

A background collage of various icons representing the Internet of Things (IoT), including keys, potted plants, mobile phones, a bicycle, a car, a train, gears, a lightbulb, a car, a fan, an airplane, and a laptop. The icons are connected by lines, suggesting a network.

INTERNET of THINGS

ANNUAL REPORT 2014-15



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IT managed. Responsibly.

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Corporate Information :

Board of Directors

Mr. Nitin D. Shah

Chairman & Managing Director

Mr. Prakash D. Shah

Executive Director-Commercial

Mr. Paresh B. Shah

Executive Director & CEO

Prof. Venugopal R. Iyengar

Independent Director

Dr. Shrikant N. Parikh

Independent Director

Dr. Roopkishan S. Dave

Independent Director

Shubhada Jahagirdar

Director CSR

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ravindra Joshi

REGISTERED OFFICE

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NCPA Road, Block III, Nariman Point,
Mumbai - 400 021

CIN: L72200MH1995PLC085488

BANKERS

State Bank of India
Standard Chartered Bank
Barclays Bank

REGISTRAR AND TRANSFER AGENT

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AUDITORS

Shah & Taparia





CMD

Mr. Nitin Shah

On behalf of Allied Digital Services Limited, I welcome you all at this function of 9th Annual General Meeting. The challenging economic environment globally with the strong ripple effect on the domestic front and the economic meltdown affecting all industries and people across the board and many companies. Dearth of quality projects topped by liquidity draught and palpable strain on the margin and payments left many companies reeling under severe pressure. Your beloved company did not compromise on its now fabled high business prudence, moral ethics and continuous adaptation and research on technology up gradation and weathered all adverse situations to emerge as a Market leader and Winners in the City Surveillance & Smart Cities.

GLOBAL MARKET :

A strong wind of global recession leaving a crippling effect on the economic growth and prosperity of the human beings. This pan global atmosphere is directly interfering and posing a positive threat to further technological innovations and

implementations. Many Indian companies however, by default, have emerged as a prominent global players. It may be heartening to all of you to be enlightened with the fact that your company has emerged as a very strategic global player, with its conspicuous growing global presence in more developed economies. There is more a reason to cheer and look forward and assume this new role aggressively, in the light of the fact that the company has strived too hard to nurture and develop its workforce and which is the USP of your company, to corner opportunities. The company has efficiently and profitably utilized the rapid transition in the IT Technology to newer way of computing, prominent one of which is “Cloud Technology in the virtual environment”, which proved itself to come handy and a cropper to reap the benefit in the ever growing IT Infrastructure business. Continuous in House Research and Development in exploring and adding value to the latest IT buzz terminologies like Internet of Things (IoT's), Big Data, Analytics, Social Media and security et.al. has placed your company to an enviable position, compared to its peers, globally. I assure you that your company is now ready to be in the Driver's seat and committed to scale the newer heights to secure the position of the company to a very respectable position.

Indian Market:

Business scenario in India has grown increasingly tougher in last couple of years precisely for the onset of rising interest rates regimen from financing institutions mainly banks, sluggish market, pressure on margin et. al., leaving a choking effect on the overall business prospect. However, New Central Govt. “Make in India” initiative has pumped in much needed timely supply of oxygen, aiming to create “Digital India”. Refreshing novel ideas of concepts like “Smart City”, Automation, e-governance, etc. and other Real Time initiatives has promised to create a vast space for IT Infrastructure companies like us, evidenced from the increase in number of business

enquiries. Plethora of never before opportunities is knocking the doors, which can be translated into a very sustainable profitable business.

