

Date: July 24, 2023

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G, Bandra Kurla  
Complex, Bandra (East)  
Mumbai - 400051  
Symbol - ADSL

To,  
**BSE Limited**  
P. J. Towers,  
Dalal Street,  
Mumbai - 400001  
Scrip Code No. 532875

Dear Sirs,

**Sub: Submission of the 29<sup>th</sup> Annual Report alongwith the Notice and information on Book Closure as per Regulation 30, 34 & 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 and 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), we are submitting herewith the Annual Report containing the Notice of AGM for the financial year 2022-23. The Annual General Meeting (“**AGM**”) of the Company is scheduled to be held on Thursday, August 17, 2023 at 3:00 p.m. (I.S.T.) through Video Conferencing / Other Audio Visual Means to transact the business as set out in the Notice convening the meeting.

The Annual Report is available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India; and also on the website of the Company at <https://www.allieddigital.net/in/>.

In terms of provisions of Regulation 42 of Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 11, 2023, to Thursday, August 17, 2023 (both days inclusive) for the purpose of the 29<sup>th</sup> AGM of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Allied Digital Services Limited**

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**Nitin Shah**  
**Chairman & Managing Director**  
**DIN: 00189903**

Place: Mumbai  
Encl: a/a

**Registered Office:** Allied Digital Services Limited, Premises No. 13A, 13th Floor, Earnest House,  
Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai - 400 021.

B: +91 22 6681 6400 | F: +91 22 2282 2030 | [www.allieddigital.net](http://www.allieddigital.net) | CIN - L72200MH1995PLC085488

Allied Digital Services Limited  
Annual Report 2022-23



# Advancing Digitalisation. Accelerating Growth.





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### Late Mr. Prakash Shah

Former Co-Founder and Wholetime Director,  
Allied Digital

(18<sup>th</sup> April, 1962-12<sup>th</sup> February, 2023)

*You have been a guiding light to all employees, always patiently listening and offering your wise counsel. As a boss, mentor, and friend, you have encouraged us to be our best selves, while also profoundly impacting the lives of several others beyond work.*

*You have been an integral part of this Company, co-founding and steering it to remarkable success. We remain grateful for your contribution to the Company as well as to the IT industry. Your absence leaves a void that will be deeply felt by family, friends, and colleagues. We will always cherish your generosity and warmth. Your legacy will continue to inspire and influence all of us, and we remain committed to carrying forward the dream you had for this Company.*

In fond memory

From the entire team of Allied Digital  
Services Limited

# THE LAST FEW YEARS HAVE BEEN MORE EXCITING FOR ALLIED DIGITAL.

An already evolving world underwent an epic change following the pandemic, driving an intense technology revolution. Corporates were faced with the challenge of becoming more agile and efficient, innovative and data-driven to stay relevant, drive customer engagement and cost-efficiencies while unlocking new revenue opportunities. For the Government in India, it drove the urgency to improve the citizen's lives through technology-driven advancements like smarter and safer cities and efficient delivery of utility services. With technology becoming a major catalyst for change, the IT industry witnessed a profound shift, marked by emerging technologies like artificial intelligence, cloud and cybersecurity taking centre stage.

We saw this moment to build upon our multi-sectoral and multi-technology expertise, and step up for our customers.

We embarked on a new transformational journey, shifting focus to disruptive business models and technologies aligned with our strengths. This involved defining a clear roadmap and practice areas that would propel growth, and discarding low margin and capital-intensive business areas. We restructured our portfolio to

customer's trending and future-driven demands, thus redirecting our efforts to six technology practice areas that hold high-potential and offer recurring revenue models, delivering better value to customers.

We elevated execution capabilities across the organisation by hiring talented people and leadership as well as facilitating training programmes to build niche skills. Additionally, we strategically expanded our international business by spreading to newer geographies and widening our offerings.

These efforts have propelled us to the next level, enabling us to play a more significant role in our customer's digital transformation journey and solidifying our position as a trusted partner. More importantly, it has laid the foundation for a remarkable phase of growth that lies ahead.

At Allied Digital, we are

**Advancing digitalisation**  
**Accelerating growth**





## About Allied Digital

# Future-focussed IT Services and Solutions Provider

We are a dynamic IT company, specialising in digital transformation architecture, global managed IT services, and master systems integration.

Led by a team of skilled experts, growing capabilities in next-generation technologies, and emphasis on excellence and innovation, we empower businesses and government to navigate the evolving digital landscape.

We excel in delivering cost-effective solutions with top-notch quality, allowing our clients to maximise return on investments. We operate a flexible and agile business model, enabling our empowered teams to make quick decisions which help us to stay at the forefront of the industry.

We have today emerged as a preferred partner for organisations seeking to thrive in the digital era, opening opportunities for building long-lasting partnerships based on trust and mutual success.



### VISION

To be the most admired IT Services and Solutions provider by applying 3 mega forces within the organisation continually by:

- Developing Technological depth
- Enhancing Resources, Reach and Infrastructure
- Using the best management practices for operational excellence



### MISSION

To operate as a technology-driven global organisation obsessed with customer needs, devoted to building lasting partnerships and acting with integrity, honesty and a spirit of co-operation with customers, suppliers and employees.



### CORE VALUES

#### Ethics

Integrity, Honesty and Commitment

#### Capabilities and Infrastructure

Core Pillars of Service Delivery

#### Transparent Transactions

Flexibility and Visibility

#### Attitude, Relationship and Trust

Customer Before Self



## IN A SNAPSHOT

**39** years  
Experience

**70+**  
Countries

**20**  
Offices worldwide

**29%**  
CAGR (last 4 years)

**187**  
Clients

**10**  
Fortune  
100 customers

**12**  
Smart/safe  
cities delivered

**3,000+**  
Employees worldwide

## OUR DIFFERENTIATORS

### Deep and diverse technical competence

We have competencies to seamlessly deliver cutting-edge solutions to customers globally with end-to-end support. Our services span multiple vendors, products, locations, industries and technology services.

### Our expertise

Cloud enablement, Integrated Solutions (Smart City), Cybersecurity, Infrastructure Management Services, Software Services and Workplace Management Services.

### Our Intellectual Property

ADiTaaS, a leading industry-certified (PinkVerify) software, serving as an orchestration platform for IT and enterprise service management. Our new AIOps based integration and automation software is another strong low-code/no-code platform to drive agile applications in the enterprise.

### Wide-ranging technology capabilities

Cloud, Cybersecurity, Artificial Intelligence (AI), Machine Learning, Blockchain, Metaverse, low-code/no-code platforms, DevOps.

### Experienced, recognised and stakeholder-focused brand

We have a 4-decade-long track record of delivering solutions, making us a globally reputed brand. Our commitment to value delivery has been honoured with several awards and recognitions by industry bodies, clients and regulator. Furthermore, we hold our stakeholders in high regard, as evident in favourable employee policies, shareholder friendliness, compliance, and strong governance practices.

### Marquee customer and partner relationships

We have successful, multi-year relations spanning B2B and B2G verticals. In B2B, we serve some of the world's largest companies, including 10 Fortune 100 companies. We have strong relations with them, with nearly 80% engaged in multi-year relations. Our Top 25 Customers account for 75% of our revenue, and 51 of them are million-dollar clients (>USD 1 Mn in total contract value). We are also a frontrunner in the Government of India's Smart City projects.

### Matured service governance

We ensure world-class service governance by following best practices and maturity models in service delivery aligned with several industry body certifications. To further enhance our capabilities, we have developed a centre of excellence for service integration and

management. This uniquely boosts our service quality to bring transparency and visibility to our customers. It further enables us to streamline industry processes through system-driven approach, implement automation and analytics and drive a continuous training model for our diverse resource base.

### Our certifications



SOC II  
COMPLIANT



Available on  
Microsoft Azure  
Marketplace



### Growth-oriented

We have, over the years, strategically expanded our presence across diverse emerging technology areas and global markets. Our solution delivery expertise has won us the trust of prominent enterprise worldwide, translating into a large and growing order book that is well-diversified across customers and geographies. Moreover, we have a clear roadmap for the future, which will give us confidence of strength in the coming years.





## Evolution story

# Reliving a Journey of Excellence

Nearly four decades of journey at Allied Digital has been inspirational. Starting from a humble beginning where we strived to break even, to embarking on a transformative path to sharpen our focus. We now stand at the cusp of a remarkable future, poised to disrupt and build on a competitive edge with innovation and determination.

### Version 1.0

1984-1993

#### Profit driven

Grew the company from a team of 3 to 150 people



### Version 2.0

1994-2001

#### Value driven

Focussed completely on intrinsic value creation



### Version 3.0

2002-2007

#### Strategy driven

- Maiden IPO in 2007
- Overcame dotcom bubble burst by retaining focus only on futuristic profit-making technologies

### Version 6.0

2020 onwards

#### Disruption driven

Pre-empted technology disruption to leverage emerging technologies and retain prominence in Industrial Revolution 4.0



### Version 5.0

2014-2019

#### Transformation driven

Major internal transformation at all levels and made company future-ready



### Version 4.0

2008-2013

#### Inorganic growth driven

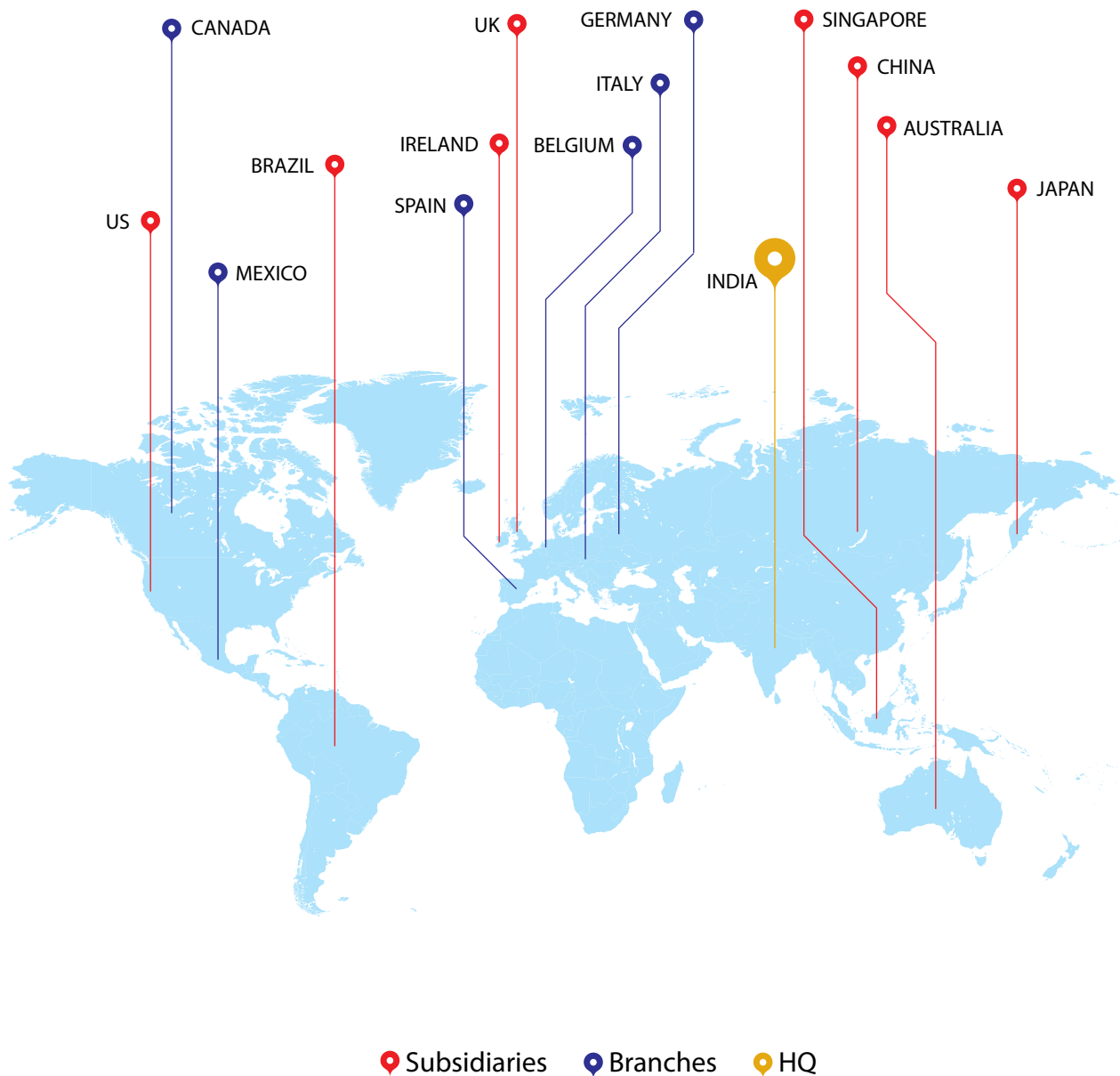
- Qualified institutional participation (QIP)
- Acquisition of NASDAQ listed US Company



## Geographic presence

# Capabilities to Deliver Solutions Globally

We are inspired to deliver the best to the customers. We ensure this by providing them constant support and enabling them to achieve desired outcomes through our global presence.



Map not to scale

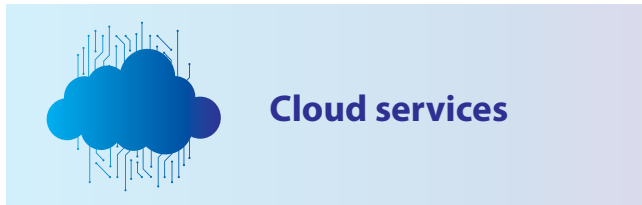


## Integrated business offerings

# Our Multifaceted Future-ready Offerings

At Allied Digital, we have strategically transformed and established a presence in six chosen technology areas. It enables offering customised solutions to clients across industries, helping them stay relevant, drive business excellence and elevate experiences. We also enhance public infrastructure services for the government, improving living standards for citizens. We are constantly building capabilities in next-gen technologies to reinforce our proposition as a trusted technology partner.

### OUR DIVERSIFIED SERVICE OFFERINGS



Cloud is a major focus area for us, as companies are increasingly investing in modernising infrastructure and making their software applications cloud-friendly for its ability to give flexibility, agility and resilience. We are working with multiple public cloud

providers and are certified to offer cloud solutions to our customers. We offer complete digital transformation services to migrate legacy applications. We also have a DevOps team.

#### Service capabilities

- AWS, Azure, GCP, VMWARE
- IaaS, PaaS, SaaS
- Public / private / hybrid cloud support services
- Cloud engineering
- Data factory, data lakes, big data
- Micro services, containers
- Cloud migrations

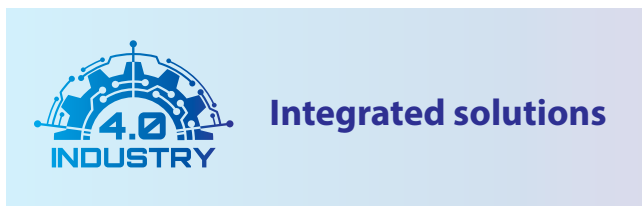


With the rise in digitalisation and growing concern of data security and privacy, cybersecurity has gained significant prominence. At Allied Digital, we offer 360-degree solutions for cybersecurity which are vendor-agnostic and enable creation of SOC-based on

industry standards. We have highly skilled resources which enable executing these projects and staying ahead of evolution.

#### Service capabilities

- AIM 360° cyber security solutions
- Endpoint / managed security services and SIEM
- Identity and access management
- Threat intelligence solutions
- Ransomware prevention, network / cloud security
- Security consulting and compliance
- SOAR, SASE, Zero Trust solutions
- EDR, MDR, XDR solutions



A pioneer in executing smart city projects, we are amongst the few in the country to be recognised as a Master System Integrator (MSI). We have experience of working across 12 projects, including

three ongoing. We have recently entered the US market too as a MSI leveraging our strength and IP-based projects.

