



WE CREATE allied digital BUSINESSES

CORPORATE INFORMATION:

Board of Directors:

Mr. Nitin D. Shah	Chairman & Managing Director
Mr. Prakash D. Shah	Whole-time Director
Mr. Nehal N. Shah	Executive Director
Late Prof. Venugopal Iyengar	Independent Director
Dr. Shrikant N. Parikh	Independent Director
Ms. Shubhada K. Jahagirdar	Independent Director – CSR

Key Managerial Personnel:

Mr. Paresh Shah	Chief Executive Officer
Mr. Gopal Tiwari	Chief Financial Officer
Ms. Neha Sunil Bagla	Company Secretary & Compliance Officer

Statutory Auditors:

M/s. Shah & Taparia

B-502, Business Square,
Solitaire Corporate Park,
Chakala Junction, Andheri Kurla Road,
Andheri East, Mumbai - 400 093.

Internal Auditors:

M/s. S.P. Natani

505, Goyal Trade Center Sona Cinema,
Borivali East,
Mumbai - 400066.

Secretarial Auditors:

M/s. Rathi & Associates

A/303 3rd Floor Prathamesh,
11/12 Senapati Bapat Marg,
Raghuvanshi Mill Compound,
Lower Parel, Mumbai – 400013.

Registrar & Share Transfer Agent:

M/s Link Intime India Private Limited

C 101, 247 Park, LBS Marg,
Vikhroli West,
Mumbai – 400083.

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

Key Bankers:

Barclays Bank
Kotak Mahindra Bank Limited

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It gives me great pleasure to welcome you to the 26th Annual General Meeting of your Company.

Industry outlook

The IT sector in India stood at US\$177 billion in 2019 witnessing a growth of 6.1 per cent year-on-year and is estimated that the size of the industry will grow to US\$ 350 billion by 2025. This is indicative of the fact that IT is continuously growing.

Road Ahead

The global sourcing market in India continues to grow at a higher pace compared to the IT industry. India is the leading sourcing destination across the world, accounting for approximately 55 per cent market share of the US\$ 200-250 billion global services sourcing business in 2019-20. Indian IT companies have set up over 1,000 global delivery centers in about 80 countries across the world.

India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

Key Emerging Technologies

Nearly 46% of new revenue growth in technology sector is attributed to emerging technologies.

- | | |
|-----------------------------|------------------------------|
| • IoT hardware and software | • AI Platforms/Applications |
| • SaaS + PaaS | • Big Data/Analytics |
| • IoT connectivity | • Enterprise Social Software |
| • Robotics/Drones | • Next Gen Security |
| • AR/VR | |

Smart Cities: The Future of Urban Development

The challenge of building a smart city far surpasses the “simple” engineering obstacles to creating a fully connected urban environment. To employ a biological analogy, it’s more like genetic engineering than mechanical engineering, and part of the solution will require rewriting a city’s DNA — that is, its people.

The engineering obstacles certainly are formidable. Any smart city worth its salt will possess a fully integrated infrastructure, with smart transportation services (including autonomous vehicles), internet and communication systems, water services, and electrical and power grids all connected and unified. Such a massive, city-wide system will undoubtedly require significant upgrades in infrastructural computing power just to process the massive amounts of raw data. New algorithms and AI programs will each have their roles to play, and the largest cities will have an Intelligent Command & Control Center (iCCC) to monitor and manage centrally.

The future smart city will employ a number of purpose-built AI programs and machine-learning algorithms to process the vast amounts of incoming “sensory” data. These programs will leverage rapid improvements in computing and neural networks in the coming decades. In fact, smart cities may witness the birth of the first truly “human-scale” AIs capable of reactive and independent cognition.

Your Company

Having bagged 4 prestigious Smart city projects, we are poised to remain a leading player in the Master System Integrator (MSI) space.

Industry 4.0 or the Fourth Industrial Revolution is the ongoing automation of traditional manufacturing and industrial practices, using modern smart technology. Much before it became the buzzword your company with its Disruption driven strategy was at the forefront adopting smart technology and offering digital solutions across the spectrum of various industries. This was a result of the thought leadership existing in the management team.

Allied Digital clientele include Fortune1000, large, mid-size companies and Government bodies across the globe in multiple industry domains. As an MSI it provides IP based solutions and implements various SLA driven fixed priced ICT projects. These are multi-year IT Infrastructure Management services (IMS) and Managed Security services (MSS) contracts which results into healthy annuity revenue.