Allied Digital Services Limited:

Your company is fully geared up to reap the benefit of the opportunities thrown open by the “ Make in India” initiative of the new Govt. We consider it as a major paradigm shift from the hitherto prevalent business scene available to the IT infrastructure companies operating in India and ready to grab benefits of such initiative. Rapid transformation of the company over last three years has placed the company in a position to encash all the opportunities thrown open by the “Digital India” initiative of the Govt. To begin with, the company has successfully bagged the most iconic Rs. 224 crores worth project, Pune City Surveillance Project, which is first of the Govt initiative in Smart City. We take this august forum to happily announce that the Project, entailing installation and activation of 1400 Hi-tech Cameras, has since been successfully completed and inaugurated by the Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis. The robust Digital Backbone across 640 sq. kms. Of area of Pune, Pimpri and Chinchwad area along with GIS, GPS and Intelligent Actionable Video Analytics Software are the key highlights of this project. Central Command and Control Centre at Commissioner of Pune Police Office is fully operational, 24x7, and the Police Dept. finding it extremely handy and useful to unravel and solve crimes in the city. This opens the much cherished flood gates to implement more “smart City” projects across Pan India. In the kind words of the Hon'ble Chief Minister, Shri Devendra Fadnavis, this project fulfills the stringent benchmark of International standard.

Buoyed by the success stories in India, Your beloved company has been doing very well into International Arena and receiving major contracts in USA , UK, Europe, Middle East and African markets. More

viable business enquiries are on the pipeline. It will not be an exaggerated statement to put in place that your company has carved a niche in the IT Infrastructure domain and poised to take a giant leap forward to take this company, which was created out of the sweat and blood of your Promoters, to a newer height.

In recognition to the milestone achievements, it is raining various accolades to your company. The company has bagged “Best Smart City Surveillance Project of the country” Award by Elets Technomedia, Best Managed Service Provider Globally Award by LANDESK for the third consecutive year. Your Chairman was awarded the “Entrepreneur of the Year in Service Business Security 2015” by Entrepreneur India. These are the prominent ones in the long list of Awards.

I conclude with a promise that as a Chairman and Managing Director of the company and my team is poised to take your company to the new height of glory and pride. I promise that you will invariably take immense pride in announcing that you are the privileged share holder of Allied Digital Services Limited.

With Best Wishes

Nitin Shah

NITIN SHAH

CHAIRMAN & MANAGING DIRECTOR



CFO

Mr. Prakash Shah

Like all companies in India, our company has also been at the receiving end of the all economic upheavals witnessed during last couple of years due to global phenomenon of economic slowdown. Our unstinted faith on fair business ethics and lack of compromise on pursuing the continuous process of technological up gradation remained uncompromised. In the hindsight, this has paid rich dividends that we maintained our existence with rapid transformation into IT Infrastructure industry and emerged a major player commanding huge respect from the reputed players of the industry.

The company has forayed into the International Business for last couple of years and gradually made a strong presence in the countries like USA, UK, Middle East etc. The overseas outfits of the company, over last few years, have grown from strength to strength, making itself a formidable force to reckon with. Gradually, doing business overseas making more sense, in the context of high interest regimen with the domestic Banks, pressure on the margin, delayed Receivables etc. As amply highlighted in our Annual Report, our balance sheet remains strong, in respect of Net Worth, Debt Equity Ratio and other important parameters. Post completion of the Rs. 224 crs worth of Pune City Surveillance Project, the company has considerably improved its Cash flow position with the projected steady inflow of cash for 20 quarters. This will help fulfill the strategy of the

company to steadily marginalize the existing debt burdens from the consortium of Banks and wipe out the entire credit exposures of the Project funding Banks.

The success stories of Pune Project will be recreated in all future Smart City Projects, where the company may participate, in near future. Smart City Projects are destined to come up in 98 different centers across the country, including few more in Maharashtra State, as was announced by the Central Govt. Rich with the practical experience from the successfully concluded Pune City Surveillance Project, your company is definitely enjoying the edge over many of its peers. Conservatively speaking, the pioneering role your company has played in the "Smart City" segment in India, will usher in an era of many more technological initiatives in India. This experience, coupled with the zeal and passion for continuous In House Technological Up gradation process will ensure the company to be elevated to "Numero Uno" position, not only in the domestic front but also in the International Arena.

On behalf of the company, I conclude with a firm assurance that your company will grow stronger with every passing of years. I thank you all for the trust and faith reposed on Allied Digital Services Limited, which will surely but steadily take it to the zenith of a glorious period.

Prakash Shah

PRAKASH SHAH

Wholetime-Director



Global CEO

Mr. Paresh Shah

Dear Shareholders,

It has been a year of lot of hard work, but at the end, huge success, opportunity and recognition.