#### Service capabilities

- Master Systems Integration project
- Safe / smart city and campus solutions
- IBMS
- IoT solutions
- Enterprise physical security automation
- Operational technology integration
- Command / control systems



## Infrastructure management services (IMS)

We have a rich legacy and experience in IMS. We specialise in ensuring uninterrupted availability of enterprise operations 24x7x365, in line with requirements of today's businesses, that need to be digital and constantly available and accessible. We proactively deploy sensors, which capture alerts generated by any enterprise device or application. Our widely skilled technology teams analyse these alerts, and promptly remediate potential incident, thus ensuring service continuity of IT across the enterprise.

Led by our excellence in service governance standards, we are securing multiple contracts as large companies look to consolidate multiple service providers to a single service provider.

### Service capabilities

- Proactive monitoring of server, storage, network, firewall etc.
- Application support services, Office365, Exchange, Databases, SAP etc.
- Enterprise services – backup, DR, patching, voice etc.
- Data centre operations
- Infrastructure analytics



## Software and Digital Transformation Services

Led by a robust team and knowledge in cutting-edge technologies, we engage in developing innovative software. We have created two robust software which have gained immense recognition. This includes ADiTaaS (ITSM/ESM platform), an SaaS-based cloud-ready service platform and FinoAllied, a pioneering trending conversational banking solution which enables customers to

communicate with the bank via multiple digital channels such as web, phone, WhatsApp, social media, wrist watch, Alexa, Google Home, etc. It also helps banks to reach a broader consumer base, deploy new services and drive analytics.

### Service capabilities

- ADiTaaS / ServiceNow consulting, implementation and support
- FinoAllied
- Cloud DevOps services
- Blockchain, Metaverse, robotic process automation
- Generative AI / ML solutions
- Multi-cloud applications



## Workplace Management Services

We offer comprehensive endpoint management services and work-from-anywhere (WFA) solutions to support global clients. We have a strong team and are further expanding our base.

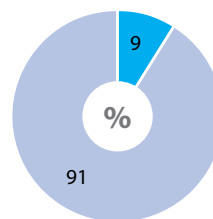
### Our service capabilities

- Desk side Breakfix/ IMAC services
- Multilingual, multichannel service desk
- Endpoint management and WFA solutions
- End user analytics
- Global logistics / depot services

### KEY INDUSTRIES WE SERVE

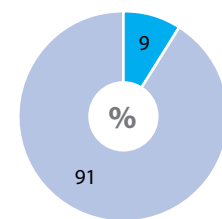
- BFSI
- Healthcare
- Pharma
- Manufacturing
- Oil / Energy / Utilities
- Retail
- Government
- Automobile
- FMCG

Revenue by customer profile



- Government customers
- Non-Government customers

Revenue by services and solutions



- Services
- Solutions





## Success stories

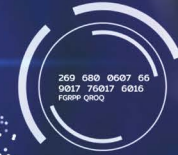
# Delivering Winning Solutions to Global Leaders

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## Case study #1

### Enabling end-user services transformation for a large global automobile company

**Challenge** – A large multinational automobile company operating in 35+ countries with multiple vendors sought to transform end-user IT services. They chose Allied Digital to become a single service provider across the globe. The client being the most famous brand, the quality of services, governance and delivery was key to success.

**Allied Digital solution** – We built a robust delivery and governance model that ensures consistency of end user IT service across all

the countries; the entire service managed under excellent service level agreement. Our work encompasses multiple transformation initiatives driven by projects spanning multiple countries.

**Outcome** – End user productivity in offices and plants increased, enabling the customer to save on operational costs. Further, the customer is successfully running various transformation initiatives to directly improve the business growth.

## Case study #2

### Driving efficiency and cost optimisation for a leading Heavy-Equipment Manufacturer

**Challenge** – The client is a major player with \$4.36B in annual revenue, over 10,000+ employees and a presence in more than 20 sites in the USA. They faced the challenge of high IT costs. They sought to outsource IT for managed services, so that could focus on their core competencies.

**Allied Digital Solution** – Our comprehensive solution aimed at streamlining their IT operations and improving cost-effectiveness. We undertook the responsibility of managing Workplace Services, Deskside Support (DSS) for headquarters and field sites, including CAD and Manufacturing Support as well as Depot and Inventory Management.

A significant challenge that we encountered was this was 1<sup>st</sup> generation IT outsourcing by the client. We were necessitated to segregate Service Desk, Remote Support and Onsite support functions. Moreover, there were high device failure rates due to ageing hardware.

To tackle the issues, we deployed 15 dedicated full-time resources at their headquarters and global manufacturing sites including China, Germany, India, Italy, Ireland, and US. Additionally, we provided dispatch support for 68 remote sites. We streamlined the DSS process to adhere to SLA-based managed services. We also optimised ServiceNow utilisation and workflows to enhance overall efficiency. Key enablers such as AutoCAD, Microsoft, ServiceNow and System Center Configuration Manager played a crucial role in our successful implementation.

**Outcome** – Our solution resulted in resounding success, with a focus on cost reduction and solution-driven outcome. The client experienced substantial annual savings of approximately USD 500,000. Moreover, in the first year, we helped optimise Annual Failure Rate by 25%. Further, through our dispatch and dedicated models, we provided seamless IT support to their global manufacturing site.

## Case study #3

### Enabling cost-cutting and offshoring for a leading Food and Beverage manufacturer

**Challenge** – The client wanted to cut costs and move service desk off-shore.

**Allied Digital solution** – We established a multilingual Global Service Desk, capable of providing support in both English and Spanish (specifically Chilean Spanish). Dedicated Full-Time Equivalents (FTEs) were assigned to it for prompt assistance. We also set-up a Tech Bar on-site for 4 hours, with occasional 12-hour windows, resulting in three times as many resolved issues. Multiple Deskside support projects were undertaken, including a Windows 7 to 10 migration project that involved physical inventory and cleanup. Dedicated FTE was allocated to handle backlog tickets, and patching was carried out based on SLA requirements. Furthermore, application deployment processes were streamlined for improved efficiency.

**Outcome** – Although the planned volume was significantly underestimated, the adherence to SLAs was not greatly affected. To mitigate the impact, the project team increased the knowledge base, which led to a decrease in escalated tickets. Dedicated resources were assigned to address ageing tickets across all towers, ensuring timely resolution. Daily standup focus meetings were implemented, with emphasis on ageing cases, resulting in a remarkable 78% increase in closed backlog tickets. The project achieved consistent high Client Satisfaction (CSAT) scores, with a satisfaction rate of 90%.

## Case study #4

### Delivering robust cybersecurity solution to a leading multinational auto manufacturer

**Challenge** – Enterprise security today is a necessity for business resilience. The client being engaged in research and engineering had critical and unique cybersecurity requirements. Beyond monitoring usual enterprise devices such as firewall, servers, load balancers, WAF etc., they wanted a solution for monitoring disparate and unique devices. They sought an integrated and comprehensive centralised solution to manage the growing cybersecurity challenges.

**Allied Digital solution** – After a thorough analysis, we identified a renowned cybersecurity platform as a core platform. This was necessary to ensure that it can support various device types, enable customisation on unique devices such as engineering workstations and PLM applications, and provide flexibility to develop custom cybersecurity use-cases related to research and engineering. We deployed an end-to-end, AI-based cybersecurity platform leveraging big data and machine learning. Post successful completion of proof of concept, we embarked on a full-scale deployment of the platform.

**Outcome** – Our solution enabled the customer to successfully secure their valuable environment from ongoing cybersecurity attacks and threats.

## Case study #5

### Cloud modernisation for leading microprocessor manufacturers

**Challenge** – The client's infrastructure and applications evolved and grew complex over time following acquisitions, upgrades and enhancements. They underwent divestiture, following which the NAND (NOT-AND) division which relied on centrally built applications, required a solution to maintain applications and data availability for a seamless user experience. Given aggressive timelines, sensitivity of data including patents and need for cloud infrastructure modernisation with minimal user impact, the project posed a challenge from technology and management standpoint.

**Allied Digital solution** – We took up the challenge, and created a new Cloud Infrastructure in Azure, prioritising security, resilience, performance and cost optimisation. A dedicated team of experts across the USA and India including technical project manager, engineers, architects (cloud, network and security), specialised migration tools architect worked in two shifts for rapid execution.

The team successfully migrated productivity applications (with data and access rights) including SharePoint, custom applications, mailboxes to M365 Exchange Online, leveraging Azure's cutting-edge cloud and data migration tools and specialised tools third-party from Quest. Additionally, they also moved several virtual servers, databases and applications to the new Azure Cloud.

**Outcome** – Client could meet the business obligation of asset transfer agreement while provider of NAND flash memory solutions could focus on its business growth plans utilising the workforce, their data and their applications.

## CMD's message

# Transformation Driving Long-term Success



## Dear Shareholders,

FY 2022-23 marks the successful culmination of the disruption-driven internal transformation that we embarked upon in January 2020. Our vision was rooted in the belief that technology will greatly evolve and disrupt business models. As anticipated, we are witnessing a phenomenon of companies increasingly embracing business and digital transformation to stay competitive and unlock new revenue opportunities. Governments are also promoting digital economy and smart cities, to achieve better governance, enhance living standards and drive efficiency of public services delivery.

Presently, there exists a huge opportunity for innovation-driven technology companies. Industry 4.0, Web 3.0, artificial intelligence (AI) and generative AI, are some of the technological advancements that are causing ripples. I am pleased to say that Allied Digital is geared for this opportunity, having equipped our people with future-ready skillsets. Our primary objective is to leverage emerging technologies and provide cutting-edge services and solutions to our clients. Further, aligned to this transformation, we have also exited the traditional IT hardware and peripherals business. It was a highly capital intensive and low margin business with a long collection cycle, impacting our cash flows. With this strategic move, we can better allocate resources to more crucial service lines.

We are happy that our business today is more streamlined and focussed, with a clear direction ahead.

## REFLECTING ON A SUCCESSFUL YEAR

FY 2022-23 has been an exceptional year for Allied Digital marked by significant new customer acquisitions that are poised to enhance our overall performance. We have established partnerships with large players, securing multi-year contracts, and continue our pursuit for more such large global deals. In India, we have won major multi-year contracts including for five smart cities and a pureplay IT services deal from an Indian FMCG major. Globally, it has been an excellent year with large wins, breakthroughs in newer geographies and enhanced reputation. We successfully closed the year with a robust order book position of INR 1,600 Cr as on 31<sup>st</sup> March, 2023 for services with recurring revenue up to five years.

All our six technology practice areas witnessed impressive progress. Allow me to take you through the key developments in these.

## CLOUD SERVICES

Cloud has been an area where we are putting great emphasis. There is a rising trend of companies striving to move technology platforms from on-premise to cloud as well as modernising cloud infrastructure. We have successfully entered collaboration with multiple providers, acquired certification to offer cloud solutions, and have established competencies to offer complete digital transformation services with a ready DevOps team. The teams are proactively engaging with customers to unlock business opportunities.

## CYBERSECURITY

Rising concerns of cyberattacks and data security, has led to a significant traction in the cybersecurity business globally. We have strengthened our go-to-market proposition with 360-degree, vendor-agnostic solutions that cover all cybersecurity needs. Our competencies in this domain, coupled with our ability to provide managed security services from Security Operations Center (SOC) with a skilled workforce, positions us competitively in the market.

## INTEGRATED / SMART CITY SOLUTIONS

We have significantly strengthened our competitive positioning as a master system integrator (MSI), and undertake projects in this capacity. We have executed multiple smart / safe city projects, and are in the process of executing several more, which brings our tally to an impressive 12 projects. In a breakthrough, we have entered the US market as an MSI, on the back of our strength in smart cities and IP-based projects.



## INFRASTRUCTURE MANAGEMENT SERVICES

We are witnessing a trend of large companies consolidating their multiple service providers to single service provider through novation of all existing contracts. Leveraging our extensive experience in delivering infrastructure management solutions to global customers, we have been able to scale new benchmarks in service governance. This has enabled us to bag large enterprise projects in managed services, including application support services. I am elated to note, that we have engaged into new strategic partnerships with large global companies which will further amplify our capabilities and business growth in coming years.

## SOFTWARE SOLUTIONS

The segment has gained significant ground this year led by two of our cutting-edge solutions ADiTaaS and FinoAllied which are being increasingly sought by customers. ADiTaaS, a comprehensive service management platform, is driving significant value for customers by empowering them with integrated services. We won 10+ new accounts for ADiTaaS, taking our total count to more than 100 customers who are using it directly or through our services.

FinoAllied is a path breaking technology leveraging AI for conversational banking. It gives a significant leap in the fintech industry with the ability to digitalise traditional banking.

## WORKPLACE MANAGEMENT SERVICES

The business has gained importance following the pandemic. We are successfully supporting clients across many countries with endpoint management services and work from anywhere solutions. Notably, a landmark deal for one of the world's largest automobile giants is successfully being delivered in this financial year. Efforts are being pursued to further expand our base.

## RECORD FINANCIAL PERFORMANCE

Our financial performance reflects the extraordinary progress that transpired across the businesses. We concluded the year on a strong note, reporting revenues of INR 660 Cr, higher by 36% over the previous year. In terms of profitability, we reported highest-ever EBITDA and PAT (adjusted). EBITDA for the year was INR 88.30 Cr, 26% higher than the previous. PAT, from continuing business, was higher by 44% to INR 53.73 Cr.

Considering the strong performance, the Board has recommended a dividend of 25% on equity shares with a face value of INR 5.00 as against 20% in the previous year.

## ADVANCING ESG

At Allied Digital, we take pride in having matured ESG practices which we continue to improve upon. We contribute to environmental preservation through promoting energy saving measures, tree plantation and car-pooling which help combat climate change. We actively participate in public-facing technology projects, including smart cities and wildfire prediction and situation management.

Our employees are being empowered through inclusive policies, equal opportunities, and initiatives focussed on sustained welfare and engagement. We are proud to be a truly diverse organisation employing people from across all backgrounds, ethnicities and gender with a strong focus on employing local people across all geographies. Learning and development support is ongoing to help them advance their career.

We empower communities with efforts to provide relief measures during disasters/emergencies, promoting health and well-being, and eradicating hunger, poverty and malnutrition. We also contribute to enabling education and skill development.

Strong governance practices remain a cornerstone, and we continue to proactively take efforts to further enhance practices. We have in place a comprehensive value pyramid consisting of seven layers which helps ensure fair governance, a foundational value at Allied Digital. We have established well-defined governance mechanisms with adequate Board independence to ensure ethical and transparent practices and protect stakeholder interest.

## IN CLOSING

Going ahead, we see significant potential as digitalisation increasingly becomes pervasive across all aspects of business and living. Our chosen areas of smart cities, cloud and cybersecurity services supported by NOC/SOC capabilities from offshore/onshore and nearshore and expanded multiple language support, are expected to witness significant growth and provide us immense opportunities. With Industry 4.0 taking centrestage, we see huge opportunity in manufacturing solutions. Furthermore, we have opened a new chapter in the US market as an MSI, and have recently sponsored a major local event there.

We stand at an inflection point and expect healthy and profitable growth from here onwards. I thank all stakeholders who have empowered us to achieve this. We remain committed to creating value for all.

## IN FOND REMEMBRANCE OF LATE MR. PRAKASH SHAH

Lastly, I take this opportunity to express my profound grief for losing an invaluable member of Allied Digital family, late Mr. Prakash Shah. We started this journey together, and built this company to what it is today. His exceptional problem-solving and people skills and empathy made him an indispensable asset. While he may not be with us, his exemplary leadership has helped set the stage for Allied Digital's long-term success. We will always cherish his immeasurable contribution and values.

With warm regards,

**Nitin Shah**

Chairman and Managing Director

## Message from Executive Director

# Building competencies for the future



### Dear Shareholders,

It is with great pleasure that I connect with you to share an update on our performance and the progress made across all business fronts.

