



ACS TECHNOLOGIES LIMITED

40th ANNUAL REPORT

2021-22

BOARD OF DIRECTORS

1. Mr. Ashok Kumar Buddharaju - Chairman and Managing Director
2. Mr. Anitha Alokam - Whole-Time Director
3. Mr. CVS N Murthy - Independent Director
4. Mr. Srinivasan Neti - Independent Director
5. Mr. Bhaskar Kishore Varma - Additional Non-Executive Director

Key Managerial Personnel

Mr. Prabhakara Rao Alokam - Chief Financial Officer

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. P.V Nagarjuna - Company Secretary

REGISTERED OFFICE:

Level-3, Plot: 797/A, Sai Krishna Building,
Road No. 36, Jubilee Hills, Hyderabad-500033
Telangana, India

Phone: 040- 29703666

Email: csacsfcs@gmail.com
accounts@acstechnologies.co.in

ANNUAL GENERAL MEETING

Day : Friday

Date : 30th September, 2022

Time : 12.00 PM

STATUTORY AUDITORS

M/s. MM Reddy & Co.
Chartered Accountants, Hyderabad

BANKERS

HDFC Bank Limited
Banjarahills Branch, Hyderabad

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
306, Right Wing, 3rd Floor,
Amrutha Ville, Somajiguda,
Rajbhavan Road, Hyderabad – 500082

Contact: 040-2337 4967

Email: bsshyd@bigshareonline.com

To,
The Members and Directors

Notice is hereby given that 40th Annual General Meeting of the Members of ACS Technologies Limited will be held on Friday 30th September 2022 at 12.00 pm at Registered office of the Company at 3rd Floor, Sai Krishna Building, Plot No.797 A Road No.36, Jubilee Hills Hyderabad, Telangana-500033 to transact the following business.

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited financial Statements of the company for the financial year ended March 31, 2022 the Reports of the Board of directors and Auditors thereon.**

“RESOLVED THAT the audited financial statements of the company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and hereby considered and adopted.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

- 2. To reappoint Mr. Ashok Kumar Buddharaju (DIN 03389822) as Director, who retires by rotation.**

“RESOLVED THAT pursuant to the provisions of the Section 152 of the Companies Act, 2013, Mr. Ashok Kumar Buddharaju (DIN 03389822), who retire by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any director of the Company be and is here by authorised to do all such acts, deeds and actions as may be necessary, proper or expedient to give effect to this resolution.”

- 3. To reappoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the Sixth consecutive Annual General Meeting and to fix their remuneration:**

“RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. M.M.Reddy&co., Chartered Accountants (Registration No:010371S), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of 40th Annual General Meeting till the conclusion of Sixth consecutive Annual General Meeting at a remuneration to be fixed by the Audit

Committee and/or Board of Directors of the Company, in addition to the reimbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively.”

Special Business

4. Regularization of appointment of MR. BHASKARAKISHORE VARMA MANTENA (DIN:-09631430) as director of the company.

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

The Chairman informed the members about the appointment of BHASKARAKISHORE VARMA MANTENA (DIN:-09631430) as Additional non-executive Director in the Company from 09th June 2022, as per Companies Act, 2013 pursuant to sec 161 the appointment of additional director on the Board of Director needs to be regularised as the Independent Director in the Company and the following resolution was passed:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, BHASKARAKISHORE VARMA MANTENA (DIN:-09631430), who was appointed as an Additional non-executive Director of the Company under Section 161 of the Companies Act, 2013 with effect from, 09th June 2022 be and is hereby appointed as a Non-Executive Independent Director of the Company with immediate effect here after and will hold the office till the conclusion of next Annual General Meeting

RESOLVED FURTHER THAT any director of the Company be and is here by authorised to do all such acts, deeds and actions as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board
For ACS Technologies Limited**

**Sd/-
ASHOK KUMAR BUDDHARAJU
Chairman and Managing Director
DIN : 03389822**

**Date:05-09-2022
Place:Hyderabad**

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. A statement pursuant to section 102(1) of Companies Act,2013 relating to special business to be transacted at the meeting is annexed hereto
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members seeking any information regarding the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

Explanatory statement under section 102 of the companies act 2013

Special Business

Item No:-4

Regularization of Additional Director, MR. BHASKARAKISHORE VARMA MANTENA (DIN:-09631430) as Director of the company.

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

MR. BHASKARAKISHORE VARMA MANTENA was first inducted to the Board at the Board Meeting held on 09th June, 2022 and in the same meeting he was appointed as the Additional non-executive Director.

In terms of Section 161(1) of the Companies Act, 2013. BHASKARAKISHORE VARMA MANTENA can hold office only up to the date of the ensuing Annual General Meeting. With respect to the same, the Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for appointment as Independent non-executive Director of the Company for a period of one year until conclusion of next AGM, the Board appointed Mr. BHASKARAKISHORE VARMA MANTENA as the Independent non-executive Director of the Company, with immediate effect for one year, subject to the approval of the shareholders. The Board is of the opinion that the appointment and presence of Mr. BHASKARAKISHORE VARMA MANTENA on the Board as the Independent Director will be desirable, beneficial and in the best interest of the Company. The Board recommends the resolution set out in item no. 1(Special Business) of the accompanying Notice for approval and adoption of the Members.