Your company with an eye for the future generations has setup a 1200+ seater co-incubation and co-workspace center in Navi Mumbai. The center will support selected incubatees in their business models and mentor them from Idea stage to IPO. It has a Center of Excellence (COE) for emerging technologies like AI/ML, Deep Learning, IoT, Blockchain, AR/VR, Cyber security etc. The facility will offer High Performance Computing (HPC) learning in multiple technologies and international standard classrooms for conducting training.

We have streamlined our internal processes with a new COE for Service delivery to scale new bars and our HR function remains strong as ever with excellent leader at the helm and are ready to fly higher.

We have also expanded our direct global presence with offices in Europe too and as such cover nearly all the continents.

Our focus has always been on the bottom-line rather than topline to ensure our shareholders reap benefits from their reposed faith in the company. We are looking out for projects with better margins.

We thank our investors for their patience during our transformation journey since we believed in the dictum of “Small pain and long gain” and are pleased to say that we are entering the high growth phase version 6.0(disruption driven).

We are also very pleased to declare 10% dividend this year.

We are proud to announce that we are virtually debt free in Rupee terms and that too without selling any assets or diluting our stake, in fact the promoters have increased their shareholdings using preferential route.

Today, in tough Covid-19 times, the company is managing full operations seamlessly under “Work from Home” strictly adhering to high level security standards(Zero trust strategy) based Business Continuity plan, with the company’s “Always-On” 24x7x365 infrastructure in the cloud, with secure access for the employees working from home.

The company firmly believes in its Corporate Social Responsibility and is helping the community with suitable donations and assistance towards needy causes like food, education, healthcare and religious nature etc.

Our progress has been appreciated and has resulted in several awards and accolades being given to your company. (see details on page 7)

Outlook

Digital Disruption is the future. We plan to train personnel on newer technologies to result into disruption in business models by leveraging IoT, Big data, Analytics, AI and ML.

We will Support Business Transformation using above skillsets by enabling cost-effective, efficient solutions leveraging new technologies.

Allied Digital is positioning itself to be a major player as Global Digital Transformation Architect focusing on B2B/B2G, Smart Cities and other IP based solutions.

Our vision for the future includes remaining a front-runner in the digital economy space and enabling the on-going lifestyle changes onto a unified digital platform

With warm regards,

Nitin Shah

Chairman and Managing Director.



Your company is on an upwards growth trajectory. Government's Digital Initiatives in the space of smart city, safe city, e-governance and ICT driven infrastructure projects will boost India's IT sector. We are very strongly positioned in this vertical. Enterprise space is also seeing a disruption in more unique service delivery model's like remote infrastructure management services with increasing focus on automation and support through network and security operations center.

Your company has adapted a unique partner driven business model leveraging upon large IT and EPC companies increasing our market reach globally. Success of the partner model is credited to the strong focus on improved service delivery capabilities.

Financial Year 2019-2020 has seen lots of major account wins in India and the US with an increasing presence in the European Markets. We have added two more smart city wins taking up our total tally to five cities, four of which are currently under execution. These wins will allow sustained revenue growth for multiple forthcoming years.

Pleased to inform that your Company has achieved an encouraging total consolidated income of INR 335.72 Crs. as against INR 243.84 Crs. in the previous financial year with a robust growth of 38% y-o-y basis, whereas the total standalone income stands at INR 99.78 Crs. as against INR 79.35 Crs. in the previous year with a growth of 26% on y-o-y basis. Company has substantially improved its profitability during the year and reported consolidated PAT of INR 19.22 Crs as against INR 12.37 Crs in the previous financial year with a staggering growth of 55% on y-o-y basis. Whereas standalone PAT stood at INR 7.88 Crs as against INR 9.63 Crs of previous year, in spite of not having exceptional income unlike previous financial year.

In continuation to on-going focus towards debt reduction, it gives me great pleasure to inform that we have substantially reduced our debt which has also resulted in an increase in our profitability.

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In the current COVID scenario our ability to provide scalable remote support along with end user computing services across a vast geography will led to a strong growth in the pipeline and further increase in profitability of the company. Our constant effort to upgradation of our facilities and skill set is allowing us to be the partner of choice for IT support and services.

With warm regards,

Prakash Shah
Whole-time Director



Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 26th Annual General Meeting of your Company.

Expansion

I am pleased to inform you that your company has extended its Global footprint in Europe with our new office in Dublin, Ireland which we see as an important market for us. We are already well established across the Americas, Asia, Middle East and Australia.