FY 2022-23 witnessed Allied Digital's continued growth and transformation into a multi-national and multi-disciplinary entity with strong technology capabilities and matured service governance. Through the year, we continued to reinforce and build competencies across our six technology practices: Infrastructure Management, Integrated Solutions (Smart City), Workplace Management, Cloud, Cybersecurity and Software Services. This is immensely gratifying and positions us strongly amidst digital disruptions.

### EXPANDING GLOBAL FRONTIERS

International business accounts for the majority of our revenue (78% in FY 2022-23). It is an important growth area for us, considering the increased investments businesses are making in digital transformation.

Focused on this, we continued to expand presence and offerings globally. The US is our biggest market. We have consolidated presence here by strengthening our offerings. 'AIM 360', was introduced as a comprehensive cybersecurity solution covering all aspects that businesses need to operate securely. Cloud services portfolio was enhanced with new-age technologies. Furthermore, we started MSI services to provide IoT smart solutions for both government and enterprises.

Our team did a fantastic job in establishing a presence in Japan, Brazil, and China. We had only entered these markets a year ago, and on the back of our technology and service excellence, we have successfully won several new clients. This year, we have entered the Mexico market which positions us for cost-efficient near-shore services to clients in the US.

### HEALTHY ORDER BOOKING AND REVENUE VISIBILITY

During the year, we registered record order bookings, with a marked improvement in the quality of orders that incorporate high-end technology components. This provides significant revenue visibility and unlocks new opportunities for the future. We are delighted to inform you that clients with a total contract value of over USD 1 Mn have increased from 45 to 51 during the year. Our active client base as on 31<sup>st</sup> March, 2023 increased to 187.

### SPRUCING INTERNAL COMPETENCIES

Headed into the future, gearing up people resources and internal competencies remains an important focus to execute the order pipeline and realise our ambition of shifting towards more advanced technology areas.

Towards this, we are investing in training programs designed to enhance the skills and knowledge of our employees, encouraging them to stay abreast with latest technologies and advancements in our target areas. Cross-functional collaboration is another key aspect we foster to encourage knowledge sharing, creativity, and innovation.

We also promote internal mobility, providing employees opportunities to work on different projects or teams. We have established clear career development paths, providing them with a roadmap for advancement and growth. Furthermore, we are cultivating a culture of continuous learning and innovation. Employees are being encouraged to stay updated with the latest industry trends, promoting a mindset of experimentation and risk-taking, and providing a supportive environment for learning from failures.

As a part of our expansion strategy, we prioritise hiring local employees in countries where we establish our business presence. This ensures compliance with local regulations, and helps building relationships with customers, suppliers, and partners, ultimately leading to overall success.

Lastly, acknowledging the immense potential of Generative AI, we have initiated research and evaluation to understand its potential applications, benefits, and associated challenges. We are identifying areas where it can bring value, including product development, improving customer experience, or streamlining operations. We also remain focussed on training individuals and hiring specialised experts, including data scientists, machine learning engineers and AI researchers, to harness potential of this breakthrough technology.

### **EMPOWERMENT AND INCENTIVISATION FOR ENHANCED PERFORMANCE**

We also recognise the importance of maintaining a motivated workforce to drive enhanced performance and achieve greater success. This is achieved through our Empowerment, Responsibility, and Accountability (ERA) culture, which emphasises empowering employees at all levels, and making them responsible and accountable for their contributions. To further align employee interests with Company performance, we offer Employee Stock Options Plans (ESOPs), providing potential financial benefits and promoting a sense of ownership among our workforce. Additionally, we prioritise their well-being by providing benefits like group health insurance, group term policy, provident fund, ESIC, and gratuity.

**We are delighted to inform you that clients with a total contract value of over USD 1 Mn have increased from 45 to 51 during the year. Our active client base as on 31<sup>st</sup> March, 2023 increased to 187.**

### **OUTLOOK**

The demand scenario holds great promise, and we are confident in our ability to address it and achieve profitable growth. We will continue investing in new technologies to remain at the forefront of the industry and deliver innovative solutions. Equally important to us is the commitment towards environment, social and governance aspects. We are dedicated to incorporating ESG principles at the core of all that we do, ensuring a future that is sustainable, equitable and inclusive. By embracing these principles, we aim to create value for all stakeholders.

We express our sincere gratitude to all stakeholders for being our strength. Together, we will navigate the evolving landscape, seize opportunities, and build a brighter future.

With warm regards,

**Nehal Shah**

Executive Director



## Message from the CEO Global

# Scaling Global Excellence



### Dear Shareholders,

FY 2022-23 has been a fantastic year. Even as the IT industry faced some challenges due to weakness in global economies including the US, our international business registered a healthy growth and made meaningful progress.

Our performance comes on the back of exceptional efforts by the team to expand global presence and enhance technology capabilities. We added 25+ new client logos and won several large deals, including in the markets of Japan, Brazil, and China, where we ventured just a year ago. This is a clear reflection of growing trust and confidence that leading global companies have placed in us. Our India business has also been growing very well, driven by addition of large customers, several smart city projects and path-breaking projects in cybersecurity and digital transformation.

Our ADiTaaS platform continues to make inroads for its versatility. Seven global brands have signed deals with us for using it as their technology platform. ADiTaaS is fast shaping up to be an AIOps platform, which can help clients enhance efficiencies in IT and enterprise operations.

### BUILDING FOR THE FUTURE

Continuing with our global expansion strategy, this year we have successfully entered the Mexico market, strategically positioning ourselves to provide excellent near-shore services to our US clients. The move will also be critical in mitigating inflation challenges in the US, and help us keep delivery costs in control.

Cybersecurity and Integrated Solutions businesses (including smart cities) have significant potential in the US market. Dedicated efforts are being taken to expand these businesses, aiming to

generate new opportunities and explore new business from existing partners and clients. Our cloud business is accelerating with our broader skills in DevOps, low-code/no-code platforms and our augmented skills in Artificial Intelligence. We continue to strive for excellence in service delivery and governance, scaling newer industry benchmarks.

We are happy to welcome 600 plus talents to our organisation, including 20+ in the leadership roles. This strategic move significantly scales our resource strength, and will empower us to meet growing demand, while ensuring high-quality service governance. Furthermore, we have forged partnerships with several large corporations globally, along with efforts to integrate technology delivery and pre-sales platforms with them. The move will help strengthen long-term relations, and create opportunities for seamless business growth and enhanced service governance.

We are also constantly embracing and investing in new technologies like AI, cybersecurity and cloud. By leveraging these, we can deliver state-of-the-art services and solutions to our clients. These efforts have strengthened our position and reputation as a trusted industry leader.

### CLOSING COMMENTS

Going ahead, we expect the global economy to take some time to recover. Despite this, there is immense optimism in the IT industry, considering its strategic importance in driving competitiveness through business transformation and cost efficiency. We are confident in our ability to deliver on the clients' needs. Our current funnel for large deals is strong, giving us revenue visibility.

To drive business growth, we have identified a clear roadmap across our six technology practice areas which are being proactively pursued. We will be focussed on:

- Expanding global presence to win new clients
- Develop innovative and optimised service delivery models to remain competitive
- Early technology adoption to build new solutions for digital transformation
- Building new partnerships and strengthening existing relationships
- Inducting new leadership to ensure high-quality service governance

Regards,

**Paresh Shah**

Global Chief Executive Officer

## Message from the CEO ISG

# Taking Integrated Solutions to the Next Level



## Dear Shareholders,

FY 2022-23 has been an impressive year for Allied Digital's Integrated Solutions Group as we consolidated our presence and embarked on strategic initiatives to drive long-term growth.

During the year, we successfully won five Smart/Safe City projects. Lucknow Safe City project and Solapur Smart City project were won as sole bidders, and Punjab Municipal Infrastructure Development Corporation (PMIDC) Smart City project comprising Amritsar, Jalandhar and Sultanpur Lodhi cities was won in consortium. The execution of these projects is in full swing, and expected to complete by October 2023.

Happy to note, that we have successfully established ourselves as a leading Master Systems Integrator (MSI), capable of efficiently executing complex projects. We excel in setting-up of a comprehensive pan-city IT infrastructure, supported by various systems such as AI-powered video surveillance analytics, environmental sensors, public address systems, etc. Our expertise extends to commissioning Integrated Command & Control Centre with real-time, 24x7 actionable information and cockpit video view of the entire city. We further have strong relations with various stakeholders including technology OEMs, contractors and telecom service providers, along with dedicated engineers, experienced project implementation and support teams. This ensures seamless execution.

Empowered by these, we have successfully completed seven Safe/Smart City projects, with another five under execution. Beyond government, we have a strong foothold in the enterprises segment as well. We cater diverse application needs including physical safety automation, vehicle tracking and behaviour analysis, helping them drive productivity. IoT is a major component in such solutions including analytics, AI, cloud computing platforms and edge level computing.

Very few companies possess such experience and expertise. We look to further consolidate our competencies by proactively embracing emerging technologies such as AI/ML which have become vital for automation, including for Physical Security Automation and Smart City.

It is a matter of pride that Allied Digital is today attractively positioned as the country's leading MSI. Given that most upcoming Smart City projects involve appointment of an MSI to spearhead the entire project, we have a competitive edge as a frontrunner. These projects are typically long-term contracts, and will offer the advantage of predictable cash flows.

Looking beyond India, we have initiated steps to expand MSI business in the US market, which has industry-defined codes for each set of solution/products. We have successfully registered with System for Award Management, which makes us eligible to participate in US Government's MSI opportunities such as Smart/Safe City and Intelligent traffic management. Further, we have become a member of Managed Body that comprises OEMs, customers (users), systems integrators and contractors, opening opportunities for collaborative bidding.

In closing, we are greatly satisfied with the success. Winning 12 Smart City projects is a testament to the growing strength of our MSI business in India. With focus on developing this business in the US, a significant increase in MSI business is assured. Overall, we are poised for greater achievements as we continue to expand and excel.

### Jawahar Ali

Chief Executive Officer ISG

## Key leader speak

# Insights from our Leaders



**GOPAL TIWARI**  
Chief Financial Officer

“FY 2022-23 was challenging for the entire IT sector, and Allied Digital was no exception. However, commitment shown by the team resulted in various positive developments and progress on strategic initiatives. We achieved resilient cash flow performance and strengthened

our liquidity position. Throughout the year, we maintained a strong focus on financial discipline and robust corporate governance while managing costs in line with business growth.

Overall top line for the Group grew by a remarkable 36% in FY 2022-23, translating into a 3-year CAGR of ~30%. EBITDA grew substantially from INR 70.04 Cr in the previous year to INR 88.31 Cr. The profit after tax (PAT) from continued operations, excluding extraordinary income, also exhibited a notable increase of 44%.

During the year, we made a strategic decision of discontinuing the business of selling IT hardware and peripherals. This business was capital intensive and characterised by low margins. The exit will help free-up valuable resources,

which can be allocated to other areas holding greater potential for growth and profitability. Consequently, we have created sufficient provisions for non-recoverable receivables and advances related to such discontinued business.

We are happy that our diligent efforts and financial stability have been recognised by an independent credit rating agency. They have graciously upgraded our debt rating to BBB. This solidifies our position as a trustworthy and reliable entity.

We extend heartfelt gratitude to all stakeholders for their invaluable support in our success. We remain committed to delivering value and sustainable growth for our investors and all other stakeholders.”



**KAPIL MEHTA**  
COO & CFO  
Allied Digital Services LLC, USA

“Allied Digital Services LLC, USA delivered an outstanding performance in FY 2022-23. Our revenue grew substantially by 14.61%, a testament to the team’s unwavering dedication and hard work in delivering exceptional services to our esteemed customers. This remarkable growth has

solidified our market position and further propelled our success.

Exciting developments spanned through the year. Notably, new subsidiaries that were established in key markets of Japan, China, and Brazil, have broadened our worldwide presence and are beginning to unlock newer opportunities in emerging markets. By adopting lean methodologies, we have optimised cost-effectiveness and maximising operational efficiency. Additionally, we are investing in ‘Automation’ and ‘Generative AI’ technologies to maintain our competitive edge.

Labour shortage and high inflation have impacted the US economy, and our Company. However, proactive measures like cost-control initiatives and judicious price adjustments helped mitigate these challenges. We are also mindful of the concerns relating to the banking crisis that emerged and its potential impact on

the broader economy. Rest assured, we remain well-insulated due to prudent risk management practices and a diversified portfolio. All our contracts remain active. We have also taken measures to safeguard funds in our US bank accounts, by bringing them under Federal Deposit Insurance Corporation and availing services of IntraFi, a leading provider of deposit insurance solutions.

All said, we are strongly positioned. We remain steadfast in creating value for our shareholders, customers, and employees. With your continued trust and confidence, we eagerly anticipate another year of exceptional growth and prosperity.

Thank you for your unwavering support!”



**SUNIL BHATT****CTO, Allied Digital Services LLC, USA**

"Allied Digital Services, a trailblazer in comprehensive IT services and solutions, continues to redefine industry standards by delivering cutting-edge technologies and solutions that drive measurable client benefits. With a focus on innovation and client-centricity, Allied Digital Services has enhanced its Cloud Services portfolio, intensified its cybersecurity practice, launched Master Integration Services (MSI), and revolutionised Digital Workplace services, showcasing its commitment to innovation and shareholder value.

In response to the evolving needs of businesses, Allied Digital Services has expanded its Cloud Services portfolio, now encompassing Hybrid cloud, Edge computing, AI-based Automation, Serverless computing, and IoT solutions. These technologies enable businesses to leverage the power of the cloud, streamline operations, and achieve significant cost savings, while unlocking new levels of agility and scalability.

To address the growing concerns around cybersecurity, Allied Digital Services has introduced AIM 360, an end-to-end cybersecurity practice in the USA. With a focus on Identity and Access Management (IDAM), Secure Access Service Edge (SASE), Endpoint Detection and Response (EDR),

ZeroTrust, and Threat management, Allied Digital Services ensures that businesses can operate securely, protect their valuable assets, and mitigate potential risks, thereby delivering tangible benefits to clients.

Allied Digital's ADiTaaS software (PinkVerify certified) is continuing its upward trend, as many large global brands are adopting the low-code/no-code conversational AI based SaaS platform as key enterprise service orchestration software. We are further innovating the platform with trending technologies in functionalities as well as Generative AI and enhanced analytics.

Building upon the success of its MSI business in India, Allied Digital Services has launched Master Integration Services (MSI) in the USA. This offering provides IoT Smart solutions to State, Local, and Education (SLED) customers, enabling them to harness the power of IoT, drive innovation, and optimise their operations, resulting in increased efficiency and improved outcomes.

Moreover, Allied Digital Services has transformed Digital Workplace services by leveraging innovative zero-touch solutions. By harnessing the power of AI Agent, Smart Kiosks, and Augmented Reality (AR), businesses can create modern, intelligent work environments that enhance collaboration, boost productivity, and elevate the employee experience.

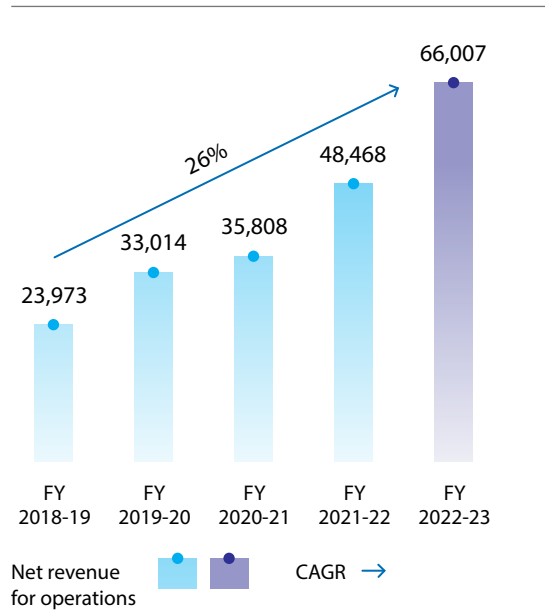
In its unwavering commitment to excellence and innovation, Allied Digital Services has also made significant investments in training and certifications for innovative technologies. By continuously upskilling its workforce, the company remains at the cutting edge of the industry, enabling it to deliver the highest quality services and solutions to clients.