DIRECTORS' REPORT

**The Members,
ACS Technologies Limited**

The Directors have pleasure in submitting their 40th Annual Report and the Company's Audited Financial Statements for the financial year ended March 31st, 2022.

FINANCIAL SUMMARY AND STATE OF THE COMPANY'S AFFAIRS:

The Financial performance Summary and the State of the Company's Affairs for the current financial year ended March 31st, 2022, along with the figures for the previous financial year, are as follows:

(Rs. in Cr.)

Particulars	Standalone		Consolidated	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Revenue from operations	66.76	64.48	67.11	64.79
Other Income	0.03	0.04	0.03	0.04
Total Revenue	66.79	64.52	67.14	64.83
Profit before Interest, Depreciation & Tax	5.32	6.43	5.39	6.46
Depreciation	1.46	1.54	1.51	1.55
Financial Charges	2.22	2.07	2.22	2.07
Profit before Tax	1.64	2.82	1.66	2.84
Tax Expenses	0.50	0.76	0.50	0.76
Profit for the Year after tax	1.14	2.02	1,16	2,03

HIGHLIGHTS OF COMPANY'S PERFORMANCE:

- Revenue from Operations increased to Rs. 66.79 Cr. during the current financial year as compared to last year revenue of Rs. 64.52 Cr. There was an increase in turnover of about 3.52% over the previous year. The company despite of having Covid19 disturbances could able to achieve moderate growth in turnover over previous year
- The Company earned Profit After Tax of Rs. 1.14 Cr. during the current financial year compared to net profit of Rs. 2.02 Cr. in the previous financial year. The company has advanced an amount of Rs.1.77 Cr. to a company, which has been admitted under CIRP by Hon'ble NCLT, Hyderabad. Since no amount out of this advance has been recovered, entire amount has been taken to profit and loss account as expenses, resulting in reduction of Profit to this effect. EBIDTA of the company in the current financial year is of Rs.7.10 Cr. as against Rs.6.43 Cr. of previous financial year.
- Profits for the year were affected due written off of advance coupled with Covid-19 disturbances. However EBIDTA of the current financial year has been increased over previous year by about Rs.0.67 Cr.

STATE OF AFFAIRS OF THE COMPANY:

- The Company is engaged in the business of IT/ITES. There is no change in the activity of business during the financial year ended 31st March, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS:

ACS besides putting best efforts in its core business verticals i.e. IT Infrastructure Management, Software Products and Solutions, Security and Surveillance Solutions, forayed into Smart Technologies business vertical. As the world is transforming into digital mode, IOT has become need of the hour and using this technology in many areas in daily lives. Considering the developments taking place rapidly in the business environment, ACS started its journey moderately in Smart Technologies business vertical from the past 3 years and gained footprint in this line of business too.

IT INFRASTRUCTURE MANAGEMENT

Since its inception, ACS has been master's in information technology Infrastructure support services. Evolved with the technology, mastering, and delivering a cohesive, end to end optimization of Data Centers which are aligned with business trends and availability of latest technology and techniques. We provide comprehensive solutions thereby transforming an organization into a total IT driven enterprise.

Our IT Infrastructure Solutions include turnkey projects involving end-to-end Design & Implementation of Network, Smart Server Solutions, Storage Solutions, security and Infrastructure. We provide end to end solutions in this space that leads to the transformation of the enterprise making it as a total IT driven, by partnering with leading technology leaders like Dell, HP, CISCO, Juniper, SAP, Microsoft, VMware, Infinova, Bosch etc.

We leveraged our extensive expertise in IT Infrastructure to foray into Smart Security and Surveillance. We manage multi-vendor and multi-system-based services in Electronic Security, Dynamic Security concentrating on providing state-of-the-art services for Design, Installation, Commissioning and Management of the systems in Security and Surveillance segment. The systems include Closed Circuit Televisions (CCTV), Access Control, Fire Detection and Alarm, Perimeter Protection & Intruder Detection, Metal Detectors, X-Ray Machines, Boom Barriers, Tyre Shudders, Bollards, Road Blockers etc.

A Cohesive Client Base

Our clients include military establishments, government organizations, banks, airports and corporate sector. Our service offerings are cohesive and complementary and ACS expansion into IoT/Cloud/Data Analytics vertical has led to improvement of order book within existing long term customers and addition of large number of new customers who all have a need for the service/product portfolio. From IT Infrastructure to Security/Surveillance, Energy Management, Transport, Water Management, Smart Advertising, Building Automation and Home Automation, all the domains are mutually supplementing the needs of our clientele.

