03,597	2,39,498
Provision for Depreciation	17,618	17,258	11,527	14,387
Net Profit Before Tax	2,07,471	2,21,701	1,92,070	2,25,111
Provision for Tax	39,216	69,163	38,922	67,336
Non-Controlling Interest (on	11,964	(4,145)	-	-
Net Profit After Tax	1,56,291	1,56,683	1,53,148	1,57,774
Surplus - Opening Balance	14,76,781	13,49,543	14,77,973	13,50,263
Amount Available for Appropriation	16,33,072	15,06,812	16,31,121	15,08,038
Other Comprehensive (Income) / Loss (net of tax)	(1,468)	62	(1,284)	29
Dividend and Dividend tax paid during the year	60,284	30,093	60,284	30,093
Surplus - closing balance	15,74,256	14,76,781	15,72,121	14,77,973

**2. OPERATIONS OF THE COMPANY:**

The Operations of the Company are organized to align with the 3 main business verticals and horizontal administration. Support functions like Finance, Human Resource (HR), Administration, IT Support, Secretarial compliances have been operating efficiently. The response of support functions like IT Support, Administration, and HR to the sudden operational challenges caused by COVID-19 was exemplary. All employees who could have worked from home were operational within a very short period. This helped company in negligible disruption of work and customer support.

Employees who were required to support customer on-site also resumed work helping in the crucial support to the customers in city management and urban administration sector.

Technical teams adapted to the changed working conditions and ensured that operations related to the implementation of IT Projects did not hamper by working from home.

The sales activities and last quarter collection have got impacted as Govt. offices are operating with a minimum required staff and priorities are changed to suit the situation caused by the pandemic.

**3. DIVIDEND:**

Pursuant to the approval of the Board on 18<sup>th</sup> February, 2020, your Company paid an Interim Dividend @ 25% i.e. ₹ 1.25/- per Equity Share of Face Value of ₹ 5/- each, to shareholders who were on the register of members as on 27<sup>th</sup> February, 2020, being the record date fixed for this purpose. The Board recommend the adoption of the Interim Dividend as the Final Dividend for the year ended 31<sup>st</sup> March, 2020. The Interim Dividend was paid to the Members within the period stipulated by the Companies Act, 2013. The Interim Dividend resulted in a cash outflow of ₹ 3,01,42,139/- 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, ₹ 3,22,464/- 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, 2020 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.

Section 149(10) of the Companies Act, 2013 provides that Independent Directors shall hold office for a term 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 re-appointed in the members meeting held on 16<sup>th</sup> August, 2019 as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f 17<sup>th</sup> August, 2019 up to 16<sup>th</sup> August 2024.

In view of the performance of the Company on all the fronts as well as continued efforts and efficient leadership by Mr. Prakash B. Rane, Managing Director of the Company, the Nomination and Remuneration Committee in its Meeting held on 3<sup>rd</sup> February, 2020 recommended to the Board for his re-appointment for a period of five years upto 31<sup>st</sup> March, 2025 and remuneration for a period of three years from the date of his appointment, pursuant to the provisions of Section 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 including Schedule V to the Act.

The Board reviewed the recommendation and came to a conclusion that the recommendation of the Nomination & Remuneration Committee should be adopted and be placed before the Shareholders at the 27<sup>th</sup> Annual General Meeting. Therefor the Board hereby recommends the passing of Special Resolution for re-appointment and remuneration of Mr. Prakash B. Rane as Managing Director and Key Managerial Personnel of the Company.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors proposed the appointment of Mr. Ashokkumar V. Dugade as an Independent Director of the Company through postal ballot including voting by electronic means. After seeking an approval of the shareholders, Mr. Ashokkumar V. Dugade was appointed as the Non-Executive Independent Director of the Company to hold office for a consecutive term of five years commencing from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025. In view of his wide enlightened experience in Business, Management and Finance, the Board of Directors is of the view that associating Mr. Ashokkumar V. Dugade as Director, the Company would benefit

immensely.

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

Pursuant to the provisions of the Section 149 of the Act, the Independent Directors of your Company have submitted declarations that each of them meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulation, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and commission, if any.

**8. POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION, BOARD EVALUATION AND DETAILS OF FAMILIARISATION PROGRAMS :**

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.

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.

**9. MEETINGS:**

During the year eight (8) Board Meetings and six (6) 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.

**10. 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, 2020 there has been no non-compliance with the requirements of the Act.

**11. 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. "InstaSafe Inc" is wholly owned subsidiary of InstaSafe Technologies Private Limited incorporated in Delaware, United State of America.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiary company in Form AOC 1 is attached herewith. The separate audited financial statements in respect of the subsidiary company are available on the website of the Company at [www.abmindia.com](http://www.abmindia.com). 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, 2020 the Company does not have any Joint venture or Associate Company.

## **12. PERFORMANCE OF SUBSIDIARY COMPANIES:**

The outlook for FY19-20 as outlined in the last annual report was to scale globally and focus on enhancing product adoption, and building InstaSafe brand, trusted by international customers.

The way industry works, and lives, has changed. Schools, businesses, and offices are closed, and organizations of all sizes are scrambling to move to remote work. InstaSafe has enabled enterprises to work safely, rapidly adapt business processes, and stay engaged – all while securing and managing access to apps, devices, and data.

InstaSafe got recognised for the second time by Deloitte India Fast 50 & APAC Fast 500, with consistent growth in revenue of over 337% consistently over the last 3 years. InstaSafe continues to ramp and grew over 105% YoY in Revenue, and proudly turned profitable.

Some of the key highlights during the year, winning the Ingram Micro Comet competition award, scaling up of the USA subsidiary to get 50% of revenues from exports.

The outlook for FY 20-21, is to scale globally and focus on enhancing customer success and user delight, and building a brand, trusted globally. InstaSafe will continue to invest rapidly in the fast competitive market and expect our R&D, technology, sales operation, and marketing expenses to increase significantly this year.

## **13. STATUTORY AUDITORS:**

M/s. Borkar & Muzumdar, Chartered Accountants (Firm's Registration No. 101569W) were re-appointed as Statutory Auditors of the Company at the Annual General Meeting held on 16<sup>th</sup> August, 2019 for a second term of 5 consecutive years. The Auditors have confirmed that they are not disqualified from being re-appointed as Auditors of the Company.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

## **14. 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.

## **15. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of the Section 204 of the Companies Act, 2013, the Company has undertaken Secretarial Audit for the financial year 2019-20 which, inter-alia, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. 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, 2020. 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, except the following observation:

“The Company could not submit Annual Report to the Stock Exchange within the defined timeline as per Regulation 34(1)

of the SEBI (LODR) Regulations, 2015. However, BSE Limited vide its email dated 07/01/2020, waived off the penalty stating, "If the companies have filed Annual Report after the AGM but within 21 working days from the AGM, no penalty would be levied".

The Board explained that the Company had paid a penalty for Late submission of Annual Report to BSE but the same have been reversed and now will be adjusted towards the Annual Listing Fees. This default was due to ambiguity with respect to provisions of Regulation 34 of the LODR, so the BSE vide their mail dated 7<sup>th</sup> January, 2020 have stated that "If the companies have filed Annual Reports after the AGM but within 21 working days from the AGM, no penalty would be levied. Since the Company had filed the same before the AGM date hence no penalty will be levied on us and the penalty already paid will be adjusted towards the Listing fees.

**16. 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.

**17. INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL SYSTEMS:**

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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 2019-2020.

**18. CORPORATE GOVERNANCE:**

Corporate Governance is a continuous process at ABM. Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. It is about commitment to values and ethical business conduct. 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.

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

**A. Industry Structure and Development:**

The pandemic has forced the industry to quickly adjust to the new normal due to severe restrictions in travel, face to face meetings, changing sentiments of customers. NASSCOM has confirmed that COVID-19 has generated unprecedented exigency responses from organizations and governments. Emergency response readiness has been stretched to limits. The Indian technology industry has mobilized exemplary BCP/DR resources to ensure continued business for critical client services worldwide and in India. In these times of crisis, the Indian Tech Industry has demonstrated the ability and

agility to respond with empathy, preparedness, and with the capability to manage unseen situations, such as the near 100% work from home shifts, while adhering to all client commitments and ensuring business continuity. ABM also showed resilience and capability to continue work and customer support despite the challenging circumstances in the current year.

ABM demonstrated agility in transitioning to Work from Home leading to the creation of a more formalized WFH policy. ABM has shown phenomenal resilience in ensuring the continuity of critical services to clients while taking care safety of employees and the community. The focus is on getting ready for the new normal by focusing on new revenue pipeline and collections, upskilling the teams.

It has been widely accepted that Security has become paramount more than ever. Building a comprehensive security strategy encompassing internal as well as client's security needs has become imperative. ABM took various measures under the changed industry structure to address this issue.

Digital technologies continue to dominate the focus of IT companies in domestic as well as Govt. sectors and the pandemic has pushed the use of Cloud technology to a new high.

#### **B. Existing Opportunities and Outlook:**

ABM has built a strong order book at the end of the last financial year. Large order in the space of 5 Dimensional Digital Project Management System (DPMS) has opened new avenues for the company in the infrastructure space. Large order in the space of SAP HANA technology will help in building skills in the HANA migration and implementation which is a growing area in India. The growth in the Smart Cities space continued during last financial year with win of 4 more Smart Cities.

The opportunities in the space of Smart Cities, SAP Implementation Services, DPMS, Cybersecurity will continue even in the current year. The Govt. customers require to improve the efficiency of operations which will need IT interventions and spending on IT projects. This need will increase as an impact of the pandemic. In the medium term, this will throw open more and more opportunities. In the medium term, Tech Spend has a positive outlook. Tech demand will rise, buoyed by the need for Cloud, collaborative workplace technologies, mobility, and cybersecurity for Govt. Digital business is also likely to increase.

In the short run due to the pandemic, this year may pose tougher challenges to grow the order book substantially. This is likely due to limitation on usual sales operations and preoccupation of Govt. in handling the pandemic and immediate fiscal challenges arising out of that. NASSCOM has opined to expect FY 2020-21 to be largely centered on recovery and restart.

ABM will continue following a cautious approach of doing selective bidding by giving higher priority to the ability of the company to execute the project "successfully and profitably". This strategy is seen to be working well so far in terms of its revenues as well as profits.

#### **C. Business Threats:**

Indian macroeconomy has not been performing very well for the past 1-2 years. The short term setback due to the pandemic will add further sluggishness due to pressure on Govt. operations as well as revenues. This poses a short term threat.

As we have been outlining in most of the annual reports, the Company faces various risks and threats associated with the e-government business. It includes possible payment delays, Time and Cost overruns, Disruptions in the project when the head of the organization is changed, challenges in attracting good talent to work in less developed states and interior regions of India, etc. Inexperienced competition remains a threat and results in the loss of some of the opportunities due



to unrealistic prices quoted by such companies.

#### **D. Business Strategies and Planning:**

In 2019-20 ABM focused on building order book significantly. The business acquisition had a high focus in areas such as Smart Cities, Cybersecurity, and new areas like Construction Management and BIM. All these focus areas have yielded expected results and the focus will continue this year also within the challenges posed by the current year as elaborated earlier.

Efforts to foray into Digital Technologies during this year did not yield expected results in the focus space of AI-Data Analytics. Investment in the AI-Analytics space by for organic or inorganic growth will be on high priority this year. ABM plans to invest in the areas like cloud adoption for flagship e Municipality product, building a core team for developing UI / UX framework for ABM including revamping of the UI/UX for the flagship product of e Municipality.

The strategy of working closely with existing prestigious customers and retaining them will continue with due consideration to the increased competition in some of the key accounts of your company. Almost 50% of the order book at the beginning of the current financial year is won in the existing accounts.

#### **E. Human Resource Management:**

ABM, over a period of two decades has delivered many critical projects successfully in government sector. Many of those projects are still being supported by ABM due to our dedicated focus on government sector and niche skill sets.

This dedication and niche skill sets make us preferred partner for many government institutions. It is our mission to provide customers best value by continuously building techno-functional capabilities in government vertical by grooming a strong team of committed employees with high integrity.

Apart from building and harnessing techno-functional capabilities in government vertical, ABM is moving forward with up-skilling of its human capital in evolving technologies such as AI (Artificial Intelligence), Block Chain and Analytics.

ABM's various training initiatives are designed to build team of techno functional experts with sound understanding on usage of various evolving technologies in Government Vertical. The aim is to leverage our up-skilled human capital to deliver new technologies to our customers.

Our approach to Human Capital Management is built on four pillars viz. Up-skilling, Work-Life Balance, Open & Fair Work Environment and Integrity.

##### **1. Up-skilling**

In year 2019-2020, ABM has conducted various training sessions for senior executives as well as others to cross-skill and up-skill its associates to meet future skill demand. It included regular sessions on:

- Industry 4.0
- Block Chain
- (IoT) Internet of Things
- Cloud Technologies
- Internationally recognized Analytics Platforms
- Soft Skill Training

##### **2. Work-Life Balance**

We make Work-Life Balance a priority. In recent past ABM has reduced working day per week to 5 days. Apart from this various employee engagement activities such as Picnic, Lunch Parties, Movie outings, Independence Day, Republic Day, Yoga sessions & Birthday Celebration were regularly conducted events.

### 3. Open & Fair Work Environment

- We follow Equal Opportunities & Non-Discrimination Policy and do not discriminate on basis of race, color, gender, caste or religion.
- Open and transparent communication through various HR policies and employee forums. For E.g. Employee grievance redressal policy and escalation policy & Prevention of Sexual Harassment (POSH).
- Equal opportunity for employee to learn and grow within the organization.

### 4. Integrity

Integrity is part of core values of ABM. ABM has various policies and rules to maintain integrity such as Anti Bribery policy & Whistle Blower Policy and all ABMer's are required to follow company policies strictly and comply with guidelines stipulated by clients while working on client assignments. In year 2019-2020 ABM conducted session on Anti-Bribery and ethical business. These are part of our regular induction as well as trainings.

### 5. Headcount

S. No.	Year	Current Headcount*
1	April 2018 - March 2019	441
2	April 2019 - March 2020	453

\* excludes full time associates and in house consultants

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

( In ₹ Thousand)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Gross Income	<b>8,92,844</b>	7,47,693	<b>7,62,023</b>	6,84,821
Total Expenditure	<b>5,45,598</b>	4,12,745	<b>4,41,336</b>	3,52,950
Gross profit before depreciation and Taxation	<b>2,25,089</b>	2,38,959	<b>2,03,597</b>	2,39,498

The company has improved its overall performance in terms of revenues and could maintain reasonable gross profit despite weak macro economical conditions during the financial year and cautious approach adopted in bidding for limited projects. Operational efficiency in the execution of projects by ABM and improved performance of subsidiary Instasafe contributed to the overall growth.

### G. Key Financial Ratios:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2015) 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 Ratios

Particulars	Unit	March 2020	March 2019
Debtors Turnover Ratio	<b>Times</b>	<b>2.84</b>	1.79
Current Ratio	<b>Times</b>	<b>6.13*</b>	21.52
Debt Equity Ratio	<b>Times</b>	<b>0.00</b>	0.00
Net profit Margin	<b>%</b>	<b>21.32%</b>	24.54%
Return on Net worth	<b>%</b>	<b>9.17%</b>	9.98%

### Consolidated ratios

Particulars	Unit	March 2020	March 2019
Debtors Turnover Ratio	Times	3.15	1.91
Current Ratio	Times	5.93	17.83
Debt Equity Ratio	Times	0.00	0.00
Net profit Margin	%	19.86%	21.66%
Return on Net worth	%	10.01%	9.70%

\* The current ratio measures a firm's ability to pay off its short-term liabilities with its current assets. As on 31<sup>st</sup> March, 2020 the current ratio stands at 6.13 times as compared to 21.52 times as on 31<sup>st</sup> March, 2019. The current ratio is decreased during the year because customers are billed as per the agreement & as per IND AS-115 and payment is received based on the project milestone. However as per accounting policy of the Company it does not recognize this as revenue as on 31<sup>st</sup> March, 2020 as supply or services are not delivered fully. Company recognises this as unearned revenue under current liability. Such amount received and classified as current liability amounts to ₹ 1,71,919 thousand. Therefore, during the year, the current liability is increased and is affecting the current ratio of the Company. However, the company will not face any working capital issues since against the current liability, the payment from Customers has been received. Without this the current ratio would have been 21.77 times.

