

Smart Cities



IT Solutions



Artificial Intelligence



Mobility Solutions



Data Analytics



Allied Digital Services Limited

**Master Systems Integrator
Global Digital Transformation Architect**

ANNUAL REPORT 2018-2019

Corporate Information:

Board of Directors:

Mr. Nitin D. Shah
Mr. Prakash D. Shah
Mr. Nehal N. Shah
Prof. Venugopal R. Iyengar
Dr. Shrikant N. Parikh
Ms. Shubhada K. Jahagirdar

Chairman & Managing Director
Whole-time Director
Executive Director
Independent Director
Independent Director
Independent Director – CSR

Key Managerial Personnel:

Mr. Pares Shah
Mr. Gopal Tiwari
Ms. Neha Sunil Bagla

Chief Executive Officer
Chief Financial Officer
Company Secretary & Compliance Officer

Statutory Auditors:

M/s. Shah & Taparai
B-502, Business Square,
Solitaire Corporate Park,
Chakala Junction, Andheri Kurla Road,
Andheri East, Mumbai - 400 093.

Key Bankers:

Kotak Mahindra Bank Limited
Barclays Bank

Secretarial Auditors:

M/s. Rathi & Associates
A/303 3rd Floor Prathamesh,
11/12 Senapati Bapat Marg,
Raghuvanshi Mill Compound,
Lower Parel, Mumbai – 400 013.

Registrar & Share Transfer Agent:

M/s. Link Intime India Private Limited
C 101, 247 Park, LBS Marg,
Vikhroli West,
Mumbai – 400 083.

Registered office:

Premises No 13A, 13th Floor,
Earnest House, Backbay Reclamation,
NCPA Road, Block No III,
Nariman Point, Mumbai – 400 021
CIN: L72200MH1995PLC085488

Tel : 022 6681 6400 Fax: 022 2282 2030
Email: investors@allieddigital.net
Website: www.allieddigital.net

Internal Auditors:

M/s. S.P. Natani
505, Goyal Trade Center Sona Cinema,
Borivali East,
Mumbai - 400 066

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Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 25th Annual General Meeting of your Company.

Industry outlook

India's IT industry contributed around 7.7 per cent to the country's GDP and is expected to contribute 10 per cent of India's GDP by 2025. This is indicative of the fact that IT is on a continuous growth path.

- **Growing Demand** : Expanding economy to propel growth in local demand. Strong growth in demand for exports from new verticals.
- **Global Footprint** : Indian IT firms have delivery centers across the world and are well diversified across verticals such as BFSI, telecom and retail.
- **Competitive Advantage** : IT and ITeS sector in India has a low cost advantage by being 5-6 times less expensive than the US.
- **Policy Support** : Tax exemption of 3 years in a block of 7 years to startups under "Startup India".

Road Ahead

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering

both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

IT industry has reached an inflection point globally. Artificial Intelligence (AI) and Machine Learning will transform the entire world. India has a great opportunity to ride on this new wave and reap huge demographic dividend.

Government has to come out with conducive policies to train and skill up the millennials by incorporating basics of AI and Machine Learning at school level. This will help India achieve spectacular economic growth and regain our past glory.

Smart Cities: The Future of Urban Development

As the world becomes increasingly interconnected and technology-dependent, a new wave of smart applications is changing how we approach everyday activities. Utility appliances such as intelligent fridges, personal assistants like Amazon's Alexa or smart home security applications create opportunities for more efficient living. While the ideas of "Smart Cities" has been proposed as the future of urbanism, the question remains: how do we connect this new technology for the ultimately "efficient" society?

Smart cities bring together infrastructure and technology to improve the quality of life of citizens and enhance their interactions with the urban environment. But how can data from areas such as public transport, air quality meters and energy production be integrated and effectively used?

The Internet of Things (IoT) has the answers. Created as part of the smart technology movement, the IoT enables various objects and entities to communicate with each other through the internet. By creating a network of objects capable of smart interactions, the door is opened to a wide range of technological innovations that could help improve public transport, give accurate traffic reports or provide real-time energy consumption data.