These remarkable advancements showcase Allied Digital Services' dedication to driving innovation and delivering value to its shareholders. With an enhanced Cloud Services portfolio, intensified cybersecurity practice, MSI expansion, revolutionary digital workplace solutions, and continuous investments in training, the company continues to empower businesses with groundbreaking technologies and measurable benefits."

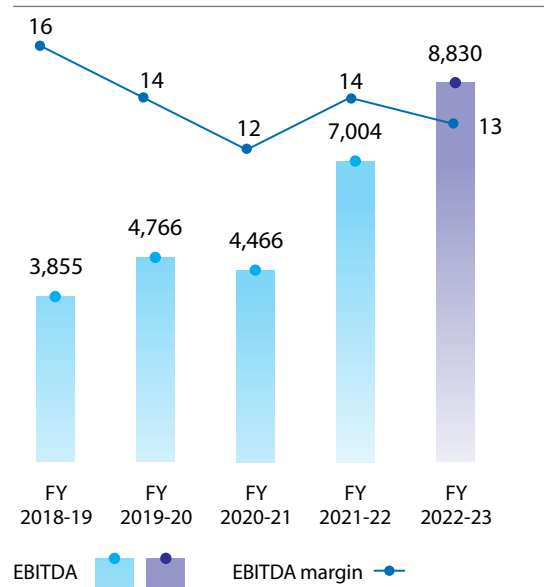
## Key performance indicators

# Charting a path of unprecedented growth

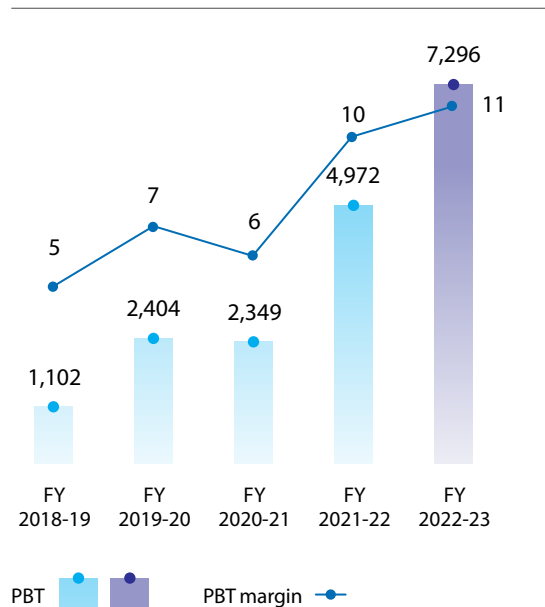
**Net revenue from operations  
(INR Lakhs)**



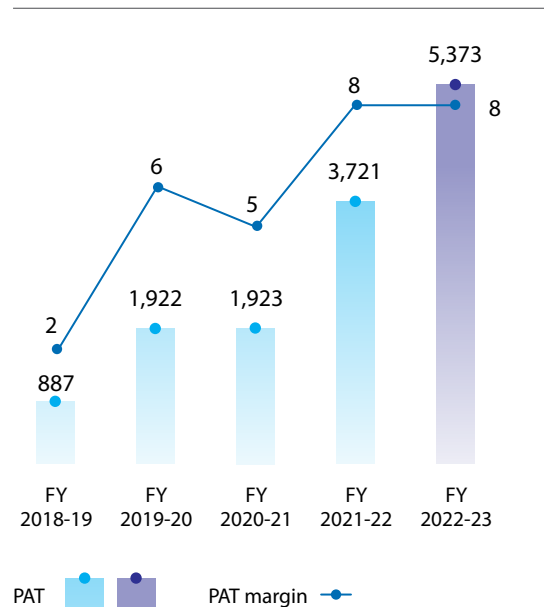
**EBITDA and EBITDA margin  
(INR Lakhs) and (%)**



**Profit before tax\* (PBT)  
(INR Lakhs)**



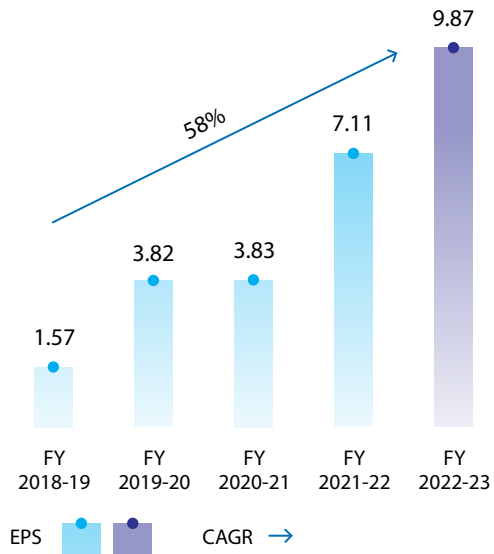
**Profit after tax\* (PAT)  
(INR Lakhs) and (%)**



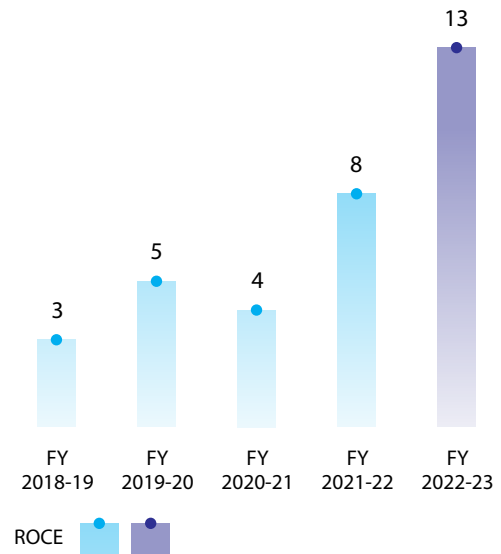
\* Excluding exceptional income & discontinued operations

\* Excluding exceptional income & discontinued operations

**Earnings per Share (EPS)  
(INR)**



**Return on Capital Employed (ROCE)  
(%)**





## Board of Directors

# Guided by Visionary Leadership



### **NITIN SHAH**

#### **Chairman and Managing Director**

Mr. Nitin Shah is a pioneer in India's IT revolution, with a career spanning 45 years. He has successfully led the company through various challenges and is currently planning for "creative disruption" in Version 6.0. He holds a degree in Electrical Engineering and a PG Diploma in Computer Management.



### **NEHAL SHAH**

#### **Director**

Mr. Nehal Shah is a member of the Executive Management Team and leads strategic and operational governance processes of the business. He has over 14 years of experience. He holds Bachelor's degree in Engineering from University of Mumbai and Diploma in Computer Technology from Maharashtra State Board of Technical Education.



### **SUNIL BHATT**

#### **Director**

Mr. Sunil Bhatt has been with Allied Digital Group for 25 years, with expertise in technology innovation, strategy, business development, product development, solution selling, go-to-market, and customer success. He is a member of the core management group at Allied Digital and currently serves as the Chief Technology Officer at Allied Digital Services, LLC, USA.



### **TEJAL SHAH**

#### **Director**

Mrs. Tejal Prakash Shah has 25+ years of experience in Finance, Operations, and Marketing. She holds a bachelor's degree in commerce from Mumbai University. She actively participates in social activities, focussing on the betterment of the elderly, children's health and safety, and women's empowerment. She is involved with various NGOs dedicated to these causes.



### SHRIKANT PARIKH

#### Non-Executive - Independent Director

Dr. Shrikant Parikh is a B.E. in Electrical Engineering from University of Mumbai, Ph.D. in Computer Science from Southern Methodist University, M.S. in Computer Science and Engineering from University of Texas, and PMP certified from Dallas. He has 25 years of IT experience with 33 international patents in industrial research.



### MILIND KAMAT

#### Non-Executive - Independent Director

Mr. Milind Kamat is a Ph.D. candidate at University of Bradford, UK, faculty in Information Management and Analytics, and Chairperson of the Global Management Program at SPJIMR. He has 35 years of experience as a senior industry executive, including CEO of Atos India and EVP of Atos Group.



### SWANUBHUTI JAIN

#### Non-Executive - Independent Director

Mrs. Swanubhuti Jain holds a Post Graduate Diploma in Sales and Marketing Management from NMIMS and MA from Mumbai University. She has previously worked in organisations such as Accenture, ICICI Prudential, and Birla Sun Life Insurance with roles in business development, client relationship management, marketing strategy, lead generation and sales, and quality operations.



### SHAKTI LEEKHA

#### Non-Executive - Independent Director

Mr. Shakti Leekha is a business leader, business advisor, author and speaker who has expertise in driving business transformation through differentiated and market-leading strategies. He has 24 years of experience in business development and management in multinationals with expertise in energy efficiency, security, life safety, renewables, smart cities/IoT, and professional lighting products and illumination projects.



### ANUP KUMAR MAHAPATRA

#### Non-Executive – Independent Director

Mr. Anup Kumar Mahapatra is a B.Sc. in Agriculture from Odisha University of Agriculture and Technology. He has 34+ years of experience in the banking sector with strong knowledge in business, operations, credit, and international banking.

## Management team

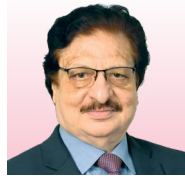
# Led by a Dynamic Leadership Team



### **PARESH SHAH**

#### **Global CEO**

Mr. Paresh Shah has 30+ years of experience in IT Applications, Infrastructure, and enterprise business processes, and has won several large outsourcing and systems integration projects. He advises customers, forms strategic partnerships and provides enterprise system integration solutions.



### **JAWAHAR ALI**

#### **CEO – Integrated Solutions Group**

Mr. Jawahar Ali has over 40 years of experience in IT & Physical Security. He has travelled globally for thought leadership forums, conferences, and seminars on technology and security, and has actively participated in consultation and deployment of large-scale security solutions in sensitive environments and key threat areas worldwide.



### **GOPAL TIWARI**

#### **CFO**

Mr. Gopal Tiwari is a qualified Chartered Accountant and Company Secretary. He has over 32 years of diverse experience in finance, strategic planning, secretarial, taxation, treasury and corporate development. He has worked with various corporates across industries and possesses extensive domain knowledge.



### **KAPIL MEHTA**

#### **CFO & COO (USA)**

Mr. Kapil Mehta has 25 years of diverse experience. He leads the Company's overall operations, business partnering, corporate finance and accounting, reporting and analysis, governance, international taxation, HR, talent management, legal, M&A and risk management.



### **MANOJ SHAH**

#### **Chief Information Officer**

Mr. Manoj Shah is a founding and core member of the Allied Digital management team, associated with the Company since its inception. He has over 33 years of experience in the IT industry. He is involved in business strategy planning and execution and has executed several large complex projects.



### **JAI VENKAT**

#### **Chief Growth Officer**

Mr. Jai Venkat brings more than 32 years of experience in sales, solutions development, operations, business transformation (leveraging emerging technologies) and service delivery. He has held senior Executive Leadership roles at Zones LLC, DXC Technology, HP Enterprise, Cognizant, Capgemini, and Infosys.



### **UTPAL CHAKRABORTY**

#### **Chief Digital Officer**

Mr. Utpal Chakraborty is a data scientist, AI researcher, strategist, and thought leader with over 20 years of industry experience. He has held roles as a principal architect in L&T Infotech, IBM, Capgemini and other MNCs, and also headed the Artificial Intelligence division of YES Bank.



### **ROHAN SHAH**

#### **VP Business Development**

Mr. Rohan Shah has a Bachelor's of Science in Computer Science from the University of Illinois, Urbana-Champaign. He led business development and solutions efforts, driving growth through consultative sales for various enterprises and public sector initiatives. He was previously a Software Developer at IBM and received the Outstanding Technical Achievement Award.



### **SAIR MUHAMMAD**

#### **EVP – Sales**

Mr. Sair Muhammad is responsible for business in the Americas. He has over 15 years of experience in client relationship management for various IT service providers such as HCL, Infosys, and Microland. He has expertise in IT Infrastructure Services in diverse domains including service provider strategy, service support, service delivery, production support, among others.



### **SUNIL NAIR**

#### **Business Head**

Mr. Sunil Nair has over 20 years of IT sales experience with an expertise in relationship cultivation. He is a senior sales leader with a successful track record of creating multi-million-dollar deals and securing long-term contracts with top businesses. He is highly knowledgeable in technology trends, driving revenue gains and cultivating relationships with prospects and existing customers while maintaining strong partnerships with OEMs.



### **ASHISH RAGHUTE**

#### **SVP - IT**

Mr. Ashish Raghute has been leading the cloud, infrastructure, cybersecurity, and applications practices and delivery since 2009. He has previous experience as CIO of a multi-division Fortune 500 RV company and as a Principal at IBM and PwC. He has successfully delivered ERP, CRM, E-Commerce, and OSS projects for AT&T, Sony and Verizon among others.



### **FRED PARLATO**

#### **Client Solutions Director**

Mr. Fred Parlato is an Atlanta-based Client Solutions Director who joined Allied Digital in 2010. He has a proven track record in sales, channel, and business development focussing on infrastructure solutions, applications management, asset management, cloud services, security, and end-user computing. He is known for his consistent ability to close new business deals.



### **HUBERT WONG**

#### **SVP, Service Ops**

Mr. Hubert Wong is a proven strategic thinker and leader with 20+ years of experience in IT. He has expertise in efficiently aligning employees with organisational goals. He has experience in private organisations, public entities, and higher education institutions.



### **DEBBIE ROA**

#### **Senior Delivery Manager**

Mrs. Debbie Roa manages the Delivery and Technical teams for RIMM, EM, PS and GSD lines of business. She has previously worked as senior Business Analyst at a multi-division Fortune 500 RV Company, Fleetwood Enterprises, and as Global Business Analyst at VeriFone and Hewlett Packard.



### **BRADLEY MOORE**

#### **Senior Ops Manager**

Mr. Bradley Moore is a result-driven IT professional. He understands the value of customer intimacy and the role of a trusted advisor. He successfully implements modernised and leading-edge Global Service Desk solutions for partners and customers.



### **NEHA BAGLA**

#### **Company Secretary**

Ms. Neha Bagla is a qualified Company Secretary and holds a Bachelor degree of Law. She plays a significant role in legal, governance, investor relations, compliance and corporate affairs of the Company. She has deep knowledge and understanding of corporate laws, statutory and regulatory compliances.