## 20. 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 endeavours to make risk management and control as essential components of the 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 about the identification, evaluation, and mitigation of operational, strategic, and external environment risks.

Due to the pandemic, the risks arising out of lockdown, possibilities of COVID-19 spread are being duly considered in the risk management.

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:** Due to slow down in the international business of export-oriented Indian IT companies, competition in the domestic e-government space may likely increase. Work From Home is a new method of working and its impact on building social, moral, and culture capital will have to be carefully evaluated to evolve hybrid functioning.

The movement to cloud and mobility, ABM will have to tweak its offerings by making necessary changes in the sales and solution strategy.

2. **Supply side risk for talent acquisition:** The IT industry is characterized by its constant supply constraints due to technological advancements as well as personal growth sought by the employees. With a growing customer base and mission-critical projects, the unavailability of the right skilled resources at right time in the right quantity can pose a risk.

ABM has adopted a strategy of taking fresh graduates and training them specifically for technologies and domain-specific to ABM. Further 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. Under COVID-19 remote onboarding of new employees may pose minor risk of integrating the new employees in ABM culture and practices. HR dept. is designing the onboarding process keeping this constraint in mind. Hybrid functioning of work from home and office over a period of time is likely to taper this risk down.

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.

As elaborated earlier in the MDA, the Company managed to overcome the operational risk arising out of lock-down w.r.t. the execution of project and continuity of customer support. Project level risks are duly monitored to meet any eventuality arising due to COVID-19.

Specific attention has been given to employee health and motivation. Employees working in on-field have been provided allowances to avoid any public transport. In some cases, such employees were offered twice the salary and a high increase in medical insurance.

Security measures for WFH employees have been implemented for safe access of ABM servers. Employees are regularly updated on the cyber risks and care to be taken while using remote access.

4. **Reputation:** The Company's projects are in the Government sector which is necessarily funded by public finance. This may expose the company to the risk of mischievously driven public scrutiny. This can be from elements that are adversely affected by the success of the 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 the 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. The company has published its code of conduct for benefit of employees. This has been helping the company so far to win over the confidence of customers, even in situations of motivated public scrutiny which is aimed at hurting the reputation of the Company.

**21. 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 probable 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.

**22. 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.

**23. 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.

**24. 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.

**25. 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.

**26. 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.

**27. 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.

**28. 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).

**29. 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.

**30. PREVENTION OF SEXUAL HARASSMENT (POSH) AT WORKPLACE:**

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment.

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. While maintaining the highest governance norms, the Company has appointed external independent person who works 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 2019-2020.

**31. 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.

**32. 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.

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

ABM has identified areas focus such as Cloud adoption for the flagship product, Offering some of products on SaaS, Improvement in UI/UX, Improving operation efficiency by implementing Dev Ops practice and Process for harnessing new technologies. Investments are proposed this year in these areas.

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

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

**35. 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.

**36. 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.

**37. 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 : 22<sup>nd</sup> July, 2020**  
**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: ₹ 25,65,65,329**

**4. Prescribed CSR Expenditure: ₹ 51,31,307**

**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: ₹ 51,31,307

b) Total amount spent during the year: ₹ 51,44,000

c) Amount unspent as on 31<sup>st</sup> March, 2020: Nil.

d) Manner in which the amount was spent during the financial year 2019-2020 is detailed below:

( ₹ In Thousand)

Sr. No.	Project/ Activities	Sector	Projects/ Programmes coverage	Amount Outlay (Budget)	Amount spent on the project/ programs	Cumulative expenditure upto 31 <sup>st</sup> March, 2020	Amount Spent Direct / through implementing agency*
1	Promotion of Education	Education	Maharashtra	5,000	4,869	4,869	4,869
2	Healthcare	Treatment of needy patient	Maharashtra	500	275	275	275
			<b>Total</b>	<b>5,500</b>	<b>5,144</b>	<b>5,144</b>	<b>5,144</b>

**\*Details of implementing agencies :**

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

NGO/Trust/Institutions like Rotary Club of Pune City Charitable Trust, Maharashtra Times Initiative, MPCT Hospital, Bhausahab Hiray Smaranika Samiti Trust, Salaam Bombay Foundation, Majestic Book House, Exchange Participants Association of India, Ratnanidhi Foundation etc.

**7. CSR Committee Responsibility Statement:**

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

**For and on behalf of the Board**

**Date : 22<sup>nd</sup> July, 2020**  
**Place : Mumbai**

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

**Supriya P. Rane**  
**Chairperson, CSR Committee**  
**(DIN: 00152890)**

## ANNEXURE TO THE DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN

### FORM NO. MGT 9

As on financial year ended on 31.03.2020  
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@unisec.in">gamare@unisec.in</a> Website: <a href="http://www.unisec.in">www.unisec.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 Private Limited</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 Private Limited

**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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	12005429	-	12005429	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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (B)</b>	<b>12986929</b>	<b>-</b>	<b>12986929</b>	<b>64.93</b>	<b>12986929</b>	<b>-</b>	<b>12986929</b>	<b>64.93</b>	<b>0.00</b>
(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>12986929</b>	<b>-</b>	<b>12986929</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	174000	-	174000	0.87	0.00
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	<b>174000</b>	<b>-</b>	<b>174000</b>	<b>0.87</b>	<b>174000</b>	<b>-</b>	<b>174000</b>	<b>0.87</b>	<b>0.00</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1011012	4800	1015812	5.08	900561	3600	904161	4.52	-0.56
ii) Overseas	-	2000000	2000000	10.00	-	2000000	2000000	10.00	0.00
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1861824	148724	2010548	10.05	1859428	139724	1999152	10.00	-0.5
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	881295	30000	911295	4.56	986078	30000	1016078	5.08	0.52
c) Others: NBFCc registered with RBI	4418	-	4418	0.02	-	-	-	-	-0.02

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
Non Resident Indians	363230	-	363230	1.82	359266	-	359266	1.80	-0.02
Clearing Members	17448	-	17448	0.09	39997	-	39997	0.20	0.11
Directors & Relatives	-	-	-	-	-	-	-	-	-
HUF	246778	-	246778	1.23	246415	-	246415	1.23	0.00
IEPF Suspense A/c	271742	-	271742	1.36	276202	-	276202	1.38	0.02
<b>Sub-total (B)(2):-</b>	<b>4657747</b>	<b>2183524</b>	<b>6841271</b>	<b>34.20</b>	<b>4667947</b>	<b>2173324</b>	<b>6841271</b>	<b>34.20</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4831747</b>	<b>2183524</b>	<b>7015271</b>	<b>35.07</b>	<b>4841947</b>	<b>2173324</b>	<b>7015271</b>	<b>35.07</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>17818676</b>	<b>2183524</b>	<b>20002200</b>	<b>100.00</b>	<b>17828876</b>	<b>2173324</b>	<b>20002200</b>	<b>100.00</b>	<b>0.00</b>

\* Lipsita Projects & Services Private Limited (one of the Promoters) had made a market purchase of 4,00,000 shares on 31<sup>st</sup> March, 2020, however as per the stock exchange mechanism (T+2) these shares were credited to the Acquirer's Demat account on 02.04.2020. Hence promoters holding as on 31.03.2020 does not reflect, the transaction of 4,00,000 shares in the above shareholding. Pursuant to the acquisition of 4,00,000 shares, shareholding of promoters has been increased to 66.93% from 64.93%.

#### B) Shareholding of Promoter:

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

\*Percentage rounded off

\*\*Lipsita Projects & Services Private Limited (one of the Promoters) had made a market purchase of 4,00,000 shares on 31<sup>st</sup> March, 2020, however as per the stock exchange mechanism (T+2) these shares were credited to the Acquirer's Demat account on 02.04.2020. Hence promoters holding as on 31.03.2020 does not reflect, the transaction of 4,00,000 shares in the above shareholding. Pursuant to the acquisition of 4,00,000 shares, shareholding of promoters has been increased to 66.93% from 64.93%.

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

There are no changes in the Promoter's shareholding during the Financial Year 2019-2020.

**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)	-	-	209968	1.05
	At the end of the Year			<b>209968</b>	<b>1.05</b>
<b>7</b>	<b>Gymkhana Partners L.P.</b>				
	At the beginning of the Year	174000	0.87	174000	0.87
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	174000	0.87
	At the end of the Year			<b>174000</b>	<b>0.87</b>
<b>8</b>	<b>Kashish Jain</b>				
	At the beginning of the Year	167708	0.84	167708	0.84
	Increase / Decrease in Shareholding during the year (Transfer)	-	-	167708	0.84
	At the end of the Year			<b>167708</b>	<b>0.84</b>
<b>9</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>

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>Shree Krishna Agro Industrial Services 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>	<b>142032</b>	<b>0.71</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>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>5</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>6</b>	<b>Paresh Ghatkar, CFO</b>				
	At the beginning of the Year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the Year			-	-
<b>7</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 2019-2020.

**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		530.94
	(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>16,730.94</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
1	Independent Directors	Dr. Sumit Chowdhury	Sharadchandra Abhyankar	Devendra Parulekar	
	Fee for attending Board / Committee meetings	60.00	72.00	76.00	208.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	60.00	72.00	76.00	208.00
2	Other Non-Executive Directors	Supriya P. Rane			
	Fee for attending Board / Committee meetings	56.00			56.00
	Commission	-			-
	Others, please specify	-			-
	Total (2)				56.00
	Total (B)=(1+2)				264.00
	Total Managerial Remuneration				16,994.94
	Overall Ceiling as per the Act				17,064.00
	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	965.49	858.40	1823.89
	(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>956.49</b>	<b>858.40</b>	<b>1823.89</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 : 22<sup>nd</sup> July, 2020  
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 2019-2020, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the financial year 2019-2020**

The percentage increase in remuneration of each Director, Chief financial Officer and Company Secretary during the financial year 2019-2020, ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2019-2020 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 2019-2020
1	Prakash B. Rane	Managing Director	64.08	0%
2	Supriya P. Rane	Non-Executive Director	0.21	27%
3	Sharadchandra D. Abhyankar	Non-Executive Director	0.28	29%
4	Dr. Sumit D. Chowdhary	Non-Executive Director	0.23	88%
5	Devendra K. Parulekar	Non-Executive Director	0.29	#375%
6	Paresh M. Golatkar	Chief Financial Officer	3.29	3%
7	Sarika A. Ghanekar	Company Secretary	3.70	1%

# The increase in % of remuneration of Mr. Devendra Parulekar in the Financial Year 2019-2020 is because in the previous year i.e. 2018-2019, Mr. Devendra Parulekar was on the Board for only part of the year and during the current year he has served the Board for the entire year, hence there is an exceptional increase in the %.

- 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 12%.
- 3 The Number of permanent employees on the rolls of Company:** 453 employees excluding full time associates and in house consultants as of March, 2020.
- 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 6.03% other than managerial remuneration. There has been no increase in the remuneration to the Managerial Personnel.
- 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 due to inadequacy of profits of the Company as per Section 197 of the Companies Act, 2013 read with Schedule V. 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 : 22<sup>nd</sup> July, 2020  
Place: Mumbai

Prakash B. Rane  
Managing Director  
(DIN: 00152393)

Sharadchandra D. Abhyankar  
Director  
(DIN: 00108866)

## **REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is a continuous process at ABM. Your Company believes in adopting best practices of Corporate Governance. Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. It is about commitment to values and ethical business conduct.

At ABM good governance practices forms part of business strategy which includes, inter alia, focus on long term value creation and protecting stakeholders' interests by applying proper care, skill and diligence to business decisions. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long-term shareholders value.

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 plays a crucial role in overseeing how the management serves the short and long-term interests of stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. 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 Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI 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, 2020, 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, eight Board Meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on 04<sup>th</sup> April, 2019, 10<sup>th</sup> May, 2019, 24<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 24<sup>th</sup> October, 2019, 24<sup>th</sup> January, 2020, 18<sup>th</sup> February, 2020 and 20<sup>th</sup> March, 2020. The previous Annual General Meeting (AGM) of the Company held on 16<sup>th</sup> August, 2019 was attended by all the Directors, except Mr. Devendra Parulekar.

**Composition and Directorship(s) / Committee Membership(s) / Chairmanships(s) as on 31<sup>st</sup> March 2020:**

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 in other Public Companies#	Membership(s) / Chairmanship(s) in Committees of Board of other Public Companies	Directorship in other Listed Entity
Mr. Prakash B Rane (Executive-Managing Director)	27/04/2000	95,42,300	8	Nil	Nil	Nil
Mrs. Supriya P Rane (Non-Executive Director)	27/04/2000	24,54,000	8	Nil	Nil	Nil
Mr. Sharadchandra Abhyankar (Independent Director)	28/10/2010	Nil	7	3	3	Ashoka Buildcon Limited
Dr. Sumit Chowdhury, (Independent Director)	28/03/2016	Nil	8	Nil	Nil	Nil
Mr. Devendra Parulekar (Independent Director)	10/08/2018	Nil	8	Nil	Nil	Nil

# Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

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, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations 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 Company by the SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report. In terms of Regulation 25(8) of SEBI (LODR) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

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.

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, 2020. 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 SEBI (LODR) Regulations, Independent Directors of the Company met separately on 24<sup>th</sup> January, 2020 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) the Listing Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. 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. During the year, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI (LODR) Regulations. The exercise was led by the Managing Director of the Company along with the Chairman of the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, Board Oversight and effectiveness, performance of Board Committees, Board skills and structure, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

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. It was noted that the Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee Meetings are enriched by such diversity and complementarities.

## **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. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review. 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, 2020, 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 2019-2020, the Committee met six times on 04<sup>th</sup> April, 2019, 24<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 24<sup>th</sup> October, 2019, 24<sup>th</sup> January, 2020 and 18<sup>th</sup> February, 2020.

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

<b>Name</b>	<b>Categories of Director</b>	<b>Out of total 6 meetings the attendance is</b>
Mr. Sharadchandra D. Abhyankar, Chairman	Independent and Non-Executive Director	5
Dr. Sumit D. Chowdhury, Member	Independent and Non-Executive Director	6
Mr. Devendra Parulekar, Member	Independent and Non-Executive Director	6

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 or 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 three Non-Executive Directors of the Board. During the year the Committee met four times on 04<sup>th</sup> April, 2019, 15<sup>th</sup> July, 2019, 24<sup>th</sup> October, 2019 and 24<sup>th</sup> January, 2020.

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

Name	Status	Out of total 4 meetings the attendance is -
Mr. Sharadchandra Abhyankar, Chairman	Independent and Non-Executive Director	4
Mrs. Supriya P. Rane, Member	Non-Executive Director	4
Mr. Devendra Parulekar, Member	Independent and Non-Executive Director	4

In order to serve the shareholders expeditiously, the Board delegated its powers to approve the transfers / transmissions / dematerialisation / rematerialisation and address the shareholders complaints / requests, the Company Secretary of the Company. The total numbers of correspondences were received from investors and resolved during the year under review were 17. 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 13<sup>th</sup> May, 2019 and 03<sup>rd</sup> February, 2020.

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	2
Mrs. Supriya P. Rane, Member	Non-Executive Director	2
Mr. Sharadchandra Abhyankar, Member	Independent and Non-Executive Director	2

### 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.

The appointment of Executive Directors, Key Managerial Personnel, Management Committee Members and other employees are by virtue of their employment / contract of service with the Company as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period etc., are governed by the applicable policies at the relevant point in time.

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.

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.

As regards the appointment of Independent Directors following is the policy adopted by the Board

1. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations.
2. The Independent Directors can serve a maximum of two terms of five years each, after the introduction of the Act.
3. The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Act and the Listing Regulations.
4. The Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members of the Company by way of Special Resolution.