The Indian economy has failed to pick up in spite of hopes or revival during the mid-quarters of the financial year 2014-15. However, it seems a major correction, as the government and reserve bank is pushing towards improved governance and taking cautious steps on protecting us from the global economic rollercoasters. While the Greek crisis, china devaluation have worried the entire world, including India, the US economy has seen a strong upside.

Your company has been very alert to the volatile economy within India and outside India. Its service transformation has truly helped your company to not only survive in this turbulence but also show growth and roadmap for upward movement in the coming few years.

Today the words "Digital; Business" and "Digital Governance" are catching up in the IT industry, as drivers such as Social Media, Cloud, Analytics, Mobility" along with "IoT (Internet of Things) and Security" drive every enterprise to transform and be successful in the changing economy. The name "Allied Digital" rhymes very well in our strategy for digital business.

Our last fiscal Year

Irrespective of tough times today, your company has achieved great recognition; some great customer wins outside India and is well set for improved stability and positive growth in coming years. It has been a dramatic success this year, both in India and outside.

The company started the first quarter with some toughest challenges due to travel on unknown path in implementing a mammoth and complex "Pune City Surveillance" Project. After extreme tough times and some heroic efforts, in the previous quarters, the project got into full-swing, the last few months have seen massive improvements, finally getting the project complete and then inaugurated by the Chief Minister of Maharashtra. The Project is the first such large state-of-the-art Safe-city project in India with a smart-city ready backbone.

The project has been a huge success, as over 200 crimes have been identified in the last few months of its operations. There is appreciation from the media, the state government and also the project has won the best security award from one of the leading central government driven agencies. As the government funds start coming, this makes your company all set for good consistent support revenue for next few years. All the more, it is important to say that your company is now sitting with huge opportunities, as an experienced leader to implement such projects in other parts of India.

Outside India, the last year has been a successful year in getting important contract renewals from key customers. Your company has delivered great value to existing customers as a result; we have been able to retain the old customer contracts. Also ADiTaaS has made a valuable impact both in saving costs of operations as well as in attracting new customers. However the end of the 2014 and the start of next year have been very impactful in acquiring new business. This is primarily due to bringing innovative service offerings in end user services and upgrading our remote managed service offerings. One major impact has been the transformation of our company into global field service offerings. As a result of which, we have won a large retail account along with our partner. Today your company is proud to say, that it operates in over 25 countries, with strategic tie-ups in some of the countries. Our UK business has been stable. We completed a project on managed security in Kenya and are opening new

doors in Saudi Arabia. Your company has also taken major strides to renovate its managed security offering to get ready for new opportunities.

This year has also marked a year of proven delivery both in terms of creating new benchmarks in project management, the largest project delivered by Allied Digital as well as innovation and transformation showing good results globally. Today, the company has gained recognition as well as direction to take up new opportunities for growth.

Current Industry Scenario

The current year in the first two quarters, of Indian economy looks worrying. However, there seems a good spending on smart city initiatives by the governments, which can be a major driver for our business in India due to our recent grand success. The corporate economy will revive in coming quarters. Globally, we see big traction in winning some global outsourcing infrastructure deals primarily driven out of US business. We have increased our sales capacity in the US and globally, through partnerships, which will further help us add new business.

Technology wise, the current year will see huge growth in Smart City projects, including IoT (Internet Of Things) space. The demand for large CCTV projects is huge in the public sector. In the corporate world, we see big growth in mobility, analytics and managed security space. Globally, we see new trend in end user computing as anytime, any device, anywhere computing takes mainstream stage

Your company has embarked on an ambitious plan for next three years. The three growth engines are "Accelerators", "Big Drivers" and "Smart Initiatives". The "Accelerators" offering of services deal with next generation innovated offerings such as moving from "end user computing" to "end user experience", moving standard NOC to Command and Control Center and re-energized managed security services. Our "Big Drivers" offering deals with potential for huge revenues in the area of Smart City Solutions, IoT and Global Field Services. Our "Smart initiatives" will build new bridges to reach new upcoming opportunities in the area of "Data Analytics", "Mobility" and "ADiTaaS 3.0 for IoT".