Financials

The revenue growth of the company has been stellar during the year in question and our revenue has grown from Rs.244 crores in 18-19 to Rs.336 crores in 19-20.(38% growth). Our NPAT has grown by 55% in the same period. We have won large multi-year deals with annual price escalation across the globe to ensure healthy sales growth for the coming years. This stupendous performance has been also a result of keeping our operational expenses under strict control in these testing times and reducing our finance

costs. We hope to achieve better results in the coming years and continue on the growth path.

Future Outlook

Your company is a well-established player in the IT Managed Services space and is a leading Master System Integrator in the country and globally. Digital Disruption is the way forward and your company is at the forefront with market leading offerings in EMTECH (emerging technologies) like IoT, AI, ML, Deep Learning, Robotics etc.

This ensures our service offerings are future-proof.

COVID-19

As you are all aware the world is grappling with the Global Pandemic and the race is on to find a cure and preventive vaccine for the Corona Virus.

In this scenario where travel is restricted we are keeping the lights on with “Work from Home” solutions and ensuring seamless operations for our customers with innovative and secure technology to ensure there is no disruption either at our employee end or for our customers.

Technology is at the forefront with virtual office and other solutions and we believe your company is in the right domain to reap the benefits with our unique IT offerings.

In fact it is safe to say that we are now a essential industry to ensure work happens.

We believe that your company is well poised to successfully tide over the challenges and emerge as a leading player in the IT Industry.

With warm regards,

Nehal Shah

Executive Director



Management Bytes

Hello Investors,

What a solid year it has been for all of us. The year 2019-20 has seen huge growth in sales and is depicting in our revenue increase. The numbers clearly predict the growth picture. We have continued to add new, and also large customers in the US as well as in India. The sales and deliver teams have been on their toes, executing on smart cities and doing transition of newly acquired global enterprise service customers.

More importantly, it has been a perfect blend of business strategy, flawless execution and committed customer relationship management. We continued to apply breaks on our finance costs, and have further improved our operational strengths in Europe. We bagged another smart city project in the early quarters and have witnessed consistent upsurge in sales every quarter. This speaks about growth consistency and good management governance. The year further ended on a brighter side of releasing our new software platform ADiTaaS 5.0 and creating a new global “center of excellence” in service delivery. Besides, we have created a huge capacity of office space at our Mahape premises in anticipation of growing opportunities for the company.

The current year has started with a big challenge of the Covid-19 pandemic. Globally, it has triggered a huge economic pressure. Along with several industries, IT industry too is impacted. But fortunately, I would like to say that we see ourselves as ‘mildly impacted’. The savior has been our annuity contracts, which are keeping the “lights on” of so many customers. The other factor is our ability to stretch and go the extra mile during the crisis. Further, we have been absolutely on the dot in our service delivery, due to our “Always-On” infrastructure and business continuity planning. Our resources are able to work remotely, and as well, we are able to take some strategic decisions to provide services as “Essential” to critical customers such as healthcare and government. This meticulous business continuity planning has given us some great customer appreciation. During this tough time, the management team has huddled to invest time in sharpening our technology skills, initiating new business lines like IoT and AI and propelling new marketing plans to bounce higher when macro-economic factors improve.

As the year further unfolds, global business growth would start their upward journey by the end of third quarter. Our strengthened business development engines will generate new wins. Our sharpened resource skills and continued customer satisfaction and value offerings should help farm more revenues from existing customers. The new partnerships will open new sales pipelines and our next generation technology adoptions in AI and IoT will scale our long-term growth. For us, the drivers will continue to be in large enterprise contracts and smart city related opportunities. We see acceleration on cloud and managed security business, and our readiness in AI (Artificial Intelligence) Robotic Process Automation, and IoT is soon going to take a growth path in the last quarter. We see the current situation as an opportunity for introspection and preparation for next big growth, thus our outlook remains positive.

Thanks to the management vision and continued support from you all, I strongly believe that our motto of “Passion, Teamwork and Innovation” will withstand the challenging economic weather and we will remain tall, backed by robust company growth and your trust in us.

With warm regards,

Paresh Shah
Chief Executive Officer



CEO (ISG)

Mr. Jawahar Ali

Integrated Solutions Group

It is my pleasure to inform you that your company was successful in winning three more Smart City Projects during the year: Aurangabad Smart City, Bidkin (Maharashtra) and Kalyan Dombivli Smart City Projects in Consortium Biddings. The contract period for these projects are for five years with assured revenue and growth potential due to possible expansions and scaling up of the scope during this period.