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 Nomination and Remuneration Committee considers the outcome of the annual Evaluation before recommending the changes in the remuneration of the Executive Directors and appointment / re-appointment of Directors

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	16,730.94	0.00	0.00
Mrs. Supriya P. Rane	Director	0.00	0.00	56.00
Mr. Sharadchandra Abhyankar	Director	0.00	0.00	72.00
Dr. Sumit Chowdhury	Director	0.00	0.00	60.00
Mr. Devendra Parulekar	Director	0.00	0.00	76.00
<b>Total ( ₹ )</b>		<b>16,730.94</b>	<b>0.00</b>	<b>264.00</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.

Name of the Director	Business Leadership	Strategy and Strategic Planning	Finance & Accounting	Risk	Law	Information Technology	Commercial	Marketing
Mr. Prakash B. Rane	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Supriya P. Rane			✓			✓	✓	
Mr. Sharadchandra Abhyankar		✓	✓	✓	✓			
Mr. Devendra Parulekar	✓	✓	✓	✓		✓		
Dr. Sumit Chowdhury	✓		✓	✓		✓		✓

**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. Punit Jain:** Mr. Punit Jain holds a B.Tech. in Electrical Engineering from IIT Bombay and PGDM from IIM Bangalore. He is currently the Co-Founder and Director at an LLP, which is an internet and mobile based job portal for the uneducated and unskilled. Before this, he was the CEO of a Software Company of 1200 people software company which focused on banking and financial services, during the period from Feb 2013 to Jun 2020. Earlier, he has worked in senior roles at any many companies.

Mr. Punit Jain is also an elected member of NASSCOM's Product Council, where he works with other software leaders to promote software product industry in India, and also mentors promising start-ups.

He is an avid tennis player, a half-marathon runner, a trekker and a singer in his free time.

**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.

**Mr. Prakash B. Rane:** Mr. Prakash B. Rane, aged 53 years with qualification of B. Tech., M.M.S, has been associated with the Company for last 22 years and has rich experience in various areas of operation of the Company. He oversees the overall management and functioning of the Company. During the years under Prakash B. Rane's stellar leadership, considerable value has been added to the Company. He is the sole Executive Director taking care of the Company's Business and is actively involved in the business strategy, business development and research and development functions in the Company.

**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 2019-2020 are given below:

Name	Status	Out of total 4 meetings the attendance is -
Mrs. Supriya P. Rane, Chairperson	Non-Executive Director	4
Mr. Sharadchandra Abhyankar, Member	Independent and Non-Executive Director	4
Dr. Sumit Chowdhury, Member	Independent and Non-Executive Director	4

During the Financial Year ended 31<sup>st</sup> March, 2020, the Committee met four times on 15<sup>th</sup> April, 2019, 15<sup>th</sup> July, 2019, 23<sup>rd</sup> October, 2019 and 24<sup>th</sup> January, 2020.

The Company has in place a CSR Policy formulated by the Committee and approved by the Board of Directors. During the Financial Year 2019-2020, 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. During the financial year ended 31<sup>st</sup> March, 2020, the Committee had recommended to the Board to approve the amendments to its CSR Policy to include the initiatives as per Schedule VII of the Act. 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, 2020, the Committee met once on 20<sup>th</sup> May, 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 behaviour, 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 Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. 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 is part during the financial year 2019-2020 is ₹ 8,50,000 (excluding taxes).

**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. 56. 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:****27<sup>th</sup> Annual General Meeting**

Date : 4<sup>th</sup> September, 2020  
Time : 10.00 a.m.  
Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.  
Date of Book closure : 29<sup>th</sup> August, 2020 to 4<sup>th</sup> September, 2020. (both days inclusive)  
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
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.
26 <sup>th</sup> AGM on 16.08.2019	10.30 a.m.	Dadar Bhagini Samaj, 1 <sup>st</sup> Floor, Hindu Colony, Dadar (E), Mumbai- 400 014	i) Special Resolution for re-appointment of Mr. Sharadchandra Abhyankar as an Independent Director for a second term.

**Postal Ballot:**

Whether any special Resolutions:-

- i) Were put through Postal Ballots last year : Yes  
ii) Details of voting pattern : -

Resolution required: (Ordinary/ Special)			Special Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Description of resolution considered:			Appointment of Mr. Ashokkumar V. Dugade (DIN: 02922248) as Non-Executive Independent Director of the Company for a period of five (5) years w.e.f. 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2025					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	12986929	12985300	99.99	12985300	0	100.00	0.00
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total		12986929	12985300	99.99	12985300	100.00	0.00
Public- Institutions	E-Voting	175028	0	0.00	0	0	0.00	0.00
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total		175028	0	0.00	0	0.00	0.00
Public- Non Institutions	E-Voting	6840243	13262	0.19	13253	9	99.93	0.07
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		5330	0.08	4826	504	90.54	9.46
	Total		6840243	18592	0.27	18079	97.24	2.76

- iii) Person who conducted the Postal Ballot exercise: Mr. U.C.Shukla, Practicing Company Secretary was appointed as the Scrutinizer to conduct the Postal Ballot
- iv) Are proposed to be conducted through Postal Ballot : No
- v) Procedure for Postal Ballot: The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided with the facility to vote either by physical ballot or e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses,

where available, or in physical form through permitted mode where email addresses are not available. The notices are published in newspaper as well as the Company's website.

**e) Financial Calendar 2020-2021**

**(Tentative and subject to change)**

- |  |   |
|--|---|
| • Financial Results for the:                     |   |
| Quarter ending 30 <sup>th</sup> June, 2020       | Within 45 days of end of respective quarter |
| Quarter ending 30 <sup>th</sup> September, 2020  |   |
| Quarter ending 31 <sup>st</sup> December, 2020   |   |
| • <b>Year ending 31<sup>st</sup> March, 2021</b> | By 30 <sup>th</sup> May, 2021               |
| • <b>Annual General Meeting 2020-2021</b>        | By September, 2021                          |

**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 details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters. 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).

**Annual Secretarial Compliance Report:**

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchange within stipulated time.

**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 2019-2020.

**Risk Management:**

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

risks, their assessment and mitigation.

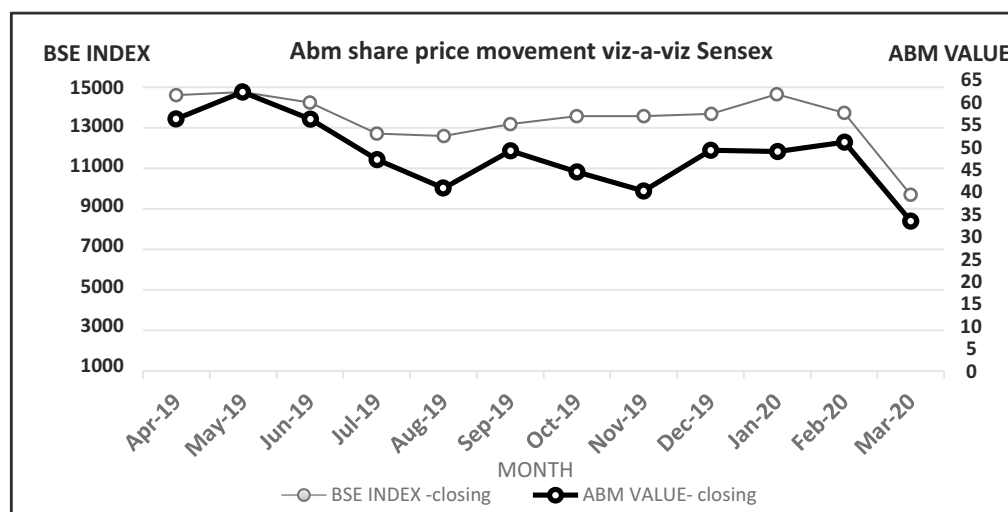
#### Listing at Stock Exchange:

The Equity Shares of the Company are listed at The Bombay Stock Exchange Limited, Dalal Street, Fort, Mumbai Code No. ABMKNOWLEDGE: 531161 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 2019-2020 are given below:

Month	High	Low	Close	Volume (Number)
April 2019	69.00	52.00	57.55	28,222
May 2019	67.90	52.00	63.85	81,783
June 2019	64.90	50.75	57.60	10,826
July 2019	59.95	45.00	48.15	49,956
August 2019	50.00	35.25	41.50	28,137
September 2019	56.00	41.05	50.00	23,911
October 2019	52.95	42.05	45.60	22,454
November 2019	48.00	37.00	41.05	43,042
December 2019	55.00	38.10	50.20	1,37,140
January 2020	62.00	47.75	50.00	53,738
February 2020	60.90	45.00	52.20	1,00,996
March 2020	57.50	28.55	33.80	5,09,195



#### 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. In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f. 1<sup>st</sup> April, 2019, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed unless the securities are held in the dematerialised form with a depository.

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, 2020:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING				
Category	No. of Shares	% to the Total Paid up Capital	Category of Shares	Shareholders		Respective Shareholding	
				Total	%	Total	%
Promoters	12986929	64.93	1-500	2337	72.533	342644	1.713
NRI's / OCBs	2359266	11.79	501-1000	428	13.284	347857	1.739
Indian Public	3015230	15.08	1001-2000	195	6.052	307872	1.539
Bodies Corporate	904161	4.52	2001-3000	62	1.924	160805	0.804
Others:	-	-	3001-4000	41	1.273	149859	0.749
HUF	246415	1.23	4001-5000	37	1.148	174810	0.874
Clearing Members/ Foreign Nationals / Mutual Funds / NBFCs registered with RBI	213997	1.07	5001-10000	58	1.800	422556	2.113
IEPF A/c	276202	1.38	10001-Above	64	1.986	18095797	90.469
<b>Total</b>	<b>20002200</b>	<b>100.00</b>		<b>3222</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, 2020, 86.13% 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	Transferred to IEPF
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
2018-2019	16.08.2019	21.10.2026

**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 2019-2020, 5260 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). The Company does not have any shares in the demat suspense account or unclaimed suspense account.

**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:

- 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.
- 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 Long term credit rating of CRISIL BBB+/Stable and Short Term as CRISIL A2+ 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:**

The 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. Composition of various Committees of the Board.
3. Code of Conduct and Ethics.
4. Whistle Blower policy.
5. Risk Management Policy.
6. Board Diversity Policy.
7. Policy on dealing with Related Party Transactions.
8. Details of familiarization programmes imparted to Independent Directors.
9. Terms and conditions of appointment of Independent Directors.
10. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
11. Policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information.
12. Code of Conduct to Regulate, Monitor and Report Trading by Insiders.
13. Corporate Responsibility Policy.

14. Policy on preservation of documents.
15. Policy on Determination of materiality of events.
16. Archival Policy.
17. Policy on Prevention of Sexual Harassment at Workplace.
18. Policy for determining Material Subsidiary.
19. Nomination & Remuneration Policy.
20. Code of Conduct for Board of Directors and Senior Management Personnel.

**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 vide its circular dated 26<sup>th</sup> March, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance.
- 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: 22<sup>nd</sup> July, 2020**  
**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, 2020 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 : 22<sup>nd</sup> July, 2020**

**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, 2020, 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, 2020.

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 : 22<sup>nd</sup> July, 2020**  
**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, 2020 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	Mr. Devendra Parulekar (DIN: 02117586)	Independent Director	10/08/2018
5	Dr. Sumit D. Chowdhury (DIN: 06705320)	Independent Director	28/03/2016

**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 an 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 : 30<sup>th</sup> June, 2020**

**Place: Mumbai**

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

## **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[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, 2020 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, 2020 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.

During the period under review the Corporation has complied with the provisions of the Act, Rules Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- The Company could not submit Annual Report to the Stock Exchange within the defined timeline as per Regulation 34(1) of the SEBI (LODR) Regulations, 2015. However, BSE Limited vide its e-mail dated 07/01/2020, waived off the penalty stating, "If the companies have filed Annual Report after the AGM but within 21 working days from the AGM, no penalty would be levied".

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. There was no change in the composition of the Board of Directors during the year under review.

- 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.
- There was a delay in submitting the Annual Report to the Stock Exchange under Regulation 34(1) of the SEBI (LODR) Regulations, 2015. However, BSE Limited vide its e-mail dated 07/01/2020, waived off the penalty stating, "If the companies have filed Annual Report after the AGM but within 21 working days from the AGM, no penalty would be levied".

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 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 : 30<sup>th</sup> June, 2020**  
**Place: Mumbai**

**(U.C. SHUKLA)**  
**COMPANY SECRETARY**  
**FCS: 2727/CP: 1654**  
**UDIN : F002727B000399618**

### **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.

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 : 30<sup>th</sup> June, 2020**  
**Place: Mumbai**

**(U.C. SHUKLA)**  
**COMPANY SECRETARY**  
**FCS: 2727/CP: 1654**  
**UDIN : F002727B000399618**

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**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 "Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, 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, 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, 2020, 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 Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2020. 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 have determined the matters described below to be the key audit matters to be communicated in our reports.

**1. Recognition and Measurement of Deferred Tax**

The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of assets and liabilities in accordance with the respective local tax provisions and financial reporting in accordance with IND AS as well as the calculation of tax loss carry forwards. This requires the significant calculation on account of carry forwards of losses, Mat Credit

entitlement and identification of temporary differences. Furthermore, the assessment of the ability to use deferred tax assets is based on the expectations of the management regarding the Company economic development, which is influenced by the current market environment, Co-venture support and the assessment of future market development (Domestic and Overseas) and thus requires the use of judgment.

Deferred Tax disclosed in Note 2.17 of the Consolidated Financial Statement of Group for the year ended include Deferred tax liability created on temporary differences of Rs 70,996 (in '000'). In light of this, the recognition and measurement of deferred taxes was a key audit matter.

### **Principal Audit Procedure**

In assessing the recognition and measurement of deferred taxes for the Group, among other procedures, we analysed the underlying processes for the complete capture and measurement of deferred taxes and examined the controls implemented to prevent or detect and correct errors.

Current tax laws allow to carry forward unused tax loss for 8 assessment years and from the assessment year in which such tax loss was incurred.

**During The Year, Taxation Laws (Amendment) Ordinance, 2019 promulgated by President of India which was published in Gazette of India in September 2019. The Ordinance has brought significance changes to Corporate Income Tax Rates. The Ordinance provides an option to domestic Companies to pay Income Tax at lower Rate (22%) instead of Normal Rate 30%.**

**We have been informed by the Group's Management, Group has exercised Option of Lower Tax rate for Financial Year 2019-20 i.e. Assessment Year 2020-21**

We have referred Ind AS Technical Facilitation Group (ITFG –Formed by ICAI) Clarification given in Bulletin 23 regarding effect to lower tax rate as per ordinance while determining current tax and deferred tax asset or liabilities for the purpose of presenting financial statements as on March 31, 2020.

Para 46 and 47 of Ind AS 12, Income Taxes, State as follows:

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

We examined on a sample basis the identification and quantification of differences between the recognition and measurement of assets and liabilities according to tax regulations and financial reporting pursuant to IND AS. We also reperformed the calculation of deferred taxes.

Since, Group has intended to opt for Lower Tax rate as per Ordinance, Company has given effect while determining the current tax and deferred tax asset or liabilities for the purpose of presenting financial statement for the year ending March 2020.

We have also focused on adequacy of the Group's disclosures on deferred income tax positions and assumption used.

Our audit procedures did not lead to any reservations regarding the recognition and measurement of deferred taxes.



**Reference to related disclosures**

The Group has provided information on the recognition and measurement of deferred taxes in the Note 2.17 and 2.32 of the Consolidated Financial Statements.

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

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

Our opinion on the Consolidated 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 Consolidated 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.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding 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 scepticism 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 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 reasonable knowledge able 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 and 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. 802.67 Lakhs as at March 31, 2020, total revenues of Rs. 1293.55 Lakhs and net cash flows amounting to Rs. 95.49 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries 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 subsidiaries, is based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements above 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 separate financial statements and the other financial information of subsidiaries 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, 2020 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, 2020 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 expresses 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. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company and its subsidiary Company incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiaries 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 2.33 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, 2020.
- 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, 2020.