Your Company

Adopting change is the key enabler for business growth. Being in IT industry, this is utmost critical. Allied Digital (ADSL) has always been not only about cutting edge technology projects, but also an early adopter of new technologies. Every customer of Allied Digital wants to embrace transformation. Allied Digital is proud to be actively guiding the change. IT infrastructure and Managed Services being the DNA of ADSL, it has rapidly adopted IoT, Cloud, Security and Integrated Command center technologies in its projects as a master systems integrator and also has been rapidly

bringing Automation and Artificial Intelligence (AI)/Machine Learning (ML) in fore-front of its managed services business to delight customers with enhanced customer experience.

Being a leading Master Systems Integrator for smart city projects across the country, our digital strategy has been to focus on developing strategic partnerships in LoRa, NB-IoT based solutions. We have developed Smart Lighting, Smart Parking and Smart Greenhouse solutions. Also, we have rapidly expanded our ADiTaaS platform to an Integrated command and control center framework to develop smart campus solutions. We have developed top industry skills for middle-ware technologies as major initiative to large scale system integration projects.

Today's end-user or consumer is highly tech-savvy and the customer experience requires a new dimension all-together. Allied Digital is active into process automation as well in AI/ML. From the end user perspective, while we automate self-service, enable GIS and deploy Chatbots/Voicebots, our enterprise operations strategy is to migrate our customers to our SmartNOC and SmartSOC operations, which are focused on leveraging IT Analytics, Robotic process Automation. We have successfully migrated several customers to our new generation NOC. We have revamped our security offering to "anomaly" based SIEM platforms leveraging AI. Our new AI team is actively gaining expertise to deep-dive into data science and AI based projects.

Thus ADSL has been busy implementing cutting edge technologies, both as master systems integrator as well as new generation managed service provider, helping enterprise as well as government to achieve transformation goals with success.

Our strategy of "small pain" and "long gain" has worked well and we will reap the fruits of success.

Our progress has been appreciated and has resulted in several awards being given to your company (see details on page no 8)

We see a great future in Business data and analytics. Home automation is another area which is poised for growth with smart devices taking over repetitive tasks.

On HR perspective, your company continues its tradition of empowering people to enable them to take quick decisions. Empowerment, Responsibility and Accountability – ERA- go hand in hand at Allied Digital Services. We can proudly state that we have zero attrition in our core management team.

As part of our ongoing process we have this year skilled our people and imparted training in emerging technologies and software development to ensure seamless integration with various systems and acted as a true Indian origin Master Systems Integrator (MSI) amongst the very few in the industry.

Future outlook

The year under consideration has been a unique and path breaking year and we are looking at a better future with our new initiatives. The experience has been more heartening with so many awards and accolades coming our way which adds to our belief that the future is very bright.

We are committed to be a partner in building a new, vibrant and Digital India with our energy and sharp focus on the future.

With warm regards,

Nitin Shah

Chairman and Managing Director.



Whole-Time Director

Mr. Prakash Shah

Due to global economic volatility, the IT growth rate was declined a bit in 2019 but will recover and grow back with the higher spending in 2020 and the key enabler will be the digital transformation initiative, both for enterprises and governments.

As India witnessed the Lok Sabha Election recently the Indian economy saw a sluggish growth in the last quarter of financial year 2018-19, however the ruling party getting re-elected in power, a great boost in Indian Economy is expected.

Financial Year 2018-19 has shown a steady progress in terms of service revenue. Our focus on bidding for Smart Cities has given us good success this year. We have won 2 Smart City projects and have been declared frontrunner for the third project. The revenue for the said projects will be recognized in the current and coming years.

We have adopted a unique business model of partnering with big infrastructure players whose role will be mainly to participate in the CAPEX of the project and our role will focused on the implementation and OPEX for those projects. These collaborations of your company will be less capital intensive with healthy margin.

Your Company achieved a total consolidated income of ₹ 243.85 Crs. as against ₹ 228.94 Crs. in the previous financial year marking an increase of 6.5% y-o-y basis, whereas the total income of standalone was ₹ 79.34 Crs. with marginal increase against the previous year figure of ₹ 76.87 Crs.

Further, pleased to inform that our Global operations has shown remarkable growth on y-o-y basis and already booked the orders for almost 40% above previous year level, which will reflect in revenue and profitability of coming years.

On account of Profitability on standalone basis, your company achieved a PAT of ₹ 9.28 Crs. as against ₹ 5.33 Crs. in previous year with a staggering jump of above 74% on y-o-y basis whereas on consolidated basis, your company achieved a total profit after tax of ₹ 12.02 Crs. with an increase of 10% on y-o-y basis against the previous year figure of ₹ 10.94 Crs.