Today, Digital India and Digital Business globally, are a big opportunity, and your company is well oriented

and poised to explore opportunities in this year and coming two years.

Allied Positioning

We have successfully delivered a very large project, "Digital Governance", in the form of Safe-City Project. You all should be extremely proud of this. The company employees have worked their heart out to make this iconic project of India a big success. Today, your company carries that passion, teamwork and innovation capability to build new success stories.

We are working with customers globally, to drive such Digital Business Projects. Our revenues are now at positive trend. Your company is fast gaining recognition as a state-of-the-art technology solutions and top-notch services company. At this time, I seek your continued support to take the company to the next level and I am keen to replicate such success and drive the digital business from the front with my colleagues.

With warm regards
Yours sincerely

Paresh Shah

Paresh Shah

Chief Executive Officer
Allied Digital Services Ltd.





**CEO
(ISG)**

Mr. Jawahar Ali

Allied Digital - Internet of Things initiative

Commissioning of the Rs. 225 crores Pune City Surveillance (PCS) project as a Master Systems Integrator has been a journey of discovery and skill development for Allied Digital as it comprehensively includes all the components of Information Communication Technology that covers Command and Control Centre, Data Centre, Network, as well as devices such as IP Camera, illuminators and the advanced software for Video surveillance and integration with third party systems such as Vahan (RTO) and police crime investigation system. It has also provided Allied Digital with extensive experience in outdoor work such as underground cabling and erection of poles and gantries at strategic locations. PCS is the largest City Surveillance Project in the country so far that covers an area of 650+ Sq. Km

PCS Project opens up the opportunity for launching the Smart City initiative in Pune by way of sharing of resources such as network backbone and the ICT infrastructure in place. This will result in cost saving and reduction in turnaround time for project completion. Allied Digital now has a proven solution frame work for executing City Surveillance or similar large infrastructure project anywhere in the country or abroad having gained significant knowledge and experience in cost optimization and efficient project execution.

The execution of the PCS project has added significantly to Allied Digital's potential to acquire new business as it provides pre-qualification to bid for large opportunities such as Intelligent Traffic

management system, Smart City and Internet of Things (IoT).

IoT is an emerging technology that has relevance for increasing value in any industry such as manufacturing, energy, traffic management, water /gas / electricity supply and many more. Since all these components are also part of the Smart City concept, core competency in IoT is crucial for going forward in this concept and the new business environment of emerging technology.

IT comprises of the following components:

- Sensors: to collect data (e.g. Temperature, pressure, gases, pollutants, vehicle count etc.)
- ICT infrastructure for collecting, transmitting, and storing data (e.g. Server, storage, telecom network)
- Processing of Data and making them available to relevant agencies (e.g. Power / Electric/ water Supply, Municipal Corporation) for Big Data analytics to supports decision making process.

Allied Digital being an early mover in the emerging technology business, has acquired the knowledge and competency for a winning participation in the opportunities that are surfacing in the market. Partnering with the leading global players in the IoT Technology Allied Digital is adopting innovation driven approach to address the market. The PCS project is an example of this approach.

Being a Master Systems Integrator, Allied Digital has to provide solution life cycle support to its customers after commissioning the integrated system as part of the contract. Therefore as a strategy it has always used technology that is based on open standards and platforms to avoid getting locked in with a single vendor for solution life cycle support. Moreover open standards ensure freedom of choice to the customers combined with reduced Total Cost of Ownership.

To consolidate its position in the market and continue to deliver quality solution specially in the emerging business such as IoT, Allied Digital has ensured manpower competency building through training and certification of its team from leading global partners in technology.

According to the Gartner Report, the global IoT industry is expected to generate business of US\$ 300 Billion by 2020 supporting 27 billion devices. India is expected to have around 5% to 6% share of the global business. Allied Digital is aiming to position itself as a major player in this business in India.

With warm regards

Yours sincerely

Jawahar Ali

Jawahar Ali

Chief Executive Officer

Allied Digital Services Ltd.

Global Footprints of Allied Digital