**Date: 22<sup>nd</sup> July, 2020**  
**Place: Mumbai**

**For Borkar & Muzumdar**  
**Chartered Accountants**  
**Firm Reg. No. 101569W**  
  
**Deepak Kumar Jain**  
**Partner**  
**(M.No. 154390)**  
**UDIN:20154390AAAAGF7846**

**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, 2020, 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 and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

**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 below, the Holding 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, 2020, 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 with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to separate financial statements of subsidiaries, which is Company incorporated in India, is based on the corresponding reports of the auditor of such Company incorporated in India.

**Date: 22<sup>nd</sup> July, 2020**  
**Place: Mumbai**

**For Borkar & Muzumdar**  
**Chartered Accountants**  
**Firm Reg. No. 101569W**  
  
**Deepak Kumar Jain**  
**Partner**  
**(M.No. 154390)**  
**UDIN:20154390AAAAGF7846**

**Consolidated Balance sheet as at 31<sup>st</sup> March, 2020**
**( In ₹ Thousand)**

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, plant and equipment	2.03	4,48,692	4,57,207
b) Capital work-in-progress	2.03	-	867
c) Intangible assets	2.03	32,080	21,200
d) Goodwill		33,545	33,545
e) Financial assets			
i) Loans	2.04	2,574	2,712
ii) Others	2.05	23,228	4,305
f) Income tax asset (Net)		7,485	5,871
g) Other non-current assets	2.06	4,990	7,703
<b>Total non-current assets</b>		<b>5,52,594</b>	<b>5,33,410</b>
<b>2. Current assets</b>			
a) Financial assets			
i) Investments	2.07	7,73,160	4,34,956
ii) Trade receivables	2.08	3,35,561	2,04,252
iii) Cash and cash equivalents	2.09	36,501	3,08,773
iv) Bank balances other than cash and cash equivalents	2.10	35,135	45,755
v) Loans	2.11	21,609	20,105
vi) Others	2.12	62,573	12,060
b) Current tax assets (Net)	2.13	14,021	26,644
c) Other current assets	2.14	1,69,967	1,35,969
<b>Total current assets</b>		<b>14,48,527</b>	<b>11,88,514</b>
<b>TOTAL ASSETS</b>		<b>20,01,121</b>	<b>17,21,924</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
a) Equity share capital	2.15	1,02,415	1,02,415
b) Other equity	2.16	15,74,256	14,76,781
c) Non-controlling interest		5,270	(7,392)
<b>Total equity</b>		<b>16,81,941</b>	<b>15,71,804</b>
<b>2. LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Deferred Liabilities (Net)	2.17	70,996	80,123
b) Provisions	2.18	1,603	1,106
c) Other non-current liabilities	2.19	2,227	2,227
<b>Total non-current liabilities</b>		<b>74,826</b>	<b>83,456</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Trade payables			
a) Trade payables - outstanding dues to micro and small enterprises	2.20	-	15
b) Trade payables - outstanding dues to other than micro and small enterprises	2.20	7,993	10,203
ii) Other financial liabilities	2.21	40,154	19,772
b) Other current liabilities	2.22	1,96,167	35,342
c) Provisions	2.23	40	49
d) Current tax liability	2.24	-	1,282
<b>Total Current Liabilities</b>		<b>2,44,354</b>	<b>66,664</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,01,121</b>	<b>17,21,924</b>

Notes 1.1 to 2.44 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

 22<sup>nd</sup> July, 2020

**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, 2020**

(In ₹ Thousand)

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>1. Income</b>			
a) Revenue from operations	2.25	7,26,838	6,08,404
b) Other income	2.26	43,849	43,300
<b>Total income</b>		<b>7,70,687</b>	<b>6,51,704</b>
<b>2. Expenses:</b>			
a) Operating expense		2,19,259	77,929
b) Employee benefits expense	2.27	2,59,284	2,48,614
c) Finance costs	2.28	2,484	2,550
d) Depreciation and amortisation expense	2.29	17,618	17,258
e) Rent expense		4,396	7,437
f) Travelling and conveyance expenses		6,526	9,056
g) Impairment losses	2.30	4,128	12,610
h) Other expenses	2.31	49,521	54,549
<b>Total expenses</b>		<b>5,63,216</b>	<b>4,30,003</b>
<b>3. Profit before exceptional items and tax (1-2)</b>		<b>2,07,471</b>	<b>2,21,701</b>
<b>4. Exceptional Items</b>		-	-
<b>5. Profit before tax (3-4)</b>		<b>2,07,471</b>	<b>2,21,701</b>
<b>6. Tax Expense:</b>	2.32		
a) Current tax		48,343	67,818
b) Deferred tax		(9,127)	1,345
<b>7. Profit for the year from continuing operations (5-6)</b>		<b>1,68,255</b>	<b>1,52,538</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		(1,202)	194
Fair value changes of investments in equity shares		-	(5)
Exchange differences on translation into presentation currency		(964)	10
Income tax effect on the above	2.32	-	(12)
<b>Total Other Comprehensive Income (OCI) net of Tax</b>		<b>(2,166)</b>	<b>187</b>
<b>9. Total comprehensive income for the year (7+8)</b>		<b>1,70,421</b>	<b>1,52,725</b>
Profit attributable to			
Owners		1,56,291	1,56,684
Non controlling interest		11,964	(4,145)
		<b>1,68,255</b>	<b>1,52,538</b>
Other Comprehensive Income (OCI) attributable to:			
Owners		(1,468)	62
Non-controlling interests		(698)	125
		<b>(2,166)</b>	<b>187</b>
Total comprehensive income attributable to:			
Owners		1,57,759	1,56,745
Non-controlling interests		12,662	(4,020)
		<b>1,70,421</b>	<b>1,52,725</b>
<b>10. Earnings per equity share of ₹ 5 each</b>			
a) Basic (₹)	2.35	7.89	7.84
b) Diluted (₹)	2.35	7.89	7.84

Notes 1.1 to 2.44 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

22<sup>nd</sup> July, 2020

**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, 2020**
**( In ₹ Thousand)**

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Cash flow from operating activities</b>			
Profit Before Tax		2,07,471	2,21,701
<b>Non-cash adjustment to Profit Before Tax:</b>			
Depreciation and amortization expense		17,618	17,258
Interest income		(3,626)	(3,449)
Impairment expense of Trade receivable		1,503	5,260
Impairment on non current/current assets		2,625	7,350
Liability written back		(705)	-
Debtor Balances written-off		1,196	-
Gain on investment		(1,256)	-
Change in fair value of financial assets measured at fair value through profit or loss		(25,933)	(25,484)
Dividend income		(9,089)	(8,141)
Exchange differences on translation into presentation currency		964	-
Finance costs		2,484	2,550
Other adjustment		-	194
		<b>1,93,252</b>	<b>2,17,239</b>
<b>Change in operating assets and liabilities :</b>			
Decrease/(increase) in trade receivables		(1,32,506)	3,28,501
Increase/(decrease) in trade payables		(2,225)	(3,595)
Decrease/(increase) in loans & other financial assets		(70,801)	4,114
Decrease/(increase) in other bank balance		13,725	(28,156)
Decrease/(increase) in other non-current assets		1,370	(5,014)
Decrease/(increase) in other current assets		(35,501)	(78,875)
Increase/(decrease) in other financial Liability		20,779	7,906
Increase/(decrease) in other current liabilities		1,60,825	12,731
Increase/(decrease) in non-current provisions		414	-
Increase/(decrease) in Provisions		(9)	-
<b>Cash generated from operations</b>		<b>(43,929)</b>	<b>2,37,612</b>
Direct taxes paid (net of refunds)		(38,309)	(47,504)
<b>Net cash flow generated /(used in) operating activities (A)</b>		<b>1,11,014</b>	<b>4,07,347</b>
<b>Cash flow from investing activities</b>			
Purchases of fixed assets, including capital work-in-progress and capital advances		(3,984)	(18,448)
Software Development Cost		(15,131)	-
Payments for purchase of investments		(11,44,499)	(10,66,500)
Proceeds from sale of investments		8,41,539	9,73,011
Gain on investment		1,036	-
Interest received		521	3,449
Dividends received		-	8,141
<b>Net cash flow generated/(used in) investing activities (B)</b>		<b>(3,20,518)</b>	<b>(1,00,347)</b>

**Consolidated Cash Flow Statement for the year ended March 31, 2020**
**( In ₹ Thousand)**

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Cash flows from financing activities</b>			
Finance Cost		(2,484)	(2,550)
Dividends paid to equity shareholders		(60,284)	(30,093)
<b>Net cash flow generated/(used in) in financing activities (C)</b>		<b>(62,768)</b>	<b>(32,643)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>		<b>(2,72,272)</b>	<b>2,74,357</b>
Cash and cash equivalents at the beginning of the year		<b>3,08,773</b>	34,416
Cash and cash equivalents at the end of the year		<b>36,501</b>	3,08,773
<b>Cash and cash equivalents as per note 2.10 to the financial statements</b>			
Balance with Bank		<b>36,137</b>	3,05,754
Cash in hand		<b>364</b>	388
Cheques in hand		-	2,631
<b>Total</b>		<b>36,501</b>	3,08,773

Notes 1.1 to 2.44 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  
22<sup>nd</sup> July, 2020

**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 2020**  
(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, 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>
<b>As at 1 April, 2019</b>	1,02,415	30,805	14,45,053	2	33	888	14,76,781	(7,392)	15,71,804
Profit for the year	-	-	1,56,291	-	-	-	1,56,291	11,964	1,68,255
Measurements of defined employee benefit plans (net of tax)	-	-	-	-	-	1,267	1,267	(65)	1,202
Exchange differences on translation into presentation currency	-	-	-	201	-	-	201	763	964
Equity dividend and Dividend Distribution Tax	-	-	(60,284)	-	-	-	(60,284)	-	(60,284)
<b>Balance as on March 31, 2020</b>	<b>1,02,415</b>	<b>30,805</b>	<b>15,41,060</b>	<b>203</b>	<b>33</b>	<b>2,155</b>	<b>15,74,256</b>	<b>5,270</b>	<b>16,81,941</b>

Notes 1.1 to 2.44 form an integral part of these financial statements

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

**General Reserve:-** The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. This represents a free reserve and is available for dividend distributions.

**Retained Earnings:-** Retained earnings comprises of prior and current year's undistributed earnings after tax.

**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  
22<sup>nd</sup> July, 2020

**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**

**Notes to the Consolidated Financial Statements for the year ended March 31, 2020**
**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, Software implementation, maintenance of software/ hardware and related services, business process services, Sale of IT and other products and internet security related technology enabled solution software services.

Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

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. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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

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



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

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. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

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

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

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

Measurement and recognition:

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

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

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

Capital work in progress and Capital advances:

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

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed

based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset etc. The estimated useful life of items of property, plant and equipment is mentioned below:

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

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

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

All assets Costing up to Rs 5000/- are 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

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

Derecognition:

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

**e) Impairment of Assets:**

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

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

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

**f) Leases:**

The 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.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Company as a lessee:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs such as commissions incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Company as a lessor**

When the Company acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head

lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains a lease and non-lease components, the Company applies Ind AS 115-Revenue to allocate the consideration in the contract.

**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**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

#### Note 2.03 Property, plant and equipment

(In ₹ Thousand)

Particulars	Gross Carrying Value						Accumulated depreciation			Net Block	
	As at 1 <sup>st</sup> April 2019	Additions during the Period	Deletions during the year	Adjustments	Transfers	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019	Depreciation For the year	Deduction or Adjustment	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Property, Plant &amp; Equipments</b>											
Computers	3,030	384	-	-	-	3,414	2,259	466	-	2,725	689
Office Equipments	8,199	453	-	-	-	8,652	4,774	772	-	5,546	3,106
Furniture	13,559	2,008	-	-	-	15,567	3,261	1,558	-	4,819	10,748
Motor Car	11,036	-	-	-	-	11,036	3,236	1,470	-	4,706	6,330
Office Premises	4,67,792	-	-	-	-	4,67,792	32,880	7,093	-	39,973	4,27,819
<b>Total</b>	<b>5,03,617</b>	<b>2,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,06,461</b>	<b>46,410</b>	<b>11,359</b>	<b>-</b>	<b>57,769</b>	<b>4,48,692</b>
<b>Intangible Assets</b>											
Computer Software	33,356	17,137	-	-	-	50,495	12,156	6,259	-	18,415	21,200
<b>Grand Total</b>	<b>5,36,973</b>	<b>19,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,56,956</b>	<b>58,566</b>	<b>17,618</b>	<b>-</b>	<b>76,184</b>	<b>4,78,407</b>
<b>Previous year</b>	<b>5,07,281</b>	<b>30,605</b>	<b>915</b>	<b>-</b>	<b>-</b>	<b>5,36,973</b>	<b>42,165</b>	<b>17,257</b>	<b>857</b>	<b>58,566</b>	<b>4,65,116</b>
<b>Capital work-in-progress</b>	<b>867</b>	<b>16,257</b>	<b>-</b>	<b>-</b>	<b>17,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**

(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	2,883	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>915</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>17,101</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, 2020**
**Note 2.04 Non Current Loans**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Security Deposits Unsecured, considered good	2,574	2,712
<b>Total Non Current Loans</b>	<b>2,574</b>	<b>2,712</b>

**Note: 2.05 Others non current financial asset**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Deposits with bank - with maturity period of more than 12 months *	23,228	4,305
<b>Total others non current financial asset</b>	<b>23,228</b>	<b>4,305</b>

\*Amount held as margin money or security against Bank Guarantee of ₹23,123 thousand (Previous year - ₹ 4,204 thousand).