As informed in my earlier report, the management is poised to reduce the overall debts of the company and taking all reasonable steps to become a debt free organization in the near future to enhance the profitability of the company to a greater height. Further, pleased to inform that during the previous year, your company won a long pending litigation with Income Tax Appellate Authorities and received a considerable amount as refund from the Income tax department. Further your company have been able to clear almost entire overdue statutory liabilities during the previous year and expect to clear the remaining liabilities soon

In the coming year as a continuous effort, our focus will be to build and improve further our project management and service delivery capabilities in order to achieve higher customer satisfaction leading to growth of business and profitability.

With warm regards,

Prakash Shah
Whole-Time Director



Hello Investors,

A year has quickly gone by. Once again, this year too, we have added several customers in the US and a few in India too. Another big news is, that we have bagged orders for three smart cities. We feel more excited about this year, as we see lot of traction across the globe for new business. We are getting very busy for execution of these projects and imperative to mention that, we have almost completed a setup for a new business offering in most talked about technology ecosystem of Artificial Intelligence (AI). I also want to share two other important news. We are now well established in 8 more countries across Europe. We have been able to control our finance costs and have been still in process of lowering debts further. All of this promises a robust future for the company.

India's economy, though staggered at the start of this year, with the re-elected government, with emphasis on transformation, the coming quarters this financial year should improve. We are witnessing a roller coaster ride of economy globally, as trade sanctions, political crisis in middle east, global warming challenges, brexit issues in UK and social-media sensitive political news in the US bring up and downs. I think, we need to get used to higher levels of volatility in today's world. Fortunately, Indian economy is pointing towards stability. The IT sector is seeing a

revolution, due to major focus of enterprises as well as certain global governments on transformation, including India. Also, on the other hand, technologies such as IoT and AI are key catalysts for transformation.

Your company is even stronger now, to take up large transformation projects which are ably supported by newer skillsets, geographical presence and full-scale experience. A unique strength of this company is to drive tactical transformation projects, be it enterprise or government sector, the continuously touching operations support benchmarks and unique comprehensive systems integration experience. Talking about our delivery improvement capabilities, today we serve our core managed services leveraging state of the art cloud based technologies. We have successful deployments of our ADiTaaS platform 4.0 and have good cloud skills. We have enhanced AI enabled cyber security service offerings to deliver long service contracts efficiently. This year, the new wins, including delivering smart city projects will keep the delivery team extremely busy. On the sales side, we have added new partnerships, enhanced existing relationships and plan to revamp our marketing to fuel new business. Scaling to a larger size organization, delivering seamlessly globally without falling off our track of quality services, customer focus and corporate governance, is our key operational challenge being addressed today.

Going forward, as infrastructure and applications converge as the key enablers to execute and sustain transformation initiatives, our company becomes even well positioned to take up large opportunities globally. Our three pronged strategy of

1. "Growth Accelerators" consisting of enhanced core managed services,
2. "Big Drivers", such as Smart city and large transformation projects and
3. "The innovators " (exciting world of AI, IoT and Robotic process automation) will keep us focused and attractive.

Thanks to the overwhelming support from you all and the visionary strategy of the management ably supported by our smart finance team. I strongly believe that our motto of "Passion, Teamwork and Innovation" stands tall amidst the company growth backed by your belief and trust in us.

With warm regards,

Paresh Shah
Chief Executive Officer



Integrated Solutions Group - expanding market reach

The year ended successfully for your company after winning the Rajkot Smart City project in consortium bidding.

While the Rajkot project is under implementation two other Smart City projects are under finalization. These projects are for a duration of 5 years from the date of Go Live ensuring predictable cash flow during this period.

Smart City projects mandates comprehensive integration of various agencies in the city for better coordination and improving the operational efficiency of the system in areas such as City Surveillance, Intelligent Traffic Management, waste management, water supply and energy management. These are diverse areas of technology that may not be addressed by a single systems integrator. To overcome this challenge, Bidders usually participate in the tendering process in consortium with partners whose Line of Business are mutually complementing and supportive of the project to be delivered. Therefore, Smart City projects demands collaborative bidding.

All Smart City RFPs are for appointment of Master Systems Integrator (MSI) who will execute, operate and manage the project

for the specified duration. Master Systems Integrators specialise in integrating subsystems belonging to various Agencies in a Smart City into a whole system that work together and can be managed from an Integrated Command and Control Centre. They also have experience in multiple areas of technologies such as Cloud computing, networking, Video Surveillance and IoT Sensors.