# Awards and Recognitions



**ET Best Brands 2022**  
by Economic Times  
Mumbai



**Inspiring Achievers Award, Istanbul 2022**  
to CMD Nitin Shah



**Best ESG Initiative to improve cities/ communities 2023**  
By Transformance Forums



**SME Inspire Awards 2023**  
By NASSCOM



**Best Digital Innovation of the Year 2022**  
by UBS Forums  
Mumbai



**Award for Talent Management**  
by World  
HRD Congress,  
2023

# Notice

**NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ALLIED DIGITAL SERVICES LIMITED WILL BE HELD ON THURSDAY, AUGUST 17, 2023 AT 03:00 P.M. (IST) THROUGH VIDEO CONFERENCING (“VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:**

## **ORDINARY BUSINESS:**

1. To consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and the Statutory Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Statutory Auditors thereon.
2. To declare final dividend on equity shares of the Company for the Financial Year 2022-23.
3. To appoint a director in place of Mr. Nehal Nitin Shah (DIN: 02766841), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

## **SPECIAL BUSINESS:**

### **4. To approve appointment of Mrs. Tejal Prakash Shah (DIN: 02766902) as Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), and pursuant to Regulation 17, sub-regulation (1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), 2015, Articles of Association of the company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company the approval of the Members of the Company be and is hereby accorded for appointment of Mrs. Tejal Prakash Shah (DIN: 02766902), as an Executive Director of the Company for a period of three (3) years from May 25, 2023 to May 24, 2026 liable to retire by rotation on such

terms and conditions including remuneration as set out in the explanatory statement as stated hereunder.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter/modify/vary terms of appointment of Mrs. Tejal Prakash Shah, from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the company and / or Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things and sign and file all such papers, documents, forms and writings as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

### **5. To approve material related party transaction(s) for sale, purchase or supply of any goods or materials and availing or rendering of any services between the Company and Allied Digital Services, LLC, USA:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other relevant provisions of the Companies Act, 2013 (“Act”), if any, Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, to the extent applicable, and the Regulation 23 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including, any statutory modification(s) or amendment thereto or re-enactment thereof); the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time and the Company’s Policy on Related Party Transactions (“RPT”), basis the recommendation and approval of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “Board”, which term shall include any duly authorized Committee constituted by the Board) for executing and/ or renewing contracts/ transactions or continuing the obligations under previous contracts/agreements for

- a) sale, purchase or supply of any goods or materials and
- b) availing or rendering of any services

between the Company and Allied Digital Services, LLC, USA (a subsidiary of the Company and a ‘Related Party’ under section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations), for a period of one year from the date of

approval of the members, and up to a maximum aggregate value of INR 50 Crores (INR Fifty Crores only) and INR 150 Crores (INR One Hundred Fifty Crores only) respectively for the purpose mentioned at (a) and (b), plus applicable taxes during the period, in the ordinary course of business of the Company and at arm's length basis on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and Allied Digital Services, LLC, USA.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to enter into the abovementioned contracts / transactions / arrangements and to execute, deliver and perform all such transaction documents, contracts, deeds, undertakings and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals, if any from the relevant authorities and third parties, including governmental authorities and lenders; to suitably inform and apply to all the concerned authorities, including in respect of the requirements of the Central and/ or State Government(s) and/ or local authorities; and to take all necessary steps in the matter as it may deem necessary, desirable or expedient, to give effect to the above resolution and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers or authorities herein conferred by this resolution to any Committee of Board and/ or Board(s) and/ or official(s) of the Company/ or any other Officer(s)/Authorized Representative(s) or any other person(s) so authorized by it, or to engage any advisor, consultant, agent or intermediary as deemed necessary by the Board in accordance with applicable laws and to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be considered necessary or expedient to give effect to the aforesaid resolution."

By Order of the Board of Directors  
For **Allied Digital Services Limited**

**Nitin Dhanji Shah**

Place: Mumbai  
Date: May 25, 2023

Chairman and Managing Director  
DIN: 00189903

**Registered Office:**

Premises No. 13A, 13<sup>th</sup> Floor, Earnest House,  
NCPA Road, Block III, Back bay Reclamation,  
Nariman Point, Mumbai 400 021  
CIN: L72200MH1995PLC085488  
Website: www.allieddigital.net  
Email: investors@allieddigital.net  
Tel: +91 22 6681 6400  
Fax: +91 22 2282 2030

**NOTES:**

**GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 29<sup>TH</sup> AGM THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO VISUAL MEANS ("OAVM") FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING:**

1. In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Ministry of Corporate Affairs ('MCA') has vide its circular no. 14/2020 dated April 8, 2020, circular no.17/2020 dated April 13, 2020 followed by circular no. 20/2020 dated May 5, 2020 and circular no. 02/2021 dated January 13, 2021, circular no. 2/2022 dated May 5, 2022 and the latest being circular no. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time (collectively referred to as "**MCA Circulars**") and Securities and Exchange Board of India vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD1/CIR/P/ 2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and the latest being SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and other applicable circulars issued in this regard (collectively referred to as "**SEBI Circulars**"), have allowed the Companies to conduct Annual General Meeting through VC or OAVM till September 30, 2023 without physical attendance of the Members at a common venue.

In accordance with the above MCA Circulars and SEBI Circulars, provisions of the Companies Act, 2013 ("**the Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") the 29<sup>th</sup> Annual General Meeting ('**AGM**') of the Company is being held through VC/ OAVM on Thursday, August 17, 2023, at 03:00 p.m. (IST). The deemed venue for the AGM shall be the Registered Office of the Company.

An Explanatory Statement pursuant to Section 102(1) of the Act stating out material facts relating to the Special Business appearing at item nos. 4 to 5 of the accompanying Notice, to be transacted at the AGM is annexed hereto. Further, the relevant details with respect to Item No. 3 to 4 pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment and/or reappointment at this AGM are also annexed.

2. Pursuant to General Circular no. 10/2022 Affairs dated 28<sup>th</sup> December, 2022, General Circular no. 20/2022 dated 5<sup>th</sup> May, 2020 issued by the Ministry of Corporate read with SEBI Circular dated January 5, 2023, relaxation has been granted to the Companies, with respect to printing and dispatching physical copies of the Annual Reports and Notices to members. Accordingly, the Company will only be sending

soft copies of Notice of the 29<sup>th</sup> AGM along with the Annual Report 2022-23 via e-mail, to the members whose e-mail ids are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/Depository unless any member has requested for a physical copy of the same.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice.
4. Institutional/Corporate 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. authorizing its representatives to attend the AGM and authorized to vote, to the Scrutinizer by e-mail to hsk@rathiandassociates.com with a copy marked to evoting@nsdl.co.in and investors@allieddigital.net. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
5. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
6. The Notice calling the AGM along with the Annual Report 2022-23 will also be available on the website of the Company at www.allieddigital.net, the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of National Securities Depository Limited ("NSDL") www.evoting.nsdl.com
7. All the Documents referred to in the accompanying Notice along with the Explanatory Statement shall be made available for inspection through electronic mode, basis on the requests received on investors@allieddigital.net.
8. During the AGM, the registrar of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of contracts with related party and contracts and Bodies etc. in which directors are interested under Section 189 of the Act and the Certificate from Secretarial Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 and in accordance with the resolutions passed by the Company in the respective general meetings under Regulation 13 shall be available for the Inspection at the NSDL e-Voting system at www.evoting.nsdl.com.
9. In compliance with the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the MCA Circulars, read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on relating to e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote only through their demat account maintained with Depositories and Depository Participants. The Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting at the AGM will be provided by NSDL.
10. The final dividend, as recommended by the Board of Directors, if approved at the ensuing AGM, the payment of such dividend subject to deduction of tax at source will be made on or before **Friday, September 15, 2023**, as under:
  - (a) To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company till the closure of business hours on **Thursday, August 10, 2023**.
  - (b) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", till the closure of business hours on **Thursday, August 10, 2023**.
11. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from **Friday, August 11, 2023**, to **Thursday, August 17, 2023** (both days inclusive) for AGM and determining the names of members eligible for dividend on equity shares for the financial year 2022-23.
12. The Company has fixed **Thursday, August 10, 2023**, as the "**Record Date**" for determining entitlement of Members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.
13. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF



Rules”), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), members are requested to note that, dividends if not encashed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (‘IEPF’). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

14. Members are requested to intimate changes if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

- a) **For shares held in electronic form:** to their Depository Participants (DPs)
- b) **For shares held in physical form:** to the Registrar and Transfer Agent (‘RTA’) of the Company i.e. Link Intime India Private Limited in prescribed Form ISR-1. A copy of Form ISR-1 is available on the website of the Company at [www.allieddigital.net](http://www.allieddigital.net) and also on the website of the Company’s RTA i.e. <https://web.linkintime.co.in/KYC-downloads.html>
- c) Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4. It may be noted that any service request can be processed only after the folio is KYC Compliant. A copy of Form ISR-4 is available on the website of the Company at [www.allieddigital.net](http://www.allieddigital.net) and also on the website of the Company’s RTA i.e. <https://www.linkintime.co.in>

In terms of Regulation 40(1) of Listing Regulations, as amended from time to time all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company’s RTA for assistance in this regard.

15. Members may please note that SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated submission of PAN, KYC details and nomination of holders of physical securities. Accordingly, members are requested to submit their PAN, KYC details and nomination of holders of physical securities to the

The Company through its RTA has also issued letter to those members whose above mentioned details are not updated on May 13, 2023

The folios of those members who fails to furnish any one of the above-mentioned details to the Registrar and Transfer Agents of the Company viz. Link Intime on or before October 1, 2023, shall be frozen by the RTA.

- 16. As per the provisions of section 72 of the Companies Act, 2013 and the SEBI Circular mentioned in the earlier paragraph, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or Form No. SH-14 as the case may be. Copies of the above forms are available on the website of the Company at [www.allieddigital.net](http://www.allieddigital.net) and also on the website of the Company’s RTA: i.e. <https://web.linkintime.co.in/KYC-downloads.html>
- 17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
- 18. Members seeking any information with regards to the financial statements or any matter to be placed at the AGM, may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [investors@allieddigital.net](mailto:investors@allieddigital.net). The same will be replied by the Company suitably.
- 19. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
- 20. To support the ‘Green Initiative’, members who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with the Company’s RTA in case the shares are held by them in physical form.

21. The Members can join the AGM in the VC/OAVM mode 15 minutes before 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 1,000 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.
22. The Company has made special arrangement with the RTA for registration of e-mail addresses in terms of the MCA Circulars for members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically. Eligible members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to RTA on or before 5:00 p.m. IST on Monday, July 18, 2023 pursuant to which, any member may receive on the e-mail address provided by the member the Notice of this AGM along with the Annual Report 2022-23 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting. Further any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Thursday, August 10, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, August 10, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

**A. Process for registration of email id for obtaining Annual Report and user id/password for e-Voting and updation of bank account mandate for receipt of dividend:**

**a. Process for registration of email id**

Physical Holding	Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a> and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number, e-mail ID, and also upload the image of share certificate and a duly signed request letter (up to 1 MB) in PDF or JPEG format.
For Permanent Registration for Demat shareholders	Members are requested to register their e-mail address with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.
For Temporary Registration for Demat shareholders	Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a> and follow the registration process as guided therein. Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail ID, and also to upload a duly signed request letter (up to 1 MB) in PDF or JPEG format.

Alternatively, Members whose e mail IDs are not registered may send an e-mail request to [e-Voting@nsdl.co.in](mailto:e-Voting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned above.

**b. Process for registration of Bank Account Details**

Physical Holding	Members are requested to register their e-mail address with Link Intime India Private Limited, by clicking the link: <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a> and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id along with the copy of the cheque leaf with the first named members name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code and a duly signed request letter in PDF or JPEG format.
Demat Holding	Members are requested to register their bank details with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

On submission of the details for registration of email id / bank account an OTP will be received by the Member which needs to be entered in the link for verification. In case of any query, a Member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

You are requested to register your e-mail address/ Bank Details with Link Intime India Private Limited, by clicking the link:

[https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html)

## **B. Communication in respect of deduction of tax at source on Final Dividend payout:**

Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

No tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the Financial Year does not exceed INR 5,000.

A resident individual shareholder holding PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents.

The shareholders are requested to update their PAN with the Company's Registrar and Transfer Agent (in case of shares held in physical mode) and with relevant depository participant (in case of shares held in demat mode). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

The tax exemption form can be downloaded from URL <https://www.linkintime.co.in/client-downloads.html> On this page select the General tab and the forms are available under the head "Form 15G/15H/10F"

The requisite tax exemption forms are required to be uploaded on the URL <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

## **E-voting:**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), MCA Circulars and the SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company is providing its members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means (by using the electronic voting system provided by NSDL) either by remote e-Voting prior to the AGM or by remote e-Voting during the AGM. Instructions for members for attending the AGM through VC/OAVM are explained below.

The members can opt for only one mode of e-Voting i.e. either prior to the AGM or during the AGM. The members present at the Meeting through VC/OAVM who have not already casted their vote by remote e-Voting prior to the Meeting shall be able to exercise their right to cast their vote by e-Voting during the Meeting. The members who have casted their vote by remote e-Voting prior to the AGM are eligible to attend the Meeting but shall not be entitled to cast their votes again.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

The remote e-Voting period begins on **Monday, August 14, 2023 at 09:00 A.M. (IST) and ends on Wednesday, August 16, 2023 at 05:00 P.M. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The members, whose names appear in the Register of Members/Beneficial Owners as on the record date ("**cut-off date**") i.e. **Thursday, August 10, 2023**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Thursday, August 10, 2023**.

The Board of Directors have appointed Mr. Himanshu S. Kamdar, (Membership No. FCS 5171 and CP No. 3030) of M/s. Rathi & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the entire e-Voting process in a fair and transparent manner.

**INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

**Step 1: Access to NSDL e-Voting system****A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select "Register Online for IDeAS" Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.





Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**IMPORTANT NOTE:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available on the abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode, for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode

### and shareholders holding securities in physical mode.

#### 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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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'.
  - 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:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on: [www.evoting.nsd.com](http://www.evoting.nsd.com).
- 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 etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 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 [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investors@allieddigital.net](mailto:investors@allieddigital.net). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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.: 1800-1020-990 and 1800 22 44 30 or send a request to Pallavi Mhatre, Senior Manager 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 email 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 [investors@allieddigital.net](mailto:investors@allieddigital.net)
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 [investors@allieddigital.net](mailto:investors@allieddigital.net). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### 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 cast 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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member 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.
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 or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DPID and Client ID/folio number, PAN, mobile number at investors@allieddigital.net. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM.

The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board of Directors  
For **Allied Digital Services Limited**

**Nitin Dhanji Shah**

Chairman and Managing Director

DIN: 00189903

Place: Mumbai  
Date: May 25, 2023

**Registered Office:**

Premises No. 13A, 13<sup>th</sup> Floor, Earnest House,  
NCPA Road, Block III, Back bay Reclamation,  
Nariman Point, Mumbai 400 021  
CIN: L72200MH1995PLC085488  
Website: www.allieddigital.net  
Email: investors@allieddigital.net  
Tel: +91 22 6681 6400  
Fax: +91 22 2282 2030



## EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

Mrs. Tejal Prakash Shah as Director was appointed by the board members at their Meeting held on May 25, 2023, for a period of three (3) years from May 25, 2023, to May 24, 2026 based on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company along with the Board of Directors reviewed the terms and conditions of the appointment of the Mrs. Tejal Prakash Shah as a Director of the Company. The principal terms are as follows:

**Basic Salary/Fixed Remuneration:** INR 1,00,00,000 per annum for the said tenure up to May 24, 2026. However, the same may be revised subject to recommendation by the Nomination and Remuneration Committee and approval of the Board of Directors and the Members of the Company;

**Variable Remuneration:** In addition to the fixed Remuneration, the Director shall also be entitled for the below mentioned variable remuneration:

Commission payable against overall performance of the company, and/or against Management Fees receivable from Allied Digital Services LLC, USA, subsidiary Company as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time however the payment of total variable Remuneration to the Director at any time shall not exceed 200% of the total annual fixed Remuneration. The detailed calculation, modalities and justification for payment of such variable Remuneration shall be approved by the Board of Directors from time to time;

**Perquisites:** The Director, as per recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, shall also be entitled for such allowances/perquisites during her tenure viz.:

- Reimbursement of expenditure or allowances in respect of rent-free furnished accommodation owned, Leased or rented by the company or House Rent Allowances in lieu thereof;
- Repairs and maintenance of accommodation including furniture's, fixtures and furnishings and provision of gas, electricity and water;
- Medical reimbursement, health insurance premium, group personal accident insurance;
- Telephone facility at residence, mobile phone;
- Leave travel concession for herself and her family;
- Fees for two clubs;
- Annual fees for two credit cards;
- Company's car with a driver, petrol and maintenance, and

- Any other reimbursements, allowances, or perquisites in terms of the company's Rules.

"Family" mentioned above means the spouse, dependent parents and dependent children of the Director as mentioned in the applicable Rules or Schemes.

The Director shall also be entitled for Perquisites not forming part of the basic salary for the purpose of computation of the Director's remuneration or perquisites viz.:

Company's contribution to Provident Fund and Superannuation Fund or annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 and pursuant to the provisions of the Companies Act, 2013 read with the relevant rules made thereunder.

Gratuity payable at rate a not exceeding half month's salary for each completed year of service pursuant to the provisions of the Companies Act, 2013 read with the relevant rules made thereunder.

Encashment of leaves at the end of tenure as per the Rules of the Company. Perquisites shall be evaluated as per the applicable provisions of the Income Tax Act along with its relevant rules.