**Note 2.06 Other Non Current Assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Advances other than capital advance</b>		
Security/margin deposit	2,227	2,227
Employee benefit assets	2,608	2,413
Prepaid expenses	155	437
	<b>4,990</b>	<b>5,078</b>
<b>Advance to other Parties</b>		
Unsecured, considered good	-	2,625
Unsecured, considered doubtful	10,500	7,875
Less: Provision for doubtful advance	(10,500)	(7,875)
	-	2,625
<b>Total other non-current assets</b>	<b>4,990</b>	<b>7,703</b>

**Note 2.07 Current Investment**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Investment in mutual funds</b>		
<b>Quoted</b>		
<b>Investments carried at fair value through the statement of profit and loss</b>		
(i) Nil Units of Baroda Pioneer Mutual fund - Dividend reinvestment (March 2019: 8,788 units)	-	8,866
(ii) Nil Units Canara Rebeco - Capital Protection Fund - Series 7 (March 2019: 2,50,000 units)	-	2,892
(iii) 2,50,000 Units of Canara Rebeco - Capital Protection Fund - Series 8 (March 2019: 2,50,000 units)	2,910	2,776
(iv) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 9 (March 2019: 1,00,000 units)	1,121	1,071
(v) 9,830,064 Units of Canara Rebeco Savings Fund - Regular Growth (March 2019: 10,03,956)	3,08,557	29,348
(vi) 10,24,988 Units of Canara Rebeco Savings Fund - Regular Plan-Dividend reinvestment (March 2019: 19,96,408 units)	10,516	20,483
(vii) Nil units of Reliance Liquid Fund-Treasury Plan - Divident reinvestment (March 2019: 12 units)	-	18



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.07 Current Investment**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
(viii) 1,25,366 units of Baroda Ultra Short Duration Fund - Direct plan-Regular Growth Dividend reinvestment (March 2019: 3,15,052)	<b>1,43,857</b>	3,37,053
(ix) 1,658 units of Canara Robeco Liquid - Regular Daily Dividend Plan (March 2019: 20,952 units)	<b>1,667</b>	21,067
(x) Nil units of Edelweiss Alpha Fund - Scheme I (March 2019: 10,000 units)	-	10,371
(xi) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 10 (March 2019: 1,00,000 units)	<b>1,053</b>	1,010
(xii) 13,30,999 Units of Canara Rebeco short duration Fund - Regular growth plan (March 2019: Nil units)	<b>25,191</b>	-
(xiii) 2,66,127 Units of ICICI Prudential Savings Fund - Regular growth plan (March 2019: Nil units)	<b>1,02,988</b>	-
(xiv) 17,94,854 Units of IDFC Low Duration Fund - Regular growth plan (March 2019: Nil units)	<b>51,274</b>	-
(xv) 26,540 Units of Kotak Money Market Fund - Regular growth plan (March 2019: Nil units)	<b>87,590</b>	-
(xvi) 11,001 Units of Axis Banking & PSU Debt Fund - Regular growth plan (March 2019: Nil units)	<b>21,028</b>	-
(xvii) 8,68,377 Units of IDFC Banking and PSU Debt Fund- Regular growth plan (March 2019: Nil units)	<b>15,408</b>	-
<b>Total</b>	<b>7,73,160</b>	4,34,956
Aggregate books value of quoted Investments	<b>7,73,160</b>	4,34,956
Aggregate market value of investments designated at FVTPL	<b>7,73,160</b>	4,34,956
Aggregate amount of unquoted investments	-	-

**Note 2.08 Trade Receivable**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	<b>3,22,596</b>	1,89,408
Trade receivable which have significant increase in credit risk	<b>19,044</b>	20,923
Less: Allowance for doubtful debts (expected credit loss)	<b>(6,079)</b>	(6,079)
Trade receivable - credit impaired	-	-
<b>Total trade receivable</b>	<b>3,35,561</b>	2,04,252

**Note 2.09 Cash and cash equivalents**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Balances with Banks		
(i) In current accounts #	<b>35,023</b>	1,24,403
(ii) Deposits with original maturity less than 3 months	<b>1,114</b>	1,81,351
Cash in hand	<b>364</b>	388
Cheques in hand	-	2,631
<b>Total cash and cash equivalents</b>	<b>36,501</b>	3,08,773

# The current accounts are in form of bank overdrafts which are payable on demand and are secured by:-

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**

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

**Note 2.10 Bank balances other than cash and cash equivalents ( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Earmarked balances in unclaimed dividend account	4,616	2,350
Fixed Deposits with maturity period of more than 3 months but less than 12 months *	30,519	43,405
<b>Total bank balances other than cash and cash equivalents</b>	<b>35,135</b>	<b>45,755</b>

\* Amount held as margin money or security against Bank Guarantee ₹ 30,412 and Previous year ₹ 38,903.

**Note 2.11 Current Loans ( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Security deposits</b>		
Unsecured, considered good	20,700	19,460
Significant increase in credit risk	638	638
	21,338	20,098
Less: Provision for doubtful deposits	(638)	(638)
	20,700	19,460
<b>Loans and advances to employees</b>		
Unsecured, considered good	481	497
	481	497
<b>Other loans and advances</b>		
Unsecured, considered good	428	148
	428	148
<b>Total current loans</b>	<b>21,609</b>	<b>20,105</b>

**Note 2.12 Other financial assets ( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Accruals - receivables	62,573	12,060
<b>Total others financial assets</b>	<b>62,573</b>	<b>12,060</b>

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

**Note 2.13 Current Tax Assets (Net)**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Tax Provision	63,080	1,28,141
Less: Tax Paid	77,101	1,54,785
<b>Total current tax assets</b>	<b>14,021</b>	<b>26,644</b>

**Note 2.14 Other Current Assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Prepaid Expenses</b>	<b>5,001</b>	<b>4,840</b>
<b>Project under Process(WIP)</b>		
Unsecured, considered good	1,55,197	84,927
Unsecured, considered doubtful	7,514	6,011
Less: Provision for doubtful WIP	( 7,514)	( 6,011)
	<b>1,55,197</b>	<b>84,927</b>
Advance to vendors	2,529	34,378
Balances with statutory / revenue authorities		
- Goods & Service Tax	5,649	10,630
Others	1,591	1,195
<b>Total other current assets</b>	<b>1,69,967</b>	<b>1,35,969</b>

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

**Note 2.15 Equity Share capital**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,			
	2020		2019	
	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>

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

**Note 2.15(i) Reconciliation of the number of shares outstanding and the amount of share capital**  
as at the March 31, 2020 and as at March 31, 2019 as set out below.

( In ₹ Thousand)

Equity shares	As at 31 <sup>st</sup> March,			
	2020		2019	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	<b>2,07,00,000</b>	<b>1,02,415</b>	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>	2,07,00,000	1,02,415

**Note 2.15(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,			
	2020		2019	
	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>	1,19,96,300	59.98

**Note 2.15(iii) Details of Shares forfeited**

( In ₹ Thousand)

Class of shares	As at 31 <sup>st</sup> March,			
	2020		2019	
	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>	6,97,800	2,404

**Note 2.15 (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, except in case of interim dividend.

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 number of shares held.

**Note 2.16 Other Equity**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
General reserve	30,805	30,805
Retained earning	14,43,450	14,45,976
<b>Total Other Equity</b>	<b>15,74,254</b>	<b>14,76,781</b>

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

**Note 2.17 Deferred Tax Liabilities (net)**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Deferred income tax asset</b>		
Deductible Expenditure		
Provision for doubtful financial asset	(4,068)	(4,091)
<b>Deferred income tax liability</b>		
Taxable temporary difference		
Depreciation adjustment as per Books and Income Tax	75,064	84,214
<b>Net Deferred Tax Liability</b>	<b>70,996</b>	<b>80,123</b>

**Note 2.17(a) Movement in gross deferred tax liability/asset**

( In ₹ Thousand)

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
<b>2019-2020</b>			
<b>Deferred Tax Liability/Asset in Relation to</b>			
Unabsorbed depreciation as per Income tax	84,214	(9,150)	<b>75,064</b>
Provision for doubtful financial asset	(4,091)	23	<b>(4,068)</b>
<b>Total</b>	<b>80,123</b>	<b>(9,127)</b>	<b>70,996</b>
<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>
Provision for doubtful financial asset	(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>

**Note 2.17(b) The analysis of deferred tax asset and deferred tax liability**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Deferred Tax Asset:</b>		
Deferred Tax Asset to be recovered after more than 12 Month	(4,068)	(4,091)
Deferred Tax Asset to be recovered within 12 Month	-	-
	<b>( 4,068)</b>	<b>( 4,091)</b>
<b>Deferred Tax Liability:</b>		
Deferred Tax Liability to be recovered after more than 12 Month	75,064	84,214
Deferred Tax Liability to be recovered within 12 Month	-	-
<b>Total</b>	<b>75,064</b>	<b>84,214</b>

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

**Note 2.17 (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,	
	2020	2019
Accounting Profit	2,07,471	2,21,701
Tax at the domestic rate of 25.17% in 2020, (29.12% in 2019)	48,340	65,552
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	(1,802)	(1,647)
Other than temporary differences	(5,725)	(3,190)
Adjustments for current tax of prior periods	1,593	3,469
Income tax effect on OCI	-	(12)
Current tax on short term capital gain on sale of units of mutual fund	5,885	2,364
Current tax on long term capital gain on sale of units of mutual fund	52	-
<b>Tax Expense</b>	<b>48,343</b>	<b>67,818</b>

**Note 2.18 Provisions**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Provision for employee benefit	1,103	1,106
<b>Total Provisions</b>	<b>1,103</b>	<b>1,106</b>

**Note 2.19 Other non-current liabilities**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
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,	
	2020	2019
Total outstanding dues of micro and small enterprises	-	15
Total outstanding dues of creditors other than micro and small enterprises	7,993	10,203
Trade payable with related parties	-	-
<b>Total Trade Payables</b>	<b>7,993</b>	<b>10,218</b>

**Note 2.21 Other financial liabilities**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Salary Payable	4,853	2,277
Unpaid Dividend	4,616	2,350
Outstanding expenses	30,685	15,145
<b>Total Other financial liabilities</b>	<b>40,154</b>	<b>19,772</b>

Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Statutory remittances	23,463	25,486
Unearned revenue		
Balance as on 1 April 2019	7,578	2,812
Less: Adjustment for Ind AS 115 transition	-	(2,812)
Less: Revenue recognised	(7,578)	-
Add: Contract Liability	1,71,919	7,578
Balance as on 31 March 2020	1,71,919	7,578
Creditors for capital goods	6	162
Excess realisation from debtor	779	2,116
<b>Total Other current liabilities</b>	<b>1,96,167</b>	<b>35,342</b>

**Note 2.23 Provisions**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Provision for employee benefit	40	49
<b>Total Provisions</b>	<b>40</b>	<b>49</b>

**Note 2.24 Current tax liabilities**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Current tax liabilities	-	1,282
<b>Total current tax liabilities</b>	<b>-</b>	<b>1,282</b>

**Note 2.25 Revenue from Operations**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Income from sale of products and services	8,48,995	7,04,393
Less: GST recovered	1,22,157	95,989
<b>Total revenue from operation</b>	<b>7,26,838</b>	<b>6,08,404</b>

**Note 2.26 Other Incomes**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Income related to financial assets</b>		
Interest on bank deposit	3,626	3,449
Dividend income	9,089	8,141
Gain on Sale of Investment	221	1,075
Interest on income tax refund	898	4,511
Miscellaneous income	4,082	638
Gain on Foreign currency Translation	-	2
<b>Other non - opearting income</b>	<b>25,933</b>	<b>25,484</b>
Fair value gain of investment through Profit and Loss account (FVTPL)		
<b>Total other incomes</b>	<b>43,849</b>	<b>43,300</b>



Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

**Note 2.27 Employee Benefit Expenses**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Salaries and wages	2,37,320	2,27,588
Contribution to provident and other funds	15,882	15,532
Staff welfare Expenses	6,082	5,494
<b>Total Employee Benefit Expenses</b>	<b>2,59,284</b>	<b>2,48,614</b>

**Note 2.28 Finance Cost**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Other borrowing cost</b>		
1) Bank Limit charges	354	630
2) Bank Guarantee Charges	2,130	1,920
<b>Total finance cost</b>	<b>2,484</b>	<b>2,550</b>

**Note 2.29 Depreciation and amortisation expenses**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Depreciation and amortisation Expenses	17,618	17,258
<b>Total depreciation and amortisation expenses</b>	<b>17,618</b>	<b>17,258</b>

**Note 2.30 Impairment Losses**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Impairment loss allowance on trade receivable and Work-in-Progress (WIP)	1,503	5,260
Impairment loss allowance on other financial assets	2,625	7,350
<b>Total impairment losses</b>	<b>4,128</b>	<b>12,610</b>

**Note 2.31 (i) Other Expenses**

( In ₹ Thousand)

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Rates and taxes	4,938	3,534
Repairs and maintenance	2,045	2,248
Consultancy Charges	285	1,273
Data centre expenses	376	607
SMS charges	230	-
Electricity charges	2,955	3,275
Legal and professional fees	10,667	9,439
Printing and stationery	1,181	1,126
Membership and subscription	1,138	1,042
Communication expenses	2,228	1,660
Advertising and Business Promotion Expenses	6,739	7,480
Corporate social responsibility contributions	5,144	5,390
Software related expenses	240	187
Website hosting/domain renewals	52	21
Bank charges	349	690
Insurance expenses	670	625
Foreign exchange loss/(gain)	3	16
Other expenses	9,356	15,011
<b>Total Other Expenses</b>	<b>48,596</b>	<b>53,624</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.31 (ii) Payment to auditors**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Auditors of the company		
Components of audit fees		
Service as statutory auditor (including limited review)	925	925
<b>Total Payment to Auditors</b>	<b>925</b>	<b>925</b>

**Note 2.32 Tax expenses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>(a) Income tax expenses :</b>		
<b>Current tax</b>		
Current tax on profit for the year	46,750	64,361
Current tax expense pertaining to prior year	1,593	3,469
	<b>48,343</b>	<b>67,830</b>
<b>Deferred tax</b>		
Deferred tax expense for the current year	(9,127)	1,345
<b>Total income tax expense recognised in current year</b>	<b>39,216</b>	<b>69,175</b>
<b>(b) Income tax recognised in other comprehensive income</b>		
Remeasurement of the defined benefit plans	-	(12)
	-	(12)

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<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	2,07,471	2,21,701
Profit from discontinuing operations before income tax expense	-	-
<b>Tax at the domestic rate of 25.17% in 2020, (29.12% in 2019)</b>	<b>48,340</b>	<b>65,552</b>
Tax expense of Foreign subsidiary Instasafe Inc.	-	1,282
Adjustments for current tax of prior periods	1,593	3,469
Current tax on short term capital gain on sale of units of mutual fund	5,885	2,364
Current tax on long term capital gain on sale of units of mutual fund	52	-
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	(1,802)	(1,647)
Expenses provided but allowable in Income Tax on payment/writeoff(net)		
Other than temporary differences	(5,725)	(3,190)
Income tax effect on OCI	-	(12)
<b>Income tax expense</b>	<b>48,343</b>	<b>67,818</b>

- (d) The Group elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income-tax for the year ended March 31, 2020 at the new rate prescribed in the said section and re-measured its Deferred tax liabilities basis the rate prescribed in the said section. The full impact of this change on Deferred tax liabilities has been recognised in the Statement of Profit and Loss for the year ended March 31, 2020

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.33 Contingent Liabilities and commitments (to the extend not provided for): ( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>(i) Contingent liabilities:</b>		
(a) Bank gurantees [Refer Note 2.33 (i)]	<b>1,19,607</b>	86,462
(b) Service taxes [Refer Note 2.33 (ii)]	<b>1,144</b>	1,114
(c) Income taxes [Refer Note 2.33 (iii)]	<b>3,886</b>	3,886
<b>(ii) Capital Commitments</b>		
(a) Estimated amount of contracts remaining to be excecuted on capital account and not provided for:		
- Office interior	-	1,138
(b) Other Commitments	-	-

**Note 2.33 (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.

**Note 2.33 (ii)**

The service tax amount shown of Rs. 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 2.33 (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 ₹ 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 2.34**

During the Financial year 2019-20, an additional amount of ₹ 15,131 thousand has been recognised as an Intangible asset on fulfilment of the recognition criteria during the financial year 2019-20. 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, 2020**
**Note :2.35 Earnings Per Share (EPS)**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Net profit after tax attributable to equity shareholders for Basic EPS	1,57,759	1,56,745
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	1,57,759	1,56,745
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,	
	2020	2019
Face Value per Equity Share (₹)	5	5
Basic EPS (₹)	7.89	7.84
Diluted EPS (₹)	7.89	7.89
<b>Reconciliation between no. of shares (in thousand) used for calculating basic and diluted EPS</b>		
No. of shares used for calculating Basic EPS	20,002	20,002
Add: Potential equity shares	-	-
<b>No. of shares used for calculating Diluted EPS</b>	<b>20,002</b>	<b>20,002</b>

**Note :2.36 Employee Benefits**
**A) Defined contribution plans**

Provident fund:

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

The total expense recognised in the statement of profit and loss of ₹ 11,366 thousand (for the year ended March 31,2018: ₹10,701 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,	
	2020	2019
<b>Amount recognised in the statement of Profit and Loss</b>		
Current service cost	3,674	3,740
Finance cost/(income)	(172)	(204)
Past service cost	-	-
<b>Total expense recognised in the Statement of profit /loss</b>	<b>3,502</b>	<b>3,536</b>
Amount recognised in Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognised for the period	(1,498)	(540)
Return on plan assets excluding net interest	297	346
<b>Total actuarial (gain)/loss recognised in Other Comprehensive Income (OCI)</b>	<b>(1,202)</b>	<b>(194)</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Changes in present value of obligation		
Present value of obligation at the beginning	<b>18,328</b>	15,816
Add: Opening Liability of Instasafe on Bussiness Combination	-	-
Interest cost	<b>1,309</b>	1,143
Current service cost	<b>3,674</b>	3,740
Past service cost	-	-
Benefits paid	<b>(2,395)</b>	(1,831)
Actuarial (Gains)/Losses on present value of obligation	<b>(1,498)</b>	(540)
<b>Present value of obligation at the end</b>	<b>19,417</b>	18,328
<b>Changes in present value of planned assets</b>		
Fair value at the beginning	<b>19,585</b>	16,525
Return on plan assets	<b>(297)</b>	(346)
Interest income	<b>1,481</b>	1,346
Contributions	<b>2,007</b>	3,891
Benefits paid	<b>(2,395)</b>	(1,831)
<b>Fair Value at the end of the year</b>	<b>20,381</b>	19,585