With the successful implementation and operation of the Pune City Surveillance Project that extends over 645 sq. km covering two Municipalities – Pune and Pimpri Chinchwad your company has been recognized as a leading MSI in the industry.

With this background your company is perceived to be a credible MSI partner for collaborative bidding that meets the Pre-qualification and Technical Qualification Requirement of the RFP in most of the Smart City and other Enterprise class ICT Projects. Though several RFPs are being floated for such projects with regular frequency your organization is judicious and prudent in addressing them through appropriate partnering and evaluation of the opportunity to ensure successful delivery and support for the duration of the contract.

Your company has entered into a Cooperation Partnering Agreement with an organization in Saudi Arabia for jointly addressing the market for Smart City, Metro Rail and similar enterprise class projects in that region. The new regime in Saudi Arabia has committed to make significant investment in modernising its infrastructure leveraging on emerging technology such as IoT and Cloud based ICT Infrastructure where your company's MSI strength is advantageous in customer acquisition. This partnership has already implemented three critical infrastructure protection projects that includes Campus Video Surveillance in Riyadh and participating in some large ICT Integration Government Projects in Saudi Arabia.

The Integrated Solutions Group of Allied Digital is in the process of increasing its customer base in the local market and expanding its reach in the international market where there is an increasing demand for such projects. The year ahead is very reassuring for healthy growth of your company.

With warm regards

Jawahar Ali
CEO ISG

Allied Digital Services - US operations excels in Customer Delight !!



Our Global Service Desk team bags the GOLD award for "The BOYD GROUP Customer Rating Excellence 2018". The award was handed over to the team on 14th May by Thom Goodwin - Sr. Manager (ITSM and PMO), BOYD at our US HQ in Torrance, CA for providing excellent customer service to BOYD employees during 2018.

The winning streak continues since 2017 when our employees Dante Legarda and Juan Flores were recognized for providing the WOW factor in customer service.

Allied Digital CMD Mr. Nitin Shah received the 'Outstanding Global Leadership Award 2019'



Allied Digital CMD Mr. Nitin Shah received the 'Outstanding Global Leadership Award 2019' from Hon. Muhammad Bakhtiar Bin Wan Chik - Deputy Minister of Tourism, Art & Culture, Malaysia during the Indo-Malaysian Economic Cooperation Summit held on 30th April'19 at Hotel Renaissance, Kuala Lumpur. He was honored by the Institute of Economic Studies (India) which is a premier research oriented organization.

Allied Digital CMD - Mr. Nitin Shah Awarded Promising Entrepreneur of India.



Allied Digital CMD - Mr. Nitin Shah felicitated with the most coveted Promising Entrepreneurs of India award by Economic Times Edge at Hotel Sahara Star, Mumbai on 29th March 2019. Actor - Ashish Vidyarthi presented the award at the glittering function.

Allied Digital at Vibrant Gujarat Summit in Ahmedabad (January 17-20, 2019)



We were overwhelmed with the response our showcase futuristic technology offerings namely Smart Agriculture, Smart Traffic Management, Smart Cities solutions received at our booth in Science City, Ahmedabad during Vibrant Gujarat Summit, 2019. The audience included visitors from USA, Chief Secretary, Gujarat - Mr. J.N Singh and other eminent dignitaries. Our CMD - Mr. Nitin Shah received the certificate of participation from Chief Secretary, Gujarat at the valedictory function.



CRN Excellence Awards 2018 - Big Data/Analytics

Award to: Allied Digital

Awarded by: CRN

Place: Goa



India's Greatest Brands and Leaders 2017-18

Award to: Nitin Shah (CMD)

Awarded by: URS Media

Place: Mumbai



CHAIRMAN OF THE YEAR

Award to: Nitin Shah (CMD)

Awarded by: Zoom Delhi

Place: New Delhi



TOP 100 VARS

Award to: Allied Digital

Awarded by: VARINDIA

Place: New Delhi



Promising Entrepreneurs of India

Award to: Nitin Shah (CMD)

Awarded by: Economic Times

Place: Mumbai



Outstanding Global Leadership Award 2019

Award to: Nitin Shah (CMD)

Awarded by: Institute of Economic Studies

Place: Kuala Lumpur