SECURITY & SURVEILLANCE SOLUTIONS

We leveraged our extensive expertise in IT Infrastructure to foray into Smart Security and Surveillance. We manage multi-vendor and multi-system based services in Electronic Security, Dynamic Security concentrating on providing state-of-the-art services for Design, Installation, Commissioning and Management of the systems in Security and Surveillance segment. The systems include Closed Circuit Televisions (CCTV), Access Control, Fire Detection and Alarm, Perimeter Protection & Intruder Detection, Metal Detectors, X-Ray Machines, Boom Barriers, Tyre Shudders, Bollards, Road Blockers etc. Advancements in the field of IP based security systems and analytics is set to change the security and safety landscape.

Security and Surveillance Systems primarily involves physical security and safety systems, namely - Video Surveillance System, Access Control System, Fire Detection & Alarm System and Public Address System. Advancements in the field of IP based security systems and analytics is set to change the security and safety landscape. Now companies are looking for ways in which to derive business value from their security and safety systems and hence want to integrate these systems with their IT systems. These integrated systems are not only cost effective but are also proactive, flexible and provide greater control over these systems.

- Security and Surveillance Assessment: Analyzing the organization's current and future security requirements. Designing, Developing, Deploying and Operating the solution
- Integrating the solution with other IT security and business systems.
- Managing the security information such as access control, remote access, sharing and collaborating, search and retrieval. Managing various surveillance infrastructures from cameras and sensors to video storage devices.
- Formulating processes which comply with the various security standards.

Business Potential of Security & Surveillance Solutions

- Continuous escalation of crimes and of global terrorism has increased the potential of the IP surveillance industry in India and around the world. After the 26/11 Mumbai terror attacks, the government of India has undertaken several important initiatives to improve security in the country, including installation of CCTV cameras in most public places.
- The Asia-Pacific region is witnessing tremendous growth in the use of video surveillance systems. IP based surveillance systems are now considered indispensable in a range of industries and in government projects, leading to huge growth in this region.
- Apart from the demand generated by the government and industrial development projects, video surveillance systems are also being installed at residences, in commercial establishments, and in the transportation sector. Currently, the market is shifting towards IP based surveillance cameras. "Along with their reduced prices, this growing adoption of IP based cameras is being supported by the strengthening IT infrastructure across the nation. The adaptation of highly advanced and evolving technologies like artificial intelligence, IoT, and smart video analytics features like facial recognition, starlight

technology, etc, have made IP cameras value for money propositions, providing the best quality surveillance at the ideal prices. The video surveillance landscape has shifted towards IP based security cameras, with cloud-based solutions, remote monitoring systems and mobile based surveillance solutions giving the user control over security from anywhere,” adds Dham.

- The ongoing R&D in the field of video surveillance and security devices is increasing the functionality of such tools. This has improved the graphics resolution of security feeds and decreased the number of devices required. Kumar says, “India is experiencing unprecedented digitization across all industries. This has increased the need for surveillance and security products within the country. Given this, the segment has witnessed a phenomenal growth rate of 27 per cent in the country over the past couple of years and is expected to reach US\$ 2.4 billion by the end of 2020.”
- Growth of IP based surveillance products Constant innovations in security, surveillance and network offerings have moderately reduced the cost of specialised products and improved their effectiveness, which is also leading to the growth of the industry. Most importantly, these advances have successfully reduced the cost of deploying security cameras within a premise. The invention of the 360-degree video capturing technology has led to the phasing out of the typical three to four PTZ (pan-tilt- zoom) devices or the traditional CCTV products, and considerably reduced costs.
- According to the title report, “India CCTV Market Outlook, 2026”, the India CCTV market is anticipated to grow at a CAGR of more than 14% in forecast periods from 2021-2026. CCTV market in India is segregated into two technology type i.e. IP (Internet Protocol) and Non-IP CCTV cameras. Non-IP division is leading the market with more than 80% market share. However, in the coming years IP segment is anticipated to take the lead soon. By overtaking the analog category in Non-IP segment HD category is dominating the market with higher market share. By product wise market is segregated into three major categories i.e. Dome, PTZ and Bullet cameras. Dome CCTV is dominating the market with more than 50% of market share. (Source: <https://www.researchandmarkets.com/reports/5521849/india-cctv-camera-market-outlook-2026>).
- There is a huge demand for safe city projects in India to ensure public safety. With the successful deployment of surveillance and smart city projects in several Indian cities, more areas are expected to adopt similar video surveillance systems with central control rooms equipped with high-end large video wall solutions to monitor minute details. Emerging technologies in video analytics, biometrics, face recognition, and CCTV are becoming equally important for city surveillance monitoring and analysis. Four segments: security cameras, access control devices, intrusion detection devices, and video recording devices make up this market. India’s surveillance systems market is currently estimated to be a \$2.5 billion industry. It is largely comprised of video surveillance and is expected to grow at 25-30% annually. (Source: <https://www.trade.gov/market-intelligence/indias-surveillance-and-security-market>).
- ACS is already a key player in this segment and has implemented Safe City Projects for L&T for Hyderabad and Visakhapatnam and has a large client base in Defence and Govt Establishments across multiple states.