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Compostion of the plan assets is as follow</b>		
Equity instruments	<b>5.55%</b>	5.55%
Debt instruments		
Government bonds	<b>74.55%</b>	74.55%
Corporate bonds/debentures	<b>17.28%</b>	17.28%
Asset backed securities	<b>0.85%</b>	0.85%
Cash and cash equivalents	<b>1.77%</b>	1.77%
	<b>100.00%</b>	100.00%

**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Actuarial assumptions</b>		
<b>Financial assumptions</b>	<b>6.80%</b>	7.64%
Discount rate	<b>4%</b>	4%
Salary Escalation	<b>7.59%</b>	7.59%
Expected return on plan assets	<b>2%</b>	2%
Attrition		
<b>Demographic assumptions</b>	<b>IALM (2006-08)</b>	IALM (2006-08)
Mortality rate	<b>Ultimate</b>	Ultimate

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**C) The defined benefit obligations shall mature after year end 31st March, 2020 as follows:**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
First year	1,882	641
Second year	516	764
Third year	553	891
Fourth year	710	1,180
Fifth year	4,116	5,314
Sixth to Ten year	5,108	10,645

**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 Knowledgware Limited		InstaSafe Technologies Private Limited	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2020	2019	2020	2019
Discount rate increase by 100 basis Points	16,116	15,564	1,446	1,020
Discount rate decrease by 100 basis Points	19,735	19,070	1,877	1,314
Salary Escalation rate increase by 100 basis points	19,630	19,102	1,876	1,317
Salary Escalation rate decrease by 100 basis points	16,195	15,512	1,443	1,015

**Note: 2.37 Related party disclosure**
**(A) Name of related parties and description of relationship**
**(i) Key Management Personnel (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. Sumit Dutta Chowdhary  
 Mr. Devendra Kamalakar Parulekar

**(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  
 Saffron Studios Private Limited

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**(B) Transactions with related parties**

Nature of Transactions	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Purchase of material / services:</b>		
Khaitan & Company LLP	-	837
Gaia Smart Cities Solutions Private Limited	-	-
Blue Star Software Limited	-	-
Saffron Studios Private Limited	-	590
<b>Key Management Personnel</b>		
Remuneration	18,555	18,467
Other long term benefit	1,561	1,782
<b>Dividend</b>		
Mr. Prakash Rane	23,856	11,928
Mrs. Supriya Rane	6,135	3,068
Lipsita Projects & Services Private Limited	2,454	1,227
<b>Sitting Fees</b>		
Mrs. Supriya Rane	56	44
Mr. Sharadchandra Abhyankar	72	56
Mr. Sanjay Mehta	-	36
Mr. Sumit Dutta Chowdhary	60	32
Mr. Devendra Kamalakar Parulekar	76	16

**(C) Outstanding**

Mrs. Supriya Rane	4	-
Mr. Sharadchandra Abhyankar	4	-
Mr. Sumit Dutta Chowdhary	4	-
Mr. Devendra Kamalakar Parulekar	4	-

**Note 2.38 Capital Management**
**Risk management**

The group's objectives when managing capital are to

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

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

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

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

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

The Company'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, 2020	As at 31 <sup>st</sup> March, 2019
Net debt	-	-
Total equity	16,81,941	15,71,804
Net debt to equity ratio	Nil	Nil



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.39 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, 2020**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
Financial assets							
Long Term Loans	2,574	-	-	2,574			
Trade Receivables	3,35,561	-	-	3,35,561			
Cash & Cash equivalents	36,501	-	-	36,501			
Other Bank Balances	35,135	-	-	35,135			
Short term Loans	21,609	-	-	21,609			
Other financial assets	85,801	-	-	85,801			
Investments	7,73,160	7,73,160	-	-	7,73,160		
	<b>12,90,340</b>	<b>7,73,160</b>	-	<b>5,17,180</b>	<b>7,73,160</b>	-	-

**March 31, 2020**

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
<b>Financial Liabilities</b>							
Borrowings	-			-			
Trade payables	7,993			7,993			
Other financial liabilities	40,154			40,154			
	<b>48,147</b>	-	-	<b>48,147</b>	-	-	-

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**March 31, 2019**
**( 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	2,712	-	-	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	-	-
	10,32,918	4,34,956	-	5,97,962	4,34,956	-	-
<b>Financial Liabilities</b>							
Trade payables	10,218	-	-	10,218	-	-	-
Other financial liabilities	19,772	-	-	19,772	-	-	-
	29,990	-	-	29,991	-	-	-

**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 2.40 Additional Information required by Schedule III**
**2019-20**
**( 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	99.60%	16,74,536	91.02%	1,53,149	59.28%	-1,284	90.62%	1,54,432
Subsidiaries (group's share)								
InstaSafe Technologies Pvt. Ltd.	0.08%	1,385	1.87%	3,144	8.48%	-184	1.95%	3,328
Non Controlling Interest in the Subsidiary								
Indian InstaSafe Technologies Pvt. Ltd.	0.31%	5,270	7.11%	11,963	32.25%	-689	7.43	12,661
	100%	16,81,791	100%	1,68,256	100%	(2,166)	100%	1,70,422

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**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	15.38%	29	103.32%	1,57,801
Subsidiaries (group's share)								
InstaSafe Technologies Pvt. Ltd.	-0.12%	(1,944)	-0.71%	(1,090)	17.62%	33	-0.69%	(1,057)
Non Controlling Interest in the Subsidiary								
Indian InstaSafe Technologies Pvt. Ltd.	-0.47%	(7,393)	-2.72%	(4,145)	67.00%	125	-2.63%	(4,020)
	<b>100%</b>	<b>15,71,049</b>	<b>100%</b>	<b>1,52,537</b>	<b>100%</b>	<b>187</b>	<b>100%</b>	<b>1,52,724</b>

**Note 2.41 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, 2020	As at 31 <sup>st</sup> March, 2019
Amount required to be spent as per Section 135 of the Act for the year	<b>5,131</b>	5,383
Shortfall of previous year/s (if any)	-	-
Total amount required to be spent for the year	<b>5,131</b>	5,383
Amount spent during the year	<b>5,144</b>	5,390
Excess/(short) amount spent	<b>13</b>	7

**Note 2.42**

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 2.43**

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

**Note 2.44**

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

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

Chartered Accountants

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

Partner

**Membership No.: 154390**

Mumbai

22<sup>nd</sup> July, 2020

**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**
**Pareesh M. Golatkar - Chief Financial Officer**

## **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 accompanying Standalone Financial Statements of ABM KNOWLEDGEWARE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone 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, as amended ("the Act") 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, 2020, its profit including other 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), as specified under Section 143(10) of the Act. 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 Act 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 Standalone Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our reports.

#### **1. Recognition and Measurement of Deferred Tax**

The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of assets and liabilities in accordance with the respective local tax provisions and financial reporting in accordance with IND AS as well as the calculation of tax loss carry forwards. This requires the significant calculation on account of carry forwards of losses, Mat Credit entitlement and identification of temporary differences. Furthermore, the assessment of the ability to use deferred tax assets is based on the expectations of the management regarding the Company economic development, which is influenced by the current market environment, Co-venture support and the assessment of future market development

(Domestic and Overseas) and thus requires the use of judgment.

Deferred Tax disclosed in Note 2.18 of the Standalone Financial Statement of Company for year ended include Deferred tax liability created on temporary differences of Rs 70490 (in '000'). In light of this, the recognition and measurement of deferred taxes was a key audit matter.

#### **Principal Audit Procedure**

In assessing the recognition and measurement of deferred taxes for the Company, among other procedures, we analysed the underlying processes for the complete capture and measurement of deferred taxes and examined the controls implemented to prevent or detect and correct errors.

Current tax laws allow to carry forward unused tax loss for 8 assessment years and from the assessment year in which such tax loss was incurred.

**During The Year, Taxation Laws (Amendment) Ordinance, 2019 promulgated by President of India which was published in Gazette of India in September 2019. The Ordinance has brought significance changes to Corporate Income Tax Rates. The Ordinance provides an option to domestic Companies to pay Income Tax at lower Rate (22%) instead of Normal Rate 30%.**

**We have been informed by the Company's Management, Company has exercised Option of Lower Tax rate for Financial Year 2019-20 i.e. Assessment Year 2020-21**

We have referred Ind AS Technical Facilitation Group (ITFG –Formed by ICAI) Clarification given in Bulletin 23 regarding effect to lower tax rate as per ordinance while determining current tax and deferred tax asset or liabilities for the purpose of presenting financial statements as on March 31, 2020.

#### **Para 46 and 47 of Ind AS 12, Income Taxes, State as follows:**

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

We examined on a sample basis the identification and quantification of differences between the recognition and measurement of assets and liabilities according to tax regulations and financial reporting pursuant to IND AS. We also reperformed the calculation of deferred taxes.

Since, Company has intended to opt for Lower Tax rate as per Ordinance, Company has given effect while determining the current tax and deferred tax asset or liabilities for the purpose of presenting financial statement for the year ending March 2020.

We have also focused on adequacy of the Company's disclosures on deferred income tax positions and assumption used.

Our audit procedures did not lead to any reservations regarding the recognition and measurement of deferred taxes.

#### **Reference to related disclosures**

The Company has provided information on the recognition and measurement of deferred taxes in the Note 2.18 and

2.30 of the Standalone Financial Statements.

**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 Annual Report, including Annexures to Board's Report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual 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 Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance.

**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 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, 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 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 Standalone 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 in the Standalone Financial Statements 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 Standalone 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 Standalone Financial Statements, including the disclosure, and whether the Standalone Financial Statement represent the underlying transaction and the events in a manner that achieve fair presentation.

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 Standalone Financial Statements for the financial year ended March 31, 2020 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.

#### **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 Act, 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 of the aforesaid Standalone Financial Statements.

- 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these Standalone Financial Statements 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. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Standalone 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.

**Date: 22<sup>nd</sup> July, 2020**  
**Place: Mumbai**

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

**Deepak Jain**  
**Partner**  
**(M.No. 154390)**  
**UDIN:20154390AAAAGE9642**

**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 KNOWLEDGE WARE 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, 2020 we report that:

**i. Property, Plant and Equipment**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a program of verification to cover all the item of fixed assets in a phased manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

**ii. The Company is in the business of providing software services and does not have a physical inventory. Accordingly, reporting under Clause 3 (ii) of the Order is not applicable to the Company.****iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of 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. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.****vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.****vii. Statutory Dues**

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, 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, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2020 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 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	489.13	Assistant Comm. Of ST

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

- viii. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- ix. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- 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 Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- 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 Act where applicable and the detail 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 under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- 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 as referred to in Section 192 of the Act.
- xvi. According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**Date: 22<sup>nd</sup> July, 2020**  
**Place: Mumbai**

**Deepak Jain**  
**Partner**  
**(M.No. 154390)**  
**UDIN: 20154390AAAAGE9642**

**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, 2020 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 Act.

**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 internal financial controls over financial reporting with reference to these Standalone Financial Statements.

**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 with reference to these Standalone Financial Statements, 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 with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date: 22<sup>nd</sup> July, 2020  
Place: Mumbai**

**Deepak Jain  
Partner  
(M.No. 154390)  
UDIN: 20154390AAAAGE9642**

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(In ₹ Thousand)

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Property, plant and equipment	2.03	4,48,574	4,57,011
b) Capital work-in-progress	2.03	-	867
c) Intangible assets	2.03	1,767	78
d) Financial assets			
i) Investment	2.04	76,729	79,276
ii) Loans	2.05	13,818	12,898
iii) Others	2.06	23,123	4,305
e) Income tax assets (Net)		6,054	5,872
f) Other Non-Current Assets	2.07	4,990	7,702
<b>Total non-current assets</b>		<b>5,75,055</b>	<b>5,68,009</b>
<b>2. Current assets</b>			
a) Financial assets			
i) Investments	2.08	7,69,299	4,17,406
ii) Trade receivables	2.09	3,13,733	1,93,468
iii) Cash and cash equivalents	2.10	19,312	3,01,133
iv) Bank balances other than cash and cash equivalents	2.11	35,135	45,755
v) Loans	2.12	21,593	19,858
vi) Others	2.13	62,573	12,060
b) Current tax assets (Net)	2.14	9,301	22,728
c) Other current assets	2.15	1,69,621	1,35,434
<b>Total current assets</b>		<b>14,00,567</b>	<b>11,47,842</b>
<b>TOTAL ASSETS</b>		<b>19,75,622</b>	<b>17,15,851</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	15,72,121	14,77,973
<b>Total equity</b>		<b>16,74,536</b>	<b>15,80,388</b>
<b>2. LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Deferred tax liabilities (Net)	2.18	70,490	79,910
b) Other non-current liabilities	2.19	2,227	2,227
<b>Total non-current liabilities</b>		<b>72,717</b>	<b>82,137</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	6,329	9,143
ii) Other financial liabilities	2.21	28,505	16,438
b) Other current liabilities	2.22	1,93,535	27,745
<b>Total current liabilities</b>		<b>2,28,369</b>	<b>53,326</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,75,622</b>	<b>17,15,851</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 &amp; Muzumdar

Chartered Accountants

Firm Registration No.:101569W

Deepak Kumar Jain

Partner

Membership No.: 154390

Mumbai

22<sup>nd</sup> July, 2020

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, 2020**  
( In ₹ Thousand)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>1. Income</b>			
a) Revenue From Operations	2.23	<b>6,02,702</b>	5,50,462
b) Other Income	2.24	<b>42,231</b>	41,986
<b>Total Income</b>		<b>6,44,933</b>	5,92,448
<b>2. Expenses:</b>			
a) Operating expense		<b>1,43,435</b>	43,778
b) Employee benefits expense	2.25	<b>2,43,497</b>	2,33,437
c) Finance costs	2.26	<b>2,484</b>	2,550
d) Depreciation and amortisation expense	2.27	<b>11,527</b>	14,387
e) Rent expenses		<b>3,466</b>	5,946
f) Travelling and conveyance expenses		<b>5,602</b>	7,500
g) Impairment losses	2.28	<b>4,128</b>	12,610
h) Other expenses	2.29	<b>38,724</b>	47,129
<b>Total Expenses</b>		<b>4,52,863</b>	3,67,337
<b>3. Profit before exceptional items and tax (1-2)</b>		<b>1,92,070</b>	2,25,111
<b>4. Exceptional Item</b>		<b>-</b>	-
<b>5. Profit before tax (3-4)</b>		<b>1,92,070</b>	2,25,111
<b>6. Tax expense</b>	2.30		
a) Current tax		<b>48,343</b>	66,537
b) Deferred tax		<b>(9,421)</b>	800
<b>7. Profit for the year from continuing operations (5-6)</b>		<b>1,53,148</b>	1,57,774
<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	<b>(1,284)</b>	46
Fair value changes of investments in equity shares		<b>-</b>	(5)
Income tax effect on the above	2.30	<b>-</b>	(12)
<b>Total Other Comprehensive Income (OCI) net of Tax</b>		<b>(1,284)</b>	29
<b>9. Total comprehensive income for the year (7+8)</b>		<b>1,54,432</b>	1,57,803
<b>10. Earnings per equity share of ₹ 5 each</b>			
a) Basic (₹)	2.32	<b>7.72</b>	7.89
b) Diluted (₹)	2.32	<b>7.72</b>	7.89