The aforesaid terms of appointment of Mrs. Tejal Prakash Shah, Director, presently requires the approval of the Shareholders pursuant to Section 197 of the Companies Act, 2013 read with Regulation 17, sub regulation (1C) of the Listing Regulations. The Board accordingly recommends the resolutions to be passed as special resolution, set out at item no. 4 of the accompanying notice, your approval is sought for the same. Disclosure required under Schedule V of the Companies Act, 2013 is set out as the "**Annexure-A**" to this Notice.

The required details including a brief profile of Mrs. Tejal Prakash Shah, as per the Secretarial Standards (SS-2) and Regulation 36(3) of the Listing Regulations, are provided as an "**Annexure B**" to this Notice.

Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 4 of the Notice for appointment of Mr. Tejal Prakash Shah as an Executive Director of the Company for a period of three (3) years from May 25, 2023, to May 24, 2026 liable to retire by rotation.

Except Mr. Nitin Shah, Chairman and Managing Director, Mr. Nehal Shah, Director, and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this Resolution except to the extent of their shareholding.

The Board recommends the resolution set forth at Item No. 4 for the approval of Members as a Special Resolution.

**ITEM NO. 5**

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of members. However, as per the requirements of the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") such transactions, if material, require the prior approval of members through a resolution, notwithstanding the fact that the same are at an arm's length basis and in the ordinary course of business.

As per clause (zc) of Regulation 2(1) read with the proviso to Regulation 23(1) of the Listing Regulations, transactions involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand will be considered as 'related party transactions'. Further, a related party transaction is considered as material, if the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Company is engaged in the business of IT and ITES and is required to enter into various operational transactions with its related parties in the ordinary course of business to achieve business objectives. Allied Digital Services, LLC is one such entity and a related party within the meaning of Clause (zb) of Regulation 2(1) of the Listing Regulations with which the

Company keep on entering into contracts and / or arrangements and / or transactions, on an arm's length basis and in the ordinary course of business.

The Company proposes to enter into business transactions with Allied Digital Services, LLC, USA, (Subsidiary Company) for a period of one year from the date of receipt of an approval from the members of the Company, at an arm's length basis and in the ordinary course of business for transactions including.

- a) sale and purchase of IT Hardware and spare parts and
- b) services related to Remote Management, Infrastructure and Management Services.

The proposed transactions aim towards furthering the main business activities and ensuring that it would be in the best interest of the Company. It will further achieve synergies and economies of scale; reduce operational costs; strengthen sustainability and to conserve natural resources.

The proposed transactions with related parties are intended to be carried out on an arm's length basis and in the ordinary course of business.

The Board of Directors based on recommendation of the Audit Committee at their meeting held on May 25, 2023, have approved to enter into and/ or continue with contracts/ transactions previously entered into/ to be entered into, with Allied Digital Services, LLC, USA (whether individual transaction or transactions taken together or series of transactions or otherwise) in the ordinary course of business of the Company and at arm's length basis.

**Details of the proposed transaction with Allied Digital Services, LLC, USA as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, to the extent applicable, as amended and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:**

Sr. No.	Particulars	Details		
1.	Name of the related party	Allied Digital Services, LLC, USA		
2.	Nature of Relationship	Subsidiary		
3.	Details of Transaction	Type, material terms and particulars of the proposed transaction	Tenure of the proposed transactions	Amount
	a. sale, purchase or supply of any goods or materials between the Company and Allied Digital Services, LLC, USA;	Sale and Purchase of IT Hardware and spare parts  Material terms: at prevailing market price from time to time and payment terms as per the policy of the Company	Omnibus approval for a period of one year from the date of receipt of an approval from the members of the Company.	INR 50.00 Crores
	b. availing or rendering of any services between the Company and Allied Digital Services, LLC, USA;	Rendering of Remote Management, Infrastructure and Management Services  Material terms: As per the terms of the Contract	Omnibus approval for a period of one year from the date of receipt of an approval from the members of the Company.	INR 150.00 Crores

Sr. No.	Particulars	Details
4.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by value of the proposed transaction	30%
	Value of proposed transaction based on Percentage of Allied Digital Services, LLC, USA annual Standalone turnover	39%
5.	Aggregate Value of all transactions	INR 200 Crores.
6.	Tenure	For a period of one year from the date of receipt of an approval from the members of the Company.
7.	Other details/disclosures	The transaction does not relate to any loans inter-corporate deposits, advances or investments made or given by the listed entity to Allied Digital Services, LLC, USA.
8.	Justification as to why the related party transaction is in the interest of the Company	<ul style="list-style-type: none"> <li>We being Indian Multi-national IT company, having our subsidiaries in Multiple countries such as USA, UK, Ireland, Brazil, Japan, China, Singapore, etc. Though, in most of the countries we are having operations and intercompany transactions, our maximum transactions are with Allied Digital Services LLC, USA</li> <li>In fact, the volume of business in our US company is more than 80% of the overall volume of the entire group companies put together.</li> <li>Our US company is having their clientele spread across the globe and we the parent company in India provide services to those clients remotely from India.</li> <li>Our US company, outsource a portion of their scope of work through us, we being highly cost effective for them.</li> <li>Furthermore, all such transactions between US and other subsidiaries as well, all transactions are at arm's length prices and the same is being reviewed by Independent Auditor and the reports are submitted to the authorities every year.</li> </ul>

Considering the nature of related party transactions entered into/ to be entered into by the Company with Allied Digital Services, LLC, USA, no valuation report is required for the said purpose.

Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 5 of approval of the material related party transactions towards the purposes mentioned above and as per the terms set out in the table in accordance with the SEBI Circular mentioned.

Mr. Nitin Dhanji Shah holds Directorship on the Board of the Company and on the Board of Allied Digital Services, LLC, USA. Mr. Nehal Shah is an immediate relative of Mr. Nitin Dhanji Shah. Mrs. Tejal Prakash Shah, being relative of Mr. Nitin Dhanji Shah and Mr. Nehal Shah. Mr. Sunil Bhatt is in employment at Allied Digital Services, LLC, USA. Apart from above, none of the Directors, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested, financially or otherwise, in the said resolution.

Pursuant to Regulation 23 of the Listing Regulations, in respect of voting on this resolution, no related party shall vote to approve

resolution set out at Item No. 5, whether related to the said transaction or not.

The Board of Directors recommends the resolution set forth in Item No. 5 for approval of the Members as an Ordinary Resolution.

By Order of the Board of Directors  
For **Allied Digital Services Limited**

**Nitin Dhanji Shah**

Chairman and Managing Director  
DIN: 00189903

Place: Mumbai  
Date: May 25, 2023

**Registered Office:**

Premises No. 13A, 13<sup>th</sup> Floor, Earnest House,  
NCPA Road, Block III, Back bay Reclamation,  
Nariman Point, Mumbai 400 021  
CIN: L72200MH1995PLC085488  
Website: www.allieddigital.net  
Email: investors@allieddigital.net  
Tel: +91 22 6681 6400  
Fax: +91 22 2282 2030

**BRIEF PROFILE OF THE DIRECTORS PROPOSED TO BE APPOINTED AT THE 29<sup>TH</sup> ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ['SS - 2'] ARE AS UNDER:**

<b>Name</b>	<b>Mr. Nehal Nitin Shah</b>	<b>Mrs. Tejal Prakash Shah</b>
<b>Proposed Designation</b>	Executive Director	Executive Director
<b>Date of Birth (age)</b>	September 20, 1985 (37 years)	November 30, 1967 (55 years)
<b>Nature of his expertise in specific functional areas</b>	HR and Operations	Finance, Operations and Marketing
<b>Qualifications</b>	Bachelor's degree in Engineering, Diploma in Computer Technology	Bachelor's degree in Commerce
<b>Experience</b>	14+ years	25 + years
<b>Number of Shares held in the Company</b>	1,11,800 Equity shares	91,26,348 Equity shares*
<b>Terms and Conditions of Appointment/re-appointment</b>	<ul style="list-style-type: none"> <li>- During their tenure with the company they shall not disclose directly or indirectly any information/document about the company.</li> <li>- During their employment with the company they may come across of companies' plans, policies, undisclosed records design and/or strategies which are confidential in nature, and he requires to maintain its confidentiality.</li> </ul>	
<b>Date of Appointment on the Board</b>	July 30, 2018	May 25, 2023
<b>Relationship with other Director, Manager and other Key Managerial Personnel of the Company</b>	Son of Mr. Nitin Shah- Executive cum Managing Director  Relative of Mrs. Tejal Prakash Shah (Proposed Executive Director)	Relative of Mr. Nitin Shah- Executive cum Managing Director and Mr. Nehal Shah- Executive Director
<b>Number of Meetings attended during the year</b>	04	-
<b>Name of the other Companies in which also holds Directorship, Membership/ Chairmanship of Committees along with listed companies from which the person has resigned in the past three years</b>	-	-
<b>Last drawn remuneration</b>	INR 12,00,000/- per annum	-
<b>Details of Remuneration sought to be paid</b>	INR 12,00,000/- per annum	INR 1,00,00,000 per annum

\*Shares held as on April 05, 2023



**Further Disclosure as per Section – II of Part II of Schedule V of the Companies Act, 2013 with respect to appointment of Mrs. Tejal Prakash Shah (DIN: 02766902) as an Executive Director is as follows:**

<b>I GENERAL INFORMATION</b>													
<b>1. Nature of Industry</b>	Information Technology												
<b>2. Date or expected date of commencement of Commercial production</b>	The Company has been engaged in the business of Information Technology for almost 3 decades.												
<b>3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus</b>	Not Applicable												
<b>4. Financial performance based on the given indicators</b>	Financial performance based on the Audited Accounts for the year ended March 31, 2023 is as under: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: right;">(INR in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td style="text-align: right;">21029</td> </tr> <tr> <td>Profit after Tax*</td> <td style="text-align: right;">931</td> </tr> <tr> <td>Asset Turnover Ratio</td> <td style="text-align: right;">0.37</td> </tr> <tr> <td>Current Ratio</td> <td style="text-align: right;">2.55</td> </tr> <tr> <td>Profit to Net Sales (%)</td> <td style="text-align: right;">4.43</td> </tr> </tbody> </table> <p style="text-align: center; margin-top: 5px;">*from continued operations</p>		(INR in Lakhs)	Sales	21029	Profit after Tax*	931	Asset Turnover Ratio	0.37	Current Ratio	2.55	Profit to Net Sales (%)	4.43
	(INR in Lakhs)												
Sales	21029												
Profit after Tax*	931												
Asset Turnover Ratio	0.37												
Current Ratio	2.55												
Profit to Net Sales (%)	4.43												
<b>5. Export performance and net foreign exchange collections</b>	The total export sales realised during the year ended March 31, 2023 amounts to INR 5916 Lakhs												
<b>6. Foreign investments or collaborations, if any</b>	The Company's total investment as on March 31, 2023, in its Foreign Subsidiary Companies is INR 14,996 Lakhs.												
<b>II INFORMATION ABOUT THE APPOINTEE</b>													
<b>1. Background details</b>	25+ years of experience in the areas of Finance, Operations, and Marketing.												
<b>2. Past remuneration</b>	Nil												
<b>3. Recognition or awards</b>	Nil												
<b>4. Job profile and her suitability</b>	Overall Management of the Company.												
<b>5. Remuneration proposed</b>	INR 1,00,00,000 per annum												
<b>6. Comparative remuneration profile with respect of industry, size of the company, profile with the position and person.</b>	The proposed remuneration is in commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.												
<b>7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</b>	Mr. Nitin Dhanji Shah, Chairman and Managing Director and Mr. Nehal Nitin Shah, Director are relatives.												
<b>III OTHER INFORMATION</b>													
<b>1. Reasons of loss or inadequacy of profits</b>	Company has made profit during the year and the Company is expected to perform even better in coming years. Productivity and profits are expected to be improved accordingly.												
<b>2. Steps taken or proposed to be taken for improvement</b>													
<b>3. Expected increase in productivity and profits in measurable items</b>													
<b>IV OTHER DISCLOSURE</b>													
	The other disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Directors' Report under the heading "Corporate Governance Report" forming part of the said Annual Report												

# Directors' Report

Dear Members,

The Board of Directors ("Board") are pleased in presenting the 29<sup>th</sup> Annual Report of Allied Digital Services Limited ("the Company") along with the Financial Statements for the year ended March 31, 2023.

## 1. FINANCIAL PERFORMANCE:

The financial performance of the Company for the year ended March 31, 2023, is summarized as below:

(INR in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2022-23	2021-22	2022-23	2021-22
Total Operating Income	21,029	12,258	66,007	48,468
Other Income	566	238	566	256
<b>Total Income</b>	<b>21,594</b>	<b>12,496</b>	<b>66,573</b>	<b>48,724</b>
Less: Operating Expenditure	19,001	10,154	57,176	41,464
<b>Profit before Interest, Depreciation, Amortization, Tax &amp; Exceptional Item</b>	<b>2,593</b>	<b>2,342</b>	<b>9,397</b>	<b>7,260</b>
Less: Finance cost	316	265	402	262
Less: Depreciation	957	1,269	1,698	2,027
<b>Profit before Tax and Exceptional Item</b>	<b>1,320</b>	<b>807</b>	<b>7,296</b>	<b>4,971</b>
Exceptional Item	-	-	-	2,380
<b>Profit before Tax from Continuing Operations</b>	<b>1,320</b>	<b>807</b>	<b>7,296</b>	<b>7,352</b>
Less: Current Tax	388	409	1,923	1,421
Less: Deferred Tax Liability	0	(171)	0	(171)
<b>Net Profit/(Loss) after tax from continuing operations</b>	<b>931</b>	<b>569</b>	<b>5,373</b>	<b>6,101</b>
Profit/(Loss) before tax from discontinued operations	(6,490)	-	(6,490)	-
Tax Expense on discontinued operations	1,806	-	1,806	-
<b>Net Profit/(Loss) after tax from discontinued operations</b>	<b>(4,685)</b>	<b>-</b>	<b>(4,685)</b>	<b>-</b>
<b>Profit/(Loss) for the period</b>	<b>(3,753)</b>	<b>569</b>	<b>688</b>	<b>6,101</b>
Other Comprehensive Income	27	93	131	189
Shares of Profit/(Loss) of Associates & Joint Ventures	-	-	3	3
<b>Total Comprehensive Income (after tax)</b>	<b>(3,726)</b>	<b>662</b>	<b>823</b>	<b>6,293</b>
Attributable to Owners of the Company	(3,726)	662	9	5,238
Attributable to Non-Controlling Interest	-	-	814	1,055
Paid-up equity share capital (Face Value of INR 5/-)	2,742	2,710	2,742	2,710
Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year	42,568	46,577	50,853	50,428
<b>Earnings per Share</b>				
<b>From continuing operations</b>				
Basic	1.71	1.09	9.87	11.66
Diluted	1.66	1.02	9.56	10.94
<b>From discontinued operations</b>				
Basic	(8.61)	-	(8.61)	-
Diluted	(8.33)	-	(8.33)	-
<b>From continuing and discontinued operations</b>				
Basic	(6.90)	1.09	1.26	11.66
Diluted	(6.67)	1.02	1.23	10.94

'0' denotes value less than INR 50,000/-

## 2. RESULT OF OPERATING PERFORMANCE, ONGOING PROJECTS & STATE OF AFFAIRS

### a. Standalone Financial Results:

During the year under review the company achieved the considerable revenue growth of 72% and corresponding growth in PAT margin of 64% from its continuing operations. During the year, the Company also made a strategic decision to discontinue the business of selling IT hardware and peripherals and accordingly sufficient provisions are made towards non-recoverable receivables and advances related to such discontinued business.

### b. Consolidated Financial Results:

During the year under review the company achieved the considerable revenue growth of 36% and corresponding growth in PAT margin of 44% from its continuing operations.