Presently, these projects are under execution in addition to Rajkot Smart City that is nearing completion. Each of these projects addresses issues related to their specific location with solution portfolio that deals with these challenges to provide better quality of life for its citizens leveraging on emerging technology for efficient Governance. Delivering such projects enhances your company's established core competency as a leading Master Systems Integrator (MSI) in the country.

Furthermore, your company has taken measures to create inhouse development capability for some solution component that integrates several autonomous systems and their technologies. One such result of this initiative is the in house developed IP based Public Address System (PAS) and its Software that unlike competitive proprietary Public Address System, runs on the existing IT infrastructure such as Server and the digital backbone network. The in house developed IP PAS

integrates with the Video Surveillance System with analytics software to detect violation of social distancing norms and on detection automatically make public announcement by playing pre-recorded messages at those sites. Similarly, it can be programmed to integrate with other systems such as CCTV or Access Control to detect any defined event and make appropriate announcement automatically. Of course, manual announcement can also be made if required.

Through In-house development such as mentioned above your company is able to achieve significant reduction in total cost of ownership of the entire solution giving it competitive advantage in bidding and post winning in Operation and Maintenance for the solution life cycle. Your company strives to reduce dependencies on certain costly third-party proprietary systems through in-house innovative development and solutions.

Many Enterprise class Physical Security Projects such as Critical Infrastructure protection, Smart Campus, Smart City, Retail and Malls are now adopting emerging technology that uses Artificial Intelligence (AI) that enhances the capability of systems such as Video Surveillance with Video Analytics for detecting presence and movement of people, Crowd gathering and direction of movement, Face Recognition, Access Control System and Perimeter protection system. Your company has aligned with leading international organizations that offers such solution and also scaling up its own capability in creating AI and Machine Learning (ML) based solution.

Some states, especially those in the coastal regions, as part of National Cyclone Risk Mitigation Project (NCRMP) have floated RFPs for Early Warning Dissemination System (EWDS) to Alert people in the area of impending cyclone or event that could cause disaster on a large scale. Most of these systems are deployed on the ICT infrastructure requiring Integration of multiple systems and your company is participating in these opportunities as an MSI. More states will opt for EWDS systems and these projects are generally funded by the World Bank.

The Covid 19 Pandemic and the Lock down has impacted the industry with some delay in execution of the projects and finalization of many contracts. The industry has made effort to overcome these challenges by adopting practises such as Work from Home. As these measures have been implemented globally by almost all organization there has been a change in the work culture. With the availability of various platforms and their increased usage there has also been an improvement in efficiency in remote working conditions. Your company has successfully adapted its operations to align with the demands of remote working.

In addition to the existing Pune Safe City project, the acquisition of five smart city projects with their contract period spanning over five years and with its participation in opportunities in EWDS, Critical infrastructure protection, Banks, Retail Space and other Smart City projects your company is positioned to increase its market share in the Integrated solutions business.

With warm regards

Jawahar Ali
CEO-ISG

ALLIED DIGITAL

Achievements



Allied Digital gets Commendatory Certificate from Pune Traffic Police

Allied Digital successfully delivered the **Pune Safe City Surveillance** project in 2015. In the ongoing enhancements towards a Safer city we developed the "Satark Punekar" Android and IOS app which allows citizens to capture and report traffic violations and send the report to Traffic Control Room of Pune Traffic Police for further action. This has been commended by the Pune City traffic Police as very useful for traffic monitoring and e-challans.



Allied Digital CMD - Mr. Nitin Shah was featured in the prestigious "The Economic Times - Promising Entrepreneurs of India" Coffee Table book.



Allied Digital CMD - Mr. Nitin Shah was featured in the prestigious "The Economic Times - Promising Entrepreneurs of India" Coffee Table book. His professional journey spanning more than 3 decades is covered and for the future he feels that Allied Digital is uniquely positioned to create exponential value for it's clients with new technologies.

ALLIED DIGITAL

Achievements



Allied Digital (USA) CFO - Kapil Mehta is nominated for the Los Angeles Business Journal CFO Awards 2019



Allied Digital (USA) CFO – Kapil Mehta nominated amongst a large number of finance professionals for the Los Angeles Business Journal CFO Awards 2019 held at The Westin Bonaventure Hotel & Suites, Los Angeles on 26th September, 2019. Our CTO – Mr. Sunil Bhatt was with him sharing the proud moment. The 13th Annual CFO Awards recognize L.A. County Finance professionals for their ongoing efforts and contributions to their organizations.



Outstanding Global Leadership Award 2019

Nitin Shah-CMD- Kuala Lumpur.



Channel World Premier 100 Honoree 2019

Allied Digital-Pune.