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

**This is the Statement of Profit and 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  
22<sup>nd</sup> July, 2020

**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, 2020**
**( In ₹ Thousand)**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>Cash flow from operating activities</b>		
Profit Before Tax	1,92,070	2,25,111
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	11,527	14,387
Interest income	(3,535)	(3,380)
Interest Income on Preference shares accounted at FVTPL	(1,054)	(958)
Impairment expense of Trade receivable	1,503	5,260
Impairment on non current/current assets	2,625	7,350
Remeasurement of defined benefit obligation	-	46
Liability written back	(59)	-
Gain on investment	(1,035)	-
Fair valuation loss on preference shares	2,547	2,547
Change in fair value of financial assets measured at fair value through profit or loss	(25,413)	(24,804)
Dividend income	(9,089)	(8,141)
Finance costs	2,484	2,550
Other adjustment	-	-
	<b>1,72,571</b>	<b>2,19,968</b>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	(1,20,265)	3,31,799
Increase/(decrease) in trade payables	(2,814)	(2,613)
Decrease/(increase) in loans & other financial assets	(70,934)	3,394
Decrease/(increase) in other bank balance	13,725	(28,156)
Decrease/(increase) in other non-current assets	1,370	(5,014)
Decrease/(increase) in other current assets	(35,690)	(79,612)
Increase/(decrease) in other financial Liability	12,127	9,159
Increase/(decrease) in other current liabilities	1,65,790	9,422
Increase/(decrease) in other non-current liabilities	-	-
<b>Cash generated from operations</b>	<b>(36,691)</b>	<b>2,38,380</b>
Direct taxes paid (net of refunds)	(35,096)	(47,002)
Prior Period Adjustment	-	-
<b>Net cash flow generated /(used in) operating activities (A)</b>	<b>1,00,784</b>	<b>4,11,346</b>
<b>Cash flow from investing activities</b>		
Purchases of fixed assets, including capital work-in-progress and capital advances	(3,914)	(7,745)
Payments for purchase of investments	(11,44,499)	(10,66,500)
Proceeds from sale of investments	8,27,110	9,58,511
Gain on investment	1,035	
Interest received	430	3,380
Dividends received	-	8,141
<b>Net cash flow generated / (used in) investing activities (B)</b>	<b>(3,19,837)</b>	<b>(1,04,213)</b>

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**
**( In ₹ Thousand)**

Particulars	2019-2020	2018-2019
<b>Cash flows from financing activities</b>		
Finance Cost	(2,484)	(2,550)
Dividends paid to equity shareholders	(60,284)	(30,093)
<b>Net cash flow generated/(used in) in financing activities (C)</b>	<b>(62,768)</b>	<b>(32,643)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>(2,81,821)</b>	<b>2,74,490</b>
Cash and cash equivalents at the beginning of the year	<b>3,01,133</b>	26,643
<b>Cash and cash equivalents at the end of the year</b>	<b>19,312</b>	<b>3,01,133</b>
<b>Cash and cash equivalents as per note 2.10 to the financial statements</b>		
Balance with Bank	<b>18,948</b>	2,98,114
Cash on hand	<b>364</b>	388
Cheques in hand	-	2,631
<b>Total</b>	<b>19,312</b>	<b>3,01,133</b>

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  
22<sup>nd</sup> July, 2020

**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 2020**

(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, 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>
As at 1 April , 2019	1,02,415	30,805	14,46,294	33	841	14,77,973
Profit for the year	-	-	1,53,148	-	-	1,53,148
Measurements of defined employee benefit plans (net of tax)	-	-	-	-	1,284	1,284
Fair value changes of investments in equity shares	-	-	-	-	-	-
Equity dividend and Dividend Distribution Tax	-	-	(60,284)	-	-	(60,284)
<b>Balance as on March 31, 2020</b>	<b>1,02,415</b>	<b>30,805</b>	<b>15,39,158</b>	<b>33</b>	<b>2,125</b>	<b>15,72,121</b>

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

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve

**General Reserve:-** The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. This represents a free reserve and is available for dividend distributions.

**Retained Earnings:-** Retained earnings comprises of prior and current year's undistributed earnings after tax.

**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  
22<sup>nd</sup> July, 2020

**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**

**Significant accounting policies and other explanatory information as at and  
for the year ended March 31, 2020**

**Notes to the Standalone Financial Statements for the year ended March 31, 2020**

**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 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, Software implementation, 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'.

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. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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

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

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

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. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

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

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

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

Measurement and recognition:

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

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

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other 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 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.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### **Company as a lessee**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the

aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs such as commissions incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Company as a lessor**

When the Company acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short - term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains a lease and non-lease components, the Company applies Ind AS 115-Revenue to allocate the consideration in the contract.

**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**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

**Note 2.03 Property, Plant and Equipment**

( In ₹ Thousand)

Particulars	Gross Carrying Value						Accumulated depreciation			Net Block	
	As at 1 <sup>st</sup> April 2019	Additions during the Period	Deletions during the year	Adjust- ments	Transfers	As at 31 <sup>st</sup> march 2020	As at 1 <sup>st</sup> April 2019	Depreciation For the year	Deduction or Adjustment	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Property, Plant &amp; Equipments</b>											
Computers	2,248	314	-	-	-	2,562	1,607	342	-	613	641
Office Equipments	8,077	453	-	-	-	8,530	4,717	748	-	3,065	3,360
Furniture	13,559	2,008	-	-	-	15,567	3,261	1,558	-	10,748	10,298
Motor Car	11,036	-	-	-	-	11,036	3,236	1,470	-	6,330	7,800
Office Premises	4,67,792	-	-	-	-	4,67,792	32,881	7,093	-	4,27,818	4,34,912
<b>Total</b>	<b>5,02,712</b>	<b>2,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,05,487</b>	<b>45,701</b>	<b>11,211</b>	<b>-</b>	<b>4,48,574</b>	<b>4,57,011</b>
<b>Intangible Assets</b>											
Computer Software	9,629	2,006	-	-	-	11,635	9,551	317	-	1,767	78
<b>Grand Total</b>	<b>5,12,341</b>	<b>4,781</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,17,122</b>	<b>55,252</b>	<b>11,528</b>	<b>-</b>	<b>4,50,341</b>	<b>4,57,089</b>
<b>Previous year</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>4,57,089</b>	<b>4,64,655</b>
<b>Capital work-in-progress</b>	<b>867</b>	<b>1,126</b>	<b>-</b>	<b>-</b>	<b>1,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867</b>

**Significant accounting policies and other explanatory information as at  
and for the year ended March 31, 2020**

( 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>11,384</b>	<b>857</b>	<b>45,701</b>	<b>4,61,375</b>
<b>Intangible Assets</b>											
Computer 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>41,723</b>	<b>4,76,904</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>867</b>	<b>-</b>

## Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020

**Note 2.04 Non Current Investments**
**( In ₹ Thousand)**

Particulars	Face Value	As at 31 <sup>st</sup> March			
		2020		2019	
		No	Amount	No	Amount
<b>Investment in equity instruments</b>					
<b>Unquoted</b>					
<b>Investment in Subsidiary</b>					
Instasafe Technologies Private Limited	10	25,225	32,793	25,225	32,793
<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	43,936	71,259	46,483
<b>Total Non-current Investments</b>			<b>76,729</b>	-	79,276
Aggregate books value of quoted Investments			-		-
Aggregate market value of investments designated at FVTOCI			-		-
Aggregate amount of unquoted investments			<b>76,729</b>		79,276

**Note 2.05 Non Current Loans**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March	
	2020	2019
<b>Security Deposits</b>		
Unsecured, considered good	<b>2,227</b>	2,361
<b>Loans to related party</b>		
Loan to Subsidiary Company		
Secured, considered good	-	-
Unsecured, considered good	<b>11,591</b>	10,537
Loans to related party which have increase in credit risk	-	-
Less - Allowance for doubtful debts (expected credit loss)	-	-
Loan to related party-credit impaired	-	-
<b>Total Non Current Loans</b>	<b>13,818</b>	12,898

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Deposits with bank</b>		
- with maturity period of more than 12 months *	<b>23,123</b>	4,305
<b>Total others non current financial asset</b>	<b>23,123</b>	4,305

\* Amount held as margin money or security against Bank Guarantee ₹ 23,123 and Previous year ₹ 4,204.

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.07 Other Non Current Assets**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Advances other than capital advance</b>		
Security/margin deposit	2,227	2,227
Employee benefit assets	2,608	2,413
Prepaid expenses	155	437
	<b>4,990</b>	<b>5,077</b>
<b>Advances to other parties</b>		
Unsecured, considered good	-	2,625
Unsecured, considered doubtful	10,500	7,875
Less: Provision for doubtful advance	(10,500)	(7,875)
	-	2,625
<b>Total</b>	<b>4,990</b>	<b>7,702</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Investment in mutual funds</b>		
Quoted		
Investments carried at fair value through the statement of profit and loss		
(i) Nil Units of Baroda Pioneer Mutual fund - Dividend reinvestment (March 2019: 8,788 units)	-	8,866
(ii) Nil Units Canara Rebeco - Capital Protection Fund - Series 7 (March 2019: 2,50,000 units)	-	2,892
(iii) 2,50,000 Units of Canara Rebeco - Capital Protection Fund - Series 8 (March 2019: 2,50,000 units)	<b>2,910</b>	2,776
(iv) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 9 (March 2019: 1,00,000 units)	<b>1,121</b>	1,071
(v) 97,07,050 Units of Canara Rebeco Savings Fund - Regular Growth (March 2019: 4,03,624)	<b>3,04,696</b>	11,799
(vi) 10,24,988 Units of Canara Rebeco Savings Fund - Regular Plan-Dividend reinvestment (March 2019: 19,96,408 units)	<b>10,516</b>	20,483
(vii) Nil units of Reliance Liquid Fund-Treasury Plan - Divident reinvestment (March 2019: 12 units)	-	18
(viii) 1,25,366 units of Baroda Ultra Short Duration Fund - Direct plan-Regular Growth Dividend reinvestment (March 2019: 3,15,052)	<b>1,43,857</b>	3,37,053
(ix) 1,658 units of Canara Robeco Liquid - Regular Daily Dividend Plan (March 2019: 20,952 units)	<b>1,667</b>	21,067
(x) Nil units of Edelweiss Alpha Fund - Scheme I (March 2019: 10,000 units)	-	10,371
(xi) 1,00,000 Units of Canara Rebeco - Capital Protection Fund - Series 10 (March 2019: 1,00,000 units)	<b>1,053</b>	1,010
(xii) 13,30,999 Units of Canara Rebeco short duration Fund - Regular growth plan (March 2019: Nil units)	<b>25,191</b>	-
(xiii) 2,66,127 Units of ICICI Prudential Savings Fund - Regular growth plan (March 2019: Nil units)	<b>1,02,988</b>	-
(xiv) 17,94,854 Units of IDFC Low Duration Fund - Regular growth plan (March 2019: Nil units)	<b>51,274</b>	-
(xv) 26,540 Units of Kotak Money Market Fund - Regular growth plan (March 2019: Nil units)	<b>87,590</b>	-
(xvi) 11,001 Units of Axis Banking & PSU Debt Fund - Regular growth plan (March 2019: Nil units)	<b>21,028</b>	-
(xvii) 8,68,377 Units of IDFC Banking and PSU Debt Fund- Regular growth plan (March 2019: Nil units)	<b>15,408</b>	-
<b>Total</b>	<b>7,69,299</b>	<b>4,17,406</b>
Aggregate books value of quoted Investments	<b>7,69,299</b>	4,17,406
Aggregate market value of investments designated at FVTPL	<b>7,69,299</b>	4,17,406
Aggregate amount of unquoted investments	-	-

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.09 Trade Receivable**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	3,00,768	1,78,624
Trade receivable which have significant increase in credit risk	19,044	20,923
Less: Allowance for doubtful debts (expected credit loss)	(6,079)	(6,079)
Trade receivable - credit impaired	-	-
<b>Total trade receivables</b>	<b>3,13,733</b>	<b>1,93,468</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Balances with Banks</b>		
(i) In current accounts #	18,948	1,18,063
(ii) Deposits with original maturity less than 3 months	-	1,80,051
<b>Cash in hand</b>	<b>364</b>	<b>388</b>
<b>Cheques in hand</b>	<b>-</b>	<b>2,631</b>
<b>Total cash and cash equivalents</b>	<b>19,312</b>	<b>3,01,133</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 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,	
	2020	2019
Earmarked balances in unclaimed dividend account	4,616	2,350
Fixed Deposits with maturity period of more than 3 months but less than 12 months *	30,519	43,405
<b>Total bank balances other than cash and cash equivalents</b>	<b>35,135</b>	<b>45,755</b>

\* Amount held as margin money or security against Bank Guarantee ₹ 30,412 and Previous year ₹ 38,903.



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.12 Current Loans**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Security deposits</b>		
Unsecured, considered good	20,700	19,460
Significant increase in credit risk	638	638
	21,338	20,098
Less: Provision for doubtful deposits	(638)	(638)
	20,700	19,461
<b>Loans and advances to employees</b>		
Unsecured, considered good	473	240
	473	240
<b>Other loans and advances</b>		
Unsecured, considered good	421	158
	421	158
<b>Total current loans</b>	<b>21,593</b>	<b>19,858</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Accruals - receivables	62,573	12,060
<b>Total others financial assets</b>	<b>62,573</b>	<b>12,060</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Tax provision	63,080	1,28,141
Less: tax paid	72,381	1,50,869
<b>Total current tax assets</b>	<b>9,301</b>	<b>22,728</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Prepaid Expenses</b>	<b>4,656</b>	<b>4,304</b>
<b>Project under Process(WIP)</b>		
Unsecured, considered good	1,55,197	84,927
Unsecured, considered doubtful	7,514	6,011
Less: Provision for doubtful WIP	( 7,514)	( 6,011)
	1,55,197	84,927
<b>Advance to vendors</b>	<b>2,529</b>	<b>34,378</b>
<b>Balances with statutory / revenue authorities</b>		
- Goods & Service Tax	5,649	10,630
<b>Others</b>	<b>1,591</b>	<b>1,195</b>
<b>Total other current assets</b>	<b>1,69,621</b>	<b>1,35,434</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**

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,			
	2020		2019	
	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 partly 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>	2,07,00,000	1,02,415	2,07,00,000	1,02,415

**Note 2.16(i) Reconciliation of the number of shares outstanding and the amount of share capital as at the March 31, 2020 and as at March 31, 2019 as set out below.**
**( In ₹ Thousand)**

Equity shares	As at 31 <sup>st</sup> March,			
	2020		2019	
	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>	2,07,00,000	1,02,415	2,07,00,000	1,02,415

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

Name of Shareholder	As at 31 <sup>st</sup> March,			
	2020		2019	
	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>	1,19,96,300	59.98	1,19,96,300	59.98

**Note 2.16(iii) Details of Shares forfeited**
**( In ₹ Thousand)**

Class of shares	As at 31 <sup>st</sup> March,			
	2020		2019	
	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>	6,97,800	2,404	6,97,800	2,404

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**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, except in case of interim dividend.

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 number of shares held.