### c. Ongoing Projects:

The company continues executing several large contracts won, both managed services as well as smart / cities business. The resource challenges are eased out due to differentiated models of delivery as well as resource acquisition models deployed across the globe. Service governance remained a key focus area to uplift the delivery quality as well as customer satisfaction.

### d. State of Company's Affairs:

The Company continued to add new customer logos and augmented its revenues over the year, inspite of inflation challenges in US/Europe.

The Company has a clear practiced roadmap and business strategies for the coming years. It remains focus on continued growth this financial year.

### e. Revision of Financial Statement:

There was no revision of the financial statements pertaining to previous financial year during the year under review.

### f. Change in Nature of Business

During the year under review, there was no change in the nature of the business of the Company.

## 3. SHARE CAPITAL:

During the year under review, there was no change in the Authorized Share Capital of the Company.

However, there was a change in the paid-up share capital of the Company from INR 27,10,27,640 to INR 27,41,87,640 due to issue of 6,32,000 equity shares having face value of INR 5/- on exercise of options under ADSL - Employees Stock Option Plan 2020.

## 4. TRANSFER TO RESERVES

The Company has not recommended to transfer any amount out of the profits to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to the Profit and Loss Surplus Account.

## 5. REPORT ON THE PERFORMANCE OF SUBSIDIARIES, ASSOCIATES COMPANIES, AND JOINT VENTURES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY:

During the FY 2022-23, the Company has 11 Subsidiaries and 2 Associate Companies. The Company does not have any Joint Venture Company.

The performance and financial position of each of the subsidiaries and associates for the year ended March 31, 2023 in the prescribed format of Form AOC-1 is attached as "**Annexure I**" to the Directors' Report of the Company and forms a part of this Annual Report.

There is no material change in the nature of the business of Subsidiaries or Associate Companies during the year under review.

The Policy for determining Material Subsidiaries, as approved by the Board, is uploaded on the Company's website and can be accessed at

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Policy\\_on\\_Determination\\_of\\_Material\\_Subsiidiaries.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_Material_Subsiidiaries.pdf)

## 6. DIVIDEND

The Board is pleased to recommend a final dividend of INR 1.25 (One Rupee Twenty-Five Paise only) per Equity Share of face value INR 5/- (INR Five only) for the financial year 2022-23. The aforesaid dividend will involve a total payout of INR 686.33 Lakhs and is subject to the approval of Members at the ensuing General Meeting of the Company. The proposed dividend payout is in accordance with the Company's Dividend Distribution Policy.

## 7. 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, INR 178,859.75/- (One Lakh Seventy-Eight Thousand Eight Hundred & Fifty-Nine INR & Seventy-Five Paise Only) is in unclaimed dividend accounts of the company.

Pursuant to Section 124(5) and 125(2) of the Companies Act, 2013, (**'the Act'**), the Company had transferred INR 2,87,348 (which includes the matured amount and the interest accrued) on account of unclaimed Matured Deposits to the Investor Education and Protection Fund during the year under review.

The Nodal Officer appointed under the said provisions is:

Mr. Nehal Shah, Director of the Company

e-mail ID: cs@allieddigital.net

## 8. RECENT DEVELOPMENTS:

The company acquired many new logos for managed services with the start of the first quarter of 2023. Few significant among them being one of the large FMCG customer in India, a car spare part manufacturer and a large retail store chain in southern India. In the US, few significant deals include an airline company pilot union, large retail group of 7 brands and large conveyor belt solutions company. The pipeline for rest of the 2023, globally looks good.

## 9. DEPOSITS:

During the financial year under review, the Company has not accepted or renewed any amount falling within the purview of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 from public during the year under review. However, as on the Balance Sheet date i.e. March 31, 2023, there are unclaimed fixed deposits amounting to INR 2.56 lakhs lying with the Company.

The details relating to deposits, covered as per the Chapter V of the Act, are as under:

Particulars	(INR in Lakhs)	
	March 31,2023	March 31,2022
Deposits accepted during the year	--	--
Deposits unclaimed at the end of the year	2.56	5.61
Repayment of deposits or payment of interest thereon	0.60	0.30
Transferred to IEPF	2.45	--
Default in repayment of deposits or payment of interest thereon	--	--

The Company has not accepted any other deposits during the year which are not in compliance with Chapter V of the Act.

## 10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the Notes forming part of the financial statements.

During the year under review, the Company did not give any guarantee for the loans availed by the others.

## 11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

The Company has adequate procedures for identification and monitoring of related party transactions. All the transactions entered into with the related parties during the financial year were on arm's length basis and were in the ordinary course of business. All related party transactions were placed before the Audit Committee and the Board for approval, wherever required. Prior omnibus approval of the Audit Committee was obtained for the transactions that were repetitive in nature. These transactions are reviewed by the Audit Committee on a quarterly basis.

For details on related party transactions, members may refer to note no 30(4) to the standalone financial statement. The Policy on Related Party Transactions as approved by the Board is available on the Company's website and can be accessed through the web link:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Related_Party_Transaction_Policy.pdf).

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2022-23 and hence does not form part of this report.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, ("**the Listing Regulations**"), the resolution for seeking approval of the shareholders on material related party transactions is being placed at the AGM.

Pursuant to Regulation 23(9) of the Listing Regulations, the Company has filed the reports on RPT with the Stock Exchanges i.e. BSE Limited & National Stock Exchange of India Limited and the same is also available on the website of the Company.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company is duly constituted in accordance with the requirements of Section 149 of the Act and Regulation 17 of the Listing Regulations.

All Directors have given a declaration to the Compliance Officer confirming the adherence to the Code of Conduct of the Company for the financial year 2022-23.

### a. Re-appointment / Appointment:

Mr. Anup Kumar Mahapatra (DIN: 08985605) was appointed as an Additional Director (Non-Executive &



Independent) of the Company with effect from May 18, 2022, and later his appointment was approved for a period of 5 (five) consecutive years up to May 17, 2027, by the Members in the 28<sup>th</sup> Annual General Meeting of the Company held on July 28, 2022.

Mr. Sunil Vasudev Bhatt (DIN: 09243963) was initially appointed as a Non-Executive Director of the Company by the Members during the 27<sup>th</sup> Annual General Meeting held on September 13, 2021. After actively contributing to the Company's operations and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in their meeting on May 18, 2022, approved the appointment of Mr. Sunil Vasudev Bhatt (DIN: 09243963) as an Executive Director. This appointment was subsequently approved by the shareholders during the 28<sup>th</sup> Annual General Meeting held on July 28, 2022.

Mrs. Tejal Prakash Shah (DIN: 02766902) was appointed as an Additional Director (Executive) of the Company with effect from May 25, 2023, subject to the approval of the Members at the ensuing Annual General Meeting.

In accordance with the provisions of Section 152 of Act and the Articles of Association of the Company, Mr. Nehal Nitin Shah, Director (DIN: 02766841) retires by rotation at the forthcoming 29<sup>th</sup> Annual General Meeting and, being eligible, offers himself for re-appointment.

**b. Resignation / Cessation:**

During the year under review, Late Mr. Prakash Dhanji Shah (DIN: 00189842) unfortunately passed away on February 12, 2023, leading to his resignation as the Whole-time Director of the Company. The Directors of the Company expressed their appreciation for his noteworthy contributions and invaluable support, recognizing his meaningful contributions.

No Independent Director has resigned before the expiry of his / her tenure.

**c. Declaration by Independent Directors**

Pursuant to the provisions of Section 149 of the Act, all the Independent Directors of the Company, have submitted declarations that they meet the criteria of independence as provided in Section 149(7) of the Act along with Rules framed thereunder and Regulation 16(1)(b) and 25(8) of the Listing Regulations. They are also in compliance with Rule 6 (1) & (2) of the Companies (Appointment & Qualifications of Directors) Rules, 2014. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, none of the managerial personnel i.e. Managing Director and Whole-time Director of the Company were in receipt of remuneration / commission from the subsidiary companies.

The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Act and the Listing Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

In the opinion of the Board, all appointment of Independent Directors during the financial year were made after due veracity of their integrity, expertise and experience (including the proficiency).

**d. Key Managerial Personnel (KMP):**

Pursuant to the provisions of Section 203 of the Act, Mr. Nitin Dhanji Shah, Chairman and Managing Director, Mr. Paresh Shah, Chief Executive Officer, Mr. Gopal Tiwari, Chief Financial Officer and Ms. Neha Sunil Bagla, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2023

Late Mr. Prakash Dhanji Shah ceased to be a Whole-time Director with effect from February 12, 2023 due to his untimely demise.

**13. DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Act, and in relation to the audited financial statements of the Company for the year ended March 31, 2023, the Board hereby confirmed that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had 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 as at March 31, 2023 and of the profit and loss of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;

- e. the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors, had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 14. MEETINGS OF THE BOARD

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. Due to business exigencies, the Board has also been approving several proposals by way of passing circular resolutions from time to time.

Four (4) meetings of the Board were held during the year under review. The meetings were held on May 18, 2022, July 28, 2022, November 8, 2022, and February 9, 2023. Brief details of the said meetings are provided in the Corporate Governance Report, which is a part of this Annual Report.

In terms of requirements of Schedule IV of the Act, a separate meeting of Independent Directors was also held on July 28, 2022 to review the performance of Non-Independent Directors (including the Chairperson), the entire Board and its Committees thereof, quality, quantity, and timelines of the flow of information between the Management and the Board.

The Board affirms that the Company has complied with the applicable Secretarial Standards ('SS') issued by the Institute of Company Secretaries of India (SS1 and SS2), relating to meetings of the Board and its Committees and General Meetings respectively, during the year under review.

#### 15. DISCLOSURE UNDER THE EMPLOYEE STOCK OPTION PLAN:

During the year under review, the Company allotted 6,32,000 equity shares of INR 5/- each to the employees who exercised the options granted to them under the ADSL - Employee Stock Option Plan 2020.

The relevant disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI SBEB Regulations, as amended from time to time are available on the website of the Company i.e. [www.allieddigital.net](http://www.allieddigital.net) and the same is marked as "*Annexure II*" to this Director's Report.

#### 16. CREDIT RATING

The Company's financial discipline and prudence is reflected in the strong credit ratings of its debts. Acuite Ratings & Research Limited ("Acuite Ratings") has assigned a long-

term rating of 'ACUITE BBB' (ACUITE triple B) and a short-term rating of 'ACUITE A3+' (ACUITE A three plus) to its bank facilities against the earlier rating of BBB- for Long-term and A3 for Short-term facilities by Brickwork Rating India Private Limited. The outlook is 'Stable'.

#### 17. DISCLOSURES RELATED TO POLICIES

##### a. Nomination and Remuneration Policy:

Pursuant to the provisions of Section 178 of the Act, read with Regulation 19 of Listing Regulations, the Board has constituted the Nomination and Remuneration Committee, which inter-alia recommends to the Board the criteria for appointment of Director(s) along with the compensation, terms of Executive Directors and Senior Management Personnel's.

The Board has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and all other Employees of the Company. The said policy is hosted on the website of the Company. The web link of the same is as follows: [https://www.allieddigital.net/in/downloads/Inv\\_Policies/Nomination\\_Remuneration\\_policy.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Nomination_Remuneration_policy.pdf)

##### b. Corporate Social Responsibility Policy:

As a part of its Corporate Social Responsibility (CSR) initiative, the Company has undertaken CSR projects and programs. These activities are in accordance with CSR activities as defined under the Act. Details about the Committee, CSR activities and the amount spent during the year, as required under section 135 of the Act and the related Rules, reasons and other details are given in the CSR Report as "*Annexure III*" forming part of this Report.

The Company has framed a CSR Policy in compliance with the provisions of the Act and the same is placed on the Company's website:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/CSR%20Policy.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/CSR%20Policy.pdf)

##### c. Whistle Blower Policy and Vigil Mechanism:

The Board has, pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations framed a 'Whistle Blower Policy and Vigil Mechanism'. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Policy has been framed with a view to provide a mechanism, inter alia, enabling stakeholders including Directors, individual employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievances as also to

report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

There were no such reporting / communication received by the Chairman of the Audit Committee during the year under review.

**d. Material Policy:**

Pursuant to the provisions of Regulation 16(1)(c) of the Listing Regulations, the Company has adopted a Policy on determination of Material Subsidiaries laying down the criteria for identifying material subsidiaries of the Company.

Accordingly, **Allied Digital Services LLC, USA** is the material subsidiary of the Company during the Financial Year 2022-23.

The Policy may be accessed on the website of the Company at the link:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Policy\\_on\\_Determination\\_of\\_Material\\_Subsiidiaries.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_Material_Subsiidiaries.pdf)

**e. Dividend Distribution Policy:**

Pursuant to Regulation 43A of the Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The same is available on the website of the Company at the link: [www.allieddigital.net/in/wp-content/uploads/2022/08/Dividend\\_Distributon\\_Policy.pdf](http://www.allieddigital.net/in/wp-content/uploads/2022/08/Dividend_Distributon_Policy.pdf).

The Policy primarily encompasses the following key areas:

- a) the circumstances under which shareholders may or may not expect dividend;
- b) the financial parameters that shall be considered while declaring dividend;
- c) internal and external factors that shall be considered for declaration of dividend;
- d) policy as to how the retained earnings shall be utilized.

**18. ANNUAL EVALUATION:**

The Board of Directors has carried out an annual evaluation of performance of the Board, Independent Directors, Non-Executive Directors, Executive Directors, Committees and the Chairman of the Board.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings

like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The Independent Director at the meeting held on July 28, 2022 evaluated the performance of the Board, Chairman of the board, Executive and Non-Executive Directors. At the board meeting that followed the meeting of the Independent Directors and Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board.

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

The Management Discussion and Analysis Report (MDAR) for the year under review, analyzes the operations and state of the affairs of the company and all of its subsidiaries and associates, is given in a separate section and forms part of this Annual Report.

**20. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company familiarizes the Independent Directors of the Company with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model and related risks of the Company, etc.

The brief details of the Familiarisation Programme are put up on the website of the Company at the link:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Familiarisation\\_Programme\\_Independent\\_Directors.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Familiarisation_Programme_Independent_Directors.pdf)

**21. CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of the Listing Regulations, the Corporate Governance Report for the year ended March 31, 2023, with a detailed compliance report thereon forms an integral part of this Annual Report and is set out as separate section therein. The Auditor's Certificate in respect of compliance with the provisions concerning Corporate Governance, forms a part of Corporate Governance Report presented in a separate section of this Annual Report, as required under the Listing Regulations.

**22. CEO & CFO CERTIFICATION**

As required by Regulation 17(8) of the Listing Regulations, the CEO and CFO certificate, for the year under review was placed before the Board of Directors of the Company at its meeting held on May 25, 2023. A copy of the said certificate forms a part of the Corporate Governance Report.

**23. COMMITTEES OF THE BOARD**

In terms of the requirements of the Act and Listing Regulations, the Board has constituted the Audit Committee,

Stakeholder's Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Management Committee.

Details of each of the Committees outlining their composition, terms of reference & details of meetings held during the financial year, are provided in the Corporate Governance Report which forms a part of this Annual report.

## 24. AUDITORS AND AUDITORS' REPORTS

### a) Statutory Auditor

In line with Section 139 of the Act and the Rules made thereunder, M/s. Shah & Taparia, Chartered Accountant, Mumbai (Firm Registration No. 109463W) was appointed as the Statutory Auditor of the Company from the conclusion of the 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting.

The Statutory Auditor has issued Audit Reports with unmodified opinion on the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2023. The Notes on the Financials Statement referred to in the Audit Report are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Act.

### b) Secretarial Auditor

The Board of Directors of the Company appointed M/s. Rathi & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial year 2022-23.

The Secretarial Audit Report issued by M/s. Rathi & Associates, Company Secretaries, for the Financial Year 2022-23. The report in Form MR-3 is annexed as "**Annexure IV**" and forms a part of this Report.

The Secretarial Audit Report for the financial year 2022-23 does not contains any qualifications, reservations, or adverse remarks or disclaimer.

### c) Internal Auditor

M/s. Satya Prakash Natani & Co., Chartered Accountant (Firm Registration No. 115438W), Internal Auditor of the Company have carried out Internal Audit in various areas/parameters for the financial year ended March 31, 2023. The findings of the Internal Auditor are discussed on quarterly basis at the meetings of the Audit Committee and Board and accordingly necessary steps are taken to implement the suggestions/recommendations, if any, of the said Internal Auditors.

### d) Cost Auditor

The Company was not required to appoint any Cost Auditors or maintain Cost Audit Records pursuant to the requirements of Section 148 of the Act during the year under review.

## 25. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards, issued by the Institute of Company Secretaries of India.

## 26. MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3)(l) of the Act, except as disclosed elsewhere in this Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

## 27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have significant impact on the going concern status and the Company's operations in future.

## 28. ANNUAL RETURN

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2023 in Form MGT-7, is available on the website of the Company at the link:

[https://www.allieddigital.net/in/wp-content/uploads/2023/07/Draft\\_Annual\\_Return\\_2023.pdf](https://www.allieddigital.net/in/wp-content/uploads/2023/07/Draft_Annual_Return_2023.pdf)

## 29. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which was required by the Statutory Auditors to be reported to the Audit Committee, Board or Central Government under Section 143(12) of the Act and Rules framed thereunder.

## 30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars, as required under the provisions of Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are as under:

### A. CONSERVATION OF ENERGY

#### (i) Steps taken or impact on conservation of energy:

One of the significant steps taken this year is the company's initiative to drive Environmental, Social and Governance ("ESG") objectives. The Company was a nominated member at the World Economic Forum.



The Company has always considered energy and natural resource conservation as a focus area. Though the operations of the Company are not energy intensive, it strongly believes that it is the need of the hour to do best efforts to conserve energy and natural resources like water.

The Company continues to take sustainable steps voluntarily to contribute towards better environment.

Selected few steps/impact are listed below:

- Use of natural Lightning and natural ventilation;
- Energy saving devices are of highest preference for new installation.
- Enhanced focus and practice on water conservations.
- Encourage use of environment-friendly reusable water bottles;
- Car-pooling on regular commutes and encouraged use of public transport;
- Discouraging use of non-disposable plastic bags, plates etc.;
- Switching off work stations and laptops;
- Optimal use of air-conditioning and lighting at all premises.
- Educating employees and workers for energy conservation.

**(ii) Steps taken by the Company for utilizing alternate sources of energy:**

The Company is using electricity as main source of its energy requirement and does not have any alternate source of energy. However, the company is keen on promoting green solution to the customers, such as solar power devices wherever possible.

**(iii) Capital investment on energy conservation equipment's:**

There was no such investment in energy saving equipment during the year.

**(iv) E-Waste Management:**

The Company is significantly contributing globally, taking efforts to manage e-waste for its customers, as well as its own company assets. This has been a constant endeavor and a routine practice each year.

**B. TECHNOLOGY ABSORPTION**

**i. The efforts made towards technology absorption:**

The Company has innovation as part of its motto. It is always thriven to be a pioneer for adoption new technologies, which either be useful for generating new business for its customers or for its self-use. It evaluates the best available technology for improving its performance and quality of its service operations.

**ii. The benefits derived like product improvement, cost reduction, product development or import substitution:**

The Company has adopted new technology to strengthen its infrastructure in the US, which is leveraged by many customers that has helped giving top quality uninterrupted services. It has adopted new technologies to apply to solve challenges faced by customers.

**iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

The Company has not imported technology during the three preceding years under review.

**iv. Expenditure incurred on Research and Development:**

The Company has been continuously working on innovative projects, which are either part of-

- New features of their ADiTaaS product and global certification for PinkVerify etc.
- New conversational AI based banking platform
- RPA and DevOps technologies for customers and self-use
- Doing proof-of-concepts on new technologies in cybersecurity, multi-cloud technologies, AI
- Investing in new technology training/learning.

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

The details of the Foreign Exchange Earned and Outflow during the year are as follows:

Particulars	(INR in Lakhs)	
	2022-23	2021-22
Earnings	6440.70	5667.58
Outflow (including Capital imports)	524.84	199.53
Net Foreign Exchange Earnings (NFE)	5915.86	5468.05
<b>NFE/ Earnings (%)</b>	<b>92%</b>	<b>96%</b>

**31. DISCLOSURE OF REMUNERATION PAID TO DIRECTOR AND KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure V" and forms a part of this Report.

**32. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Pursuant to the requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a Policy and duly constituted Internal Complaints Committee. To build awareness in this area, the Company has been conducting induction / refresher programs in the organization on a continuous basis. During the year under review, no complaint was filed.

**33. INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY:**

The Company's internal financial controls are commensurate with the scale and complexity of its operations. The Company has put in place adequate internal financial controls system over financial reporting which ensures that all transactions are authorized, recorded, and reported correctly in a timely manner. The Company's internal financial controls ensure the reliability of data and financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

**34. RISK MANAGEMENT**

The Company's governance structure has well-defined roles and responsibilities, which enable and empower the

Management to identify, assess and leverage business opportunities and manage risks effectively. This structured process of identifying risks supports the Senior Management Team in strategic decision-making and in the development of detailed mitigation plans. The identified risks are then integrated into the Company's planning cycle, which is a rolling process to, inter alia periodically review the movement of the risks and the effectiveness of the mitigation plan.

**35. GENERAL:**

The Directors states that, no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to the same during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- During the year under review, there was no change in the nature of business of the Company.
- Application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- Difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

**36. ACKNOWLEDGEMENTS:**

The Directors would like to express their appreciation for the co-operation and assistance received from the Government authorities, banks and other financial institutions, vendors, suppliers, customers, shareholders and all other stakeholders during the year under review.

The Directors also wish to place on record their deep sense of appreciation for the committed services of all the employees.

For and on behalf of the Board of Directors of  
**Allied Digital Services Limited**

**Nitin Shah**

Chairman & Managing Director  
DIN: 00189903

**Nehal Shah**

Director  
DIN: 02766841

Place: Mumbai  
Date: May 25, 2023

## Form AOC-1

[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 subsidiaries or associate companies or joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary is presented with amounts in Lakhs)

1	Name of the subsidiary	Allied Digital Services, LLC (USA)	Allied Digital INC (USA)	Allied Digital Singapore Pte Ltd	Allied Digital Asia Pacific PTY LTD (Australia)	Allied Digital Services (UK) Ltd.	Allied-eCop Surveillance Pvt. Ltd.	Allied Digital Services (Ireland) Limited	En Pointe Technologies India Pvt. Ltd.	Allied Digital Services Japan G.K.	Allied Digital Services Do Brazil Ltda.	Allied Digital IT Services (Beijing) Co., Ltd.
2	Nature of the Company	Subsidiary										
3	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	April 01, 2022 to March 31, 2023										
4	The date since when subsidiary was acquired	July 02, 2008	October 31, 2007	October 12, 2010	September 16, 2010	December 04, 2013	August 06, 2007	November 04, 2019	December 29, 2006	April 01, 2021	September 10, 2021	November 29, 2021
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries	USD @ 82.16	USD @ 82.16	SGD @ 61.78	AUD @ 55.02	GBP @ 101.44	INR	Euro £ 89.24	INR	JPY @ 0.62	BRL @ 16.23	CNY @ 11.96
6	Share capital	4930	0	0	0	1	11	1	1	6	126	125
7	Reserves & surplus	13203	-1092	2	-411	17	-8	23	65	179	-21	131
8	Total Assets	37903	9872	37	22	30	9	27	67	1428	120	1161
9	Total Liabilities	19770	10964	35	433	12	6	3	1	1243	14	905
10	Investments	0	0	0	0	0	0	0	0	0	0	0
11	Turnover	50787	0	35	0	239	0	56	0	1166	102	1319
12	Profit before taxation	5653	0	3	0	19	0	4	0	88	77	132
13	Provision for taxation	1486	0	0	0	5	0	-4	0	26	17	4
14	Profit after taxation	4167	0	2	0	14	0	9	0	62	59	128
15	Proposed Dividend	0	0	0	0	0	0	0	0	0	0	0
16	Extent of Shareholding (%)	51	100	100	100	95	80.01	100	100	100	100	100

'0' denotes value less than INR 50,000/- as all value is rounded off to the nearest INR 1 Lakh.

#### Notes:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year.: None

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures  
(Information in respect of each associate is presented with amounts in Lakhs)

Sr. No.	Name of the Associates / Joint Ventures	Softshell Systems India Private Limited	Allied CNT Solutions Private Limited
1	Latest audited Balance Sheet date		March 31, 2023
2	Date on which the Associate or Joint Venture was associated or acquired	August 07, 2015	July 06, 2004
3	Shares of Associates held by the company on the year end		
	i. No of shares	1,17,924	1,42,000
	ii. Amount of Investment in Associates	600.00	22.00
	iii. Extent of Holding	20.34%	47.33%
4	Description of how there is significant influence	Equity shareholding of more than 20 %of the total capital	Equity shareholding of more than 20% of the total capital
5	Reasons why Financial of the Associate is not consolidated	N.A.	N.A.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	711.35	(58.87)
7	Profit / Loss for the year		
	i. Considered in Consolidation	3.04	(0.06)
	ii. Not Considered in Consolidation	-	-

For and on behalf of the Board of Directors of  
**Allied Digital Services Limited**

Place: Mumbai  
Date: May 25, 2023

**Nitin Shah**  
Chairman & Managing Director  
DIN: 00189903

**Nehal Shah**  
Director  
DIN: 02766841



**DISCLOSURES UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2021, AS AMENDED FROM TIME TO TIME ON EMPLOYEE STOCK OPTION PLAN (“ESOP”) FOR THE YEAR ENDED MARCH 31, 2023**

Sr. No.	Particulars	Remarks
A	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the ‘Guidance note on accounting for employee share-based payments’ issued in that regard from time to time.	Refer Note 14 of standalone financial statements for the year ended March 31, 2023 for details
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘Indian Accounting Standard 20 - Earnings Per Share’ issued by Central Government or any other relevant accounting standards as issued from time to time	Diluted EPS as per Indian Accounting Standards-33 is INR 1.66 (from Continuing operations) (Refer Note 29 of Standalone financial statements for details)
C	Details related to ESOP	
i	A description of each ESOP that existed as any time during the year, including general terms and conditions of each ESOP, including – (a) Date of shareholders’ approval (b) Total number of options approved under ESOP (c) Vesting requirements (d) Exercise price or pricing formula (e) Maximum term of options granted (f) Source of shares (primary, secondary or combination) (g) Variation in terms of options	<b>Annexure - I</b>
ii	Method used to account for ESOP – Intrinsic or Fair Value	The Company uses the Fair value-based method of accounting for stock options granted
iii	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Since these options were granted at a nominal exercise price intrinsic value on the date of grants approximates the fair value of the options
iv	Option movement during the year (for each ESOP)	<b>Annexure - II</b>
v	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not applicable as there were no grants during the year
vi	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - a) Senior Managerial personnel as defined under Regulations 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Not Applicable as there were no grants during the year
vii	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	

Sr. No.	Particulars	Remarks
	a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	
	b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable as there were no grants during the year
	c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
	d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	
D	Disclosures in respect of grants made in three years prior to IPO under each ESOP	
E	Details related to ESPS	Not Applicable
F	Details related to SAR	Not Applicable
G	Details related to GEBS / RBS	Not Applicable
H	Details related to Trust	Not Applicable

There are no material changes and that the existing ESOP of the Company are in compliance with the regulations prescribed by the Securities and Exchange Board of India.

For and on behalf of the Board of Directors of  
**Allied Digital Services Limited**

Place: Mumbai  
Date: May 25, 2023

**Nitin Shah**  
Chairman & Managing Director  
DIN: 00189903

**Nehal Shah**  
Director  
DIN: 02766841

## Annexure - I

Particulars	ADSL – Employees Stock Option Plan 2020 (“ESOP-2020”)
(a) Date of shareholders’ approval	September 03, 2020
(b) Total number of options approved under ESOS	40,00,000
(c) Vesting Requirements	As determined by Nomination and Remuneration Committee
(d) Exercise price / pricing formula	The Exercise price may vary for each grant as may be decided by the Nomination and Remuneration Committee in conformity with the ‘Guidance Note on accounting for Employee Share-based Payments’ or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time. Nomination and Remuneration Committee may determine exercise price which may be at discount to the market value but shall not be less than the face value of equity shares of the Company.
(e) Maximum term of options granted	5 years from the date of respective vesting of options
(f) Source of shares (primary, secondary or combination)	Primary Shares
(g) Variation in terms of options	No Variation

## Annexure - II

Option movement during the year (for each ESOP)

Number of options outstanding at the beginning of the period	34,20,000
Number of options granted during the year	-
Number of options forfeited / lapsed during the year	-
Number of options vested during the year	14,10,000
Number of options exercised during the year	6,32,000
Number of shares arising as a result of exercise of options	6,32,000
Money realized by exercise of options (INR)	1,26,40,000
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	27,88,000
Number of options exercisable at the end of the year	7,78,000

For and on behalf of the Board of Directors of  
**Allied Digital Services Limited**

Place: Mumbai  
Date: May 25, 2023

**Nitin Shah**  
Chairman & Managing Director  
DIN: 00189903

**Nehal Shah**  
Director  
DIN: 02766841

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

*[Pursuant to Section 135 of the Companies Act, 2013 read with The Companies  
(Corporate Social Responsibility Policy) Rules, 2014]*

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

At Allied Digital Services Limited ("the Company"), the Corporate Social Responsibility ("CSR") has been an integral part of the Company since its inception.

The Company's, CSR initiative focus on the holistic development of our host communities while creating social, environmental and economic value to the society.

The Company's CSR Policy is in adherence to the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 framed thereunder and provides for carrying out CSR activities in the area of Education, Healthcare including preventive healthcare.

### 2. THE COMPOSITION OF THE CSR COMMITTEE:

The Corporate Social Responsibility Committee ('CSR Committee') of the Board is responsible for overseeing the execution of the Company's CSR Policy and ensuring that the CSR Objectives of the Company are met. The CSR Committee comprised of the following members as on March 31, 2023:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Swanubhuti Jain	Chairperson/Independent Director	01	01
2.	Late Mr. Prakash Shah*	Member/Whole-time Director	01	01
3.	Dr. Shrikant Parikh	Member/Independent Director	01	00
4.	Mr. Nehal Shah**	Member/Executive Director	NA	NA

\*Unfortunate demise of Mr. Prakash Shah on February 12, 2023.

\*\*Mr. Nehal Shah was inducted as a member of the CSR Committee w.e.f. March 01, 2023

### 3. WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

#### Composition of CSR Committee:

- The composition of the CSR Committee is available on our website, at [https://www.allieddigital.net/in/downloads/pdf/Composition\\_of\\_Committee\\_2023.pdf](https://www.allieddigital.net/in/downloads/pdf/Composition_of_Committee_2023.pdf)
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, at: [https://www.allieddigital.net/in/downloads/Inv\\_Policies/CSR%20Policy.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/CSR%20Policy.pdf)
- The Board, based on the recommendation of the CSR Committee has approved the annual action plan / projects, the details of which are available on our website, at [https://www.allieddigital.net/in/wp-content/uploads/2023/01/CORPORATE\\_SOCIAL\\_RESPONSIBILITY\\_ANNUAL\\_ACTION\\_PLAN\\_F\\_Y\\_-2022\\_23.pdf](https://www.allieddigital.net/in/wp-content/uploads/2023/01/CORPORATE_SOCIAL_RESPONSIBILITY_ANNUAL_ACTION_PLAN_F_Y_-2022_23.pdf)

### 4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE:

Not Applicable for the year under review.

- Average Net Profit of the Company as per Section 135(5):** INR 8,07,24,840
  - Two percent of average net profit of the company as per section 135(5) :** INR 16,14,497
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

(d) Amount required to be set off for the financial year, if any: INR 34,058

Sr. No.