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
General reserve	30,805	30,805
Retained earning	14,41,316	14,47,168
<b>Total Other Equity</b>	<b>15,72,121</b>	<b>14,77,973</b>

**Note 2.18 Deferred tax liabilities (Net)**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Deferred income tax asset		
Deductible Expenditure		
Provision for doubtful financial assets	(3,654)	(3,791)
Deferred income tax liability		
Taxable temporary difference		
Depreciation adjustment as per Books and Income Tax	74,144	83,701
<b>Net Deferred Tax Liability</b>	<b>70,490</b>	<b>79,910</b>

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

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
<b>2019-2020</b>			
Deferred Tax Liability/Asset in Relation to Unabsorbed depreciation as per Income tax	83,701	(9,557)	74,144
Provision for doubtful financial assets	(3791)	136	(3,654)
<b>Total</b>	<b>79,910</b>	<b>(9,421)</b>	<b>70,490</b>
<b>2018-2019</b>			
Deferred Tax Liability/Asset in Relation to Unabsorbed depreciation as per Income tax	81,282	2,419	83,701
Expenses allowed on provision for doubtful debts	(2,172)	(1,619)	(3,791)
<b>Total</b>	<b>79,110</b>	<b>800</b>	<b>79,910</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,	
	2020	2019
<b>Deferred Tax Asset:</b>		
Deferred tax asset to be recovered after more than 12 Month	( 3,654)	( 3,791)
Deferred tax asset to be recovered within 12 Month	-	-
	<b>( 3,654)</b>	<b>( 3,791)</b>
<b>Deferred Tax Liability:</b>		
Deferred tax liability to be recovered after more than 12 Month	74,144	83,701
Deferred tax liability to be recovered within 12 Month	-	-
	<b>74,144</b>	<b>83,701</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**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,	
	2020	2019
Accounting Profit	1,92,070	2,25,111
Tax at the domestic rate of 25.17% in 2020, (29.12% in 2019)	48,340	65,552
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	(1,802)	(1,647)
Other than temporary differences	(5,725)	(3,190)
Adjustments for current tax of prior periods	1,593	3,469
Income tax effect on OCI	-	(12)
Current tax on short term capital gain on sale of units of mutual fund	5,885	2,364
Current tax on long term capital gain on sale of units of mutual fund	52	-
<b>Tax Expense</b>	<b>48,343</b>	<b>66,537</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
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,	
	2020	2019
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	6,329	9,143
Trade payable with related parties	-	-
<b>Total Trade payables</b>	<b>6,330</b>	<b>9,143</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Salary Payable	1,751	1,520
Unclaimed Dividend	4,616	2,350
Outstanding expenses	22,138	12,568
<b>Total Other financial liabilities</b>	<b>28,505</b>	<b>16,438</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Statutory remittances	20,832	23,635
Unearned revenue	1,71,919	1,832
Creditors for capital goods	6	162
Excess realisation from debtor	779	2,116
<b>Total Other current liabilities</b>	<b>1,93,535</b>	<b>27,745</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.23 Revenue from operations**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Income from sale of products and Services	7,19,792	6,42,835
Less: GST recovered	1,17,090	92,373
<b>Total Revenue from operation</b>	<b>6,02,702</b>	<b>5,50,462</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Income related to financial assets</b>		
Interest on bank deposit	3,535	3,380
Dividend income	9,089	8,141
Interest Income on Preference shares accounted at FVTPL	1,054	958
Interest on income tax refund	794	4,511
Miscellaneous income	2,346	192
<b>Other non - operating income</b>		
Fair value of investment through Profit and Loss account (FVTPL)	25,413	24,804
<b>Total other incomes</b>	<b>42,231</b>	<b>41,986</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Salaries and wages	2,23,009	2,13,231
Contribution to provident and other funds	15,476	15,162
Staff welfare Expenses	5,012	5,044
<b>Total employee benefit expenses</b>	<b>2,43,497</b>	<b>2,33,437</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Other borrowing cost</b>		
1) Bank limit charges	354	630
2) Bank guarantee charges	2,130	1,920
<b>Total finance cost</b>	<b>2,484</b>	<b>2,550</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Depreciation and amortisation expenses	11,527	14,387
<b>Total depreciation and amortisation expenses</b>	<b>11,527</b>	<b>14,387</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Impairment loss allowance on trade receivable and work - in - progress (WIP)	1,503	5,260
Impairment loss allowance on other financial assets	2,625	7,350
<b>Total impairment losses</b>	<b>4,128</b>	<b>12,610</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**Note 2.29 (i) Other expenses**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Rates and taxes	4,829	3,435
Repairs and maintenance	1,968	2,087
Electricity charges	2,955	3,275
Legal and professional fees	6,613	7,243
Printing and stationery	1,115	1,081
Membership and subscription	1,138	1,042
Telephone expenses	1,267	1,480
Advertising and business promotion expenses	2,859	4,133
Corporate social responsibility contributions	5,144	5,390
Bank charges	102	538
Insurance expenses	670	625
Other expenses	6,667	13,403
<b>Total other expenses</b>	<b>35,327</b>	<b>43,732</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Auditors of the company Service as statutory auditor (including limited review)	850	850
<b>Total payment to auditors</b>	<b>850</b>	<b>850</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Net loss on fair value changes on other financial instrument classified as FVTPL	2,547	2,547
<b>Total</b>	<b>2,547</b>	<b>2,547</b>

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>(a) Income tax expenses :</b>		
Current tax		
Current tax on profit for the year	46,750	63,080
Current tax expense pertaining to prior year	1,593	3,469
	<b>48,343</b>	<b>66,549</b>
Deferred tax		
Deferred tax expense for the current year	(9,421)	800
	<b>(9,421)</b>	<b>800</b>
Total income tax expense recognised in current year	<b>38,922</b>	<b>67,349</b>
<b>(b) Income tax recognised in other comprehensive income</b>		
Remeasurement of the defined benefit plans	-	(12)
	<b>-</b>	<b>(12)</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
(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	<b>1,92,070</b>	2,25,111
Profit from discontinuing operations before income tax expense	-	-
<b>Tax at the Indian tax rate of 22% (effective tax rate - 25.17%)</b>	<b>48,340</b>	65,552
Adjustments for current tax of prior periods	<b>1,593</b>	3,469
Current tax on short term capital gain on sale of units of mutual fund	<b>5,885</b>	2,364
Current tax on long term capital gain on sale of units of mutual fund	<b>52</b>	-
Difference between WDV of Property Plant and equipment including Intangibles as per books and Income taxes	<b>(1,802)</b>	(1,647)
Expenses provided but allowable in Income Tax on payment/writeoff (net)		
Other than temporary differences	<b>(5,725)</b>	(3,190)
Income tax effect on OCI	-	(12)
<b>Income tax expense</b>	<b>48,343</b>	66,537

- (d) The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income-tax for the year ended March 31, 2020 at the new rate prescribed in the said section and re-measured its Deferred tax liabilities basis the rate prescribed in the said section. The full impact of this change on Deferred tax liabilities has been recognised in the Statement of Profit and Loss for the year ended March 31, 2020

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

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
<b>(i) Contingent liabilities:</b>		
(a) Bank Gurantees [Refer Note 2.31 (i)]	<b>1,19,607</b>	86,462
(b) Service Taxes [Refer Note 2.31(ii)]	<b>1,144</b>	1,144
<b>(ii) Capital Commitments</b>		
(a) Estimated amount of contracts remaining to be excecuted 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>	<b>40,000</b>	40,000
[Refer note 2.31 (iii)]		

**Note 2.31 (i)**

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

- Hypothecation of book debts of the company.
- Collateral:

- 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.
- 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.
- Three fixed deposits in Canara bank amounting to ₹ 313 thousand representing maturity value of 3 LIC Policies which were earlier hypothecated to the bank.



**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**

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.

**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,	
	2020	2019
Net profit after tax attributable to equity shareholders for Basic EPS	<b>1,54,432</b>	1,57,803
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	<b>1,54,432</b>	1,57,803
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,	
	2020	2019
Face Value per Equity Share (₹)	<b>5</b>	5
Basic EPS (₹)	<b>7.72</b>	7.89
Diluted EPS (₹)	<b>7.72</b>	7.89
Reconciliation between no. of shares (in thousand) used for calculating basic and diluted EPS		
No. of shares used for calculating Basic EPS	<b>20,002</b>	20,002
Add: Potential equity shares	-	-
No. of shares used for calculating Diluted EPS	<b>20,002</b>	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 ₹ 11,366 thousand (for the year ended March 31, 2019 : ₹ 10,701 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, 2020**
**B) Defined Benefit plans:-**
**Movement in plan assets and Plan liabilities:-**
**( In ₹ Thousand)**

Particulars	As at 31 <sup>st</sup> March,	
	2020	2019
Amount recognised in the statement of Profit and Loss		
Current service cost	3,356	3,441
Finance cost/(income)	(261)	(275)
Past service cost	-	-
<b>Total expense recognised in the Statement of profit /loss</b>	<b>3,095</b>	<b>3,166</b>
Amount recognised in Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognised for the period	(1,581)	(392)
Return on plan assets excluding net interest	297	346
<b>Total actuarial (gain)/loss recognised in Other Comprehensive Income (OCI)</b>	<b>(1,284)</b>	<b>(46)</b>
Changes in present value of obligation		
Present value of obligation at the beginning	17,173	14,883
Interest cost	1,221	1,071
Current service cost	3,356	3,441
Past service cost	-	-
Benefits paid	(2,395)	(1,831)
Actuarial (Gains)/Losses on present value of obligation	(1,581)	(392)
<b>Present value of obligation at the end</b>	<b>17,774</b>	<b>17,173</b>
Changes in present value of planned assets		
Fair value at the beginning	19,585	16,525
Return on plan assets	(297)	(346)
Interest income	1,481	1,346
Contributions	2,007	3,891
Benefits paid	(2,395)	(1,831)
<b>Fair Value at the end of the year</b>	<b>20,381</b>	<b>19,585</b>
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,	
	2020	2019
Actuarial assumptions		
Financial assumptions		
Discount rate	6.80%	7.64%
Salary Escalation	4%	4%
Expected return on plan assets	7.59%	7.59%
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, 2020

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,	
	2020	2019
First year	1,841	592
Second year	473	705
Third year	505	820
Fourth year	660	1,098
Fifth year	4,061	5,220
Sixth to Ten year	4,720	9,767

**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,	
	2020	2019
Discount rate increase by 100 basis Points	16,116	15,564
Discount rate decrease by 100 basis Points	19,735	19,070
Salary Escalation rate increase by 100 basis points	19,630	19,102
Salary Escalation rate decrease by 100 basis points	16,195	15,512

**Note: 2.34 Related party disclosure**

**(A) Name of related parties and description of relationship**

**(i) Key Management Personnel (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. Sumit Dutta Chowdhary  
Mr. Devendra Kamalakar Parulekar

**(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  
Saffron Studios Private Limited

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**(B) Transactions with related parties**
**( In ₹ Thousand)**

Nature of transactions	As at 31 <sup>st</sup> March,	
	2020	2019
<b>Purchase of services:</b>		
Khaitan & Company LLP	-	837
Gaia Smart Cities Solutions Private Limited	-	-
Saffron Studios Private Limited	-	590
InstaSafe Technologies Private Limited	-	590
<b>Key Management Personnel Remuneration</b>	<b>18,555</b>	18,467
Other long term benefit	<b>1,561</b>	1,782
<b>Dividend</b>		
Mr. Prakash Rane	<b>23,856</b>	11,928
Mrs. Supriya Rane	<b>6,135</b>	3,068
Lipsita Projects & Services Private Limited	<b>2,454</b>	1,227
<b>Sitting Fees</b>		
Mrs. Supriya Rane	<b>56</b>	44
Mr. Sharadchandra Abhyankar	<b>72</b>	56
Mr. Sanjay Mehta	-	36
Mr. Sumit Dutta Chowdhary	<b>60</b>	32
Mr. Devendra Kamalakar Parulekar	<b>76</b>	16
<b>(C) Outstanding</b>		
InstaSafe Technologies Private Limited	-	10
<b>Sitting Fees</b>		
Mrs. Supriya Rane	4	-
Mr. Sharadchandra Abhyankar	4	-
Mr. Sumit Dutta Chowdhary	4	-
Mr. Devendra Kamalakar Parulekar	4	-

**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.

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, 2020	As at 31 <sup>st</sup> March, 2019
Net debt	-	-
Total equity	<b>16,74,536</b>	15,80,388
Net debt to equity ratio	<b>Nil</b>	Nil

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**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, 2020**

( 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	13,818	-	-	13,818			
Trade Receivables	3,13,733	-	-	3,13,733			
Cash & Cash equivalents	19,312	-	-	19,312			
Other Bank Balances	35,135	-	-	35,135			
Short term Loans	21,593	-	-	21,593			
Other financial assets	85,696	-	-	85,696			
Investments	8,46,029	7,69,299	-	76,729	7,69,299		
	<b>13,35,317</b>	<b>7,69,299</b>	<b>-</b>	<b>5,66,017</b>	<b>7,69,299</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>							
Borrowings	-			-			
Trade payables	6,329			6,329			
Other financial liabilities	28,505			28,505			
	<b>34,834</b>	<b>-</b>	<b>-</b>	<b>34,836</b>	<b>-</b>	<b>-</b>	<b>-</b>

**March 31, 2019**

( 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	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	-	-	-
	<b>10,86,158</b>	<b>4,17,406</b>	<b>-</b>	<b>6,68,753</b>	<b>4,17,406</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>							
Trade payables	9,143			9,143			
Other financial liabilities	16,438			16,438			
	<b>25,581</b>	<b>-</b>	<b>-</b>	<b>25,581</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Significant accounting policies and other explanatory information as at and for the year ended March 31, 2020**
**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,	
	2020	2019
Amount required to be spent as per Section 135 of the Act for the year	<b>5,131</b>	5,383
Shortfall of previous year/s (if any)	-	-
Total amount required to be spent for the year	<b>5,131</b>	5,383
Amount spent during the year	<b>5,144</b>	5,390
Excess/(short) amount spent	<b>13</b>	7

**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.

**As per our report of even date**

**For Borkar & Muzumdar**

Chartered Accountants

**Firm Registration No.:101569W**

**Deepak Kumar Jain**

Partner

**Membership No.: 154390**

Mumbai

22<sup>nd</sup> July, 2020

**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	2,918	2,523
5	Total assets	71,272	21,525
6	Total Liabilities	67,142	18,826
7	Investments	3,861	-
8	Turnover	47,547	88,942
9	Profit/(Loss) before taxation	17,536	(2,135)
10	Provision for taxation	293	-
11	Profit (Loss) after taxation (before OCI)	17,243	(2,135)
12	Other Comprehensive Income	82	(964)
13	Profit (Loss) for the year (after OCI)- Total Comprehensive income attributable to the Owners of the Company	17,161	(1,171)
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 : 22<sup>nd</sup> July, 2020**  
**Place: Mumbai**

**Sarika A. Ghanekar**  
Company Secretary

**Paresh M. Golatkar**  
Chief Financial Officer



## Year at a Glance

**ABM added another feather in the cap with one more Smart City win at Smart Kalyan Dombivali Corporation Limited (SKDCL)**

**ABM received the 'Company of the year award' for 'India's best software development services company' conferred by Berkshire Media, USA.**

**Our Founder & Managing Director, Prakash Rane, shared his views on e-Governance in the annual issue of Business Today Magazine 2019 as an Industry expert. This issue listed India's Top Performing CEO's.**

**Our Founder & Managing Director, Prakash Rane was felicitated by the then Chief Minister of Maharashtra, Shri. Devendra Fadnavis for his contribution to the e-Governance sector.**

**ABM Designed Accrual Based Accounting System (ABAS) went live in 62 Cantonment Boards under the Defence Ministry across India putting an end to customer's hundred-year-old single Entry Cash-Based accounting system.**

**ABM's subsidiary Company, InstaSafe were winners at the Ingram Micro Comet Competition 2019-20. The Micro Comet Competition run in collaboration with Microsoft's global Startup programme, is called Microsoft for Start-ups.**

**ABM's subsidiary Company, InstaSafe got recognised for the second time by Deloitte India Fast 50 & APAC Fast 500, with consistent growth in revenue over 337% consistently over the last 3 years.**

## ABM KNOWLEDGEWARE LIMITED

ABM House, Plot no. 268, Linking Road, Bandra(West), Mumbai-400050  
CMMI Level 4 ISO 9001 : 2015 ISO 27001 : 2013 ISO 20000-1 : 2011  
[www.abmindia.com](http://www.abmindia.com)



# ABM Knowledgeware Limited

e-Government that works

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(1000+ MUNICIPALITIES IN INDIA)

**DELIVERED 40+ MILLION CITIZEN SERVICES LAST YEAR**  
(10 TIMES GROWTH IN 9 YEARS)

**FACILITATORS OF SMART CITY INITIATIVES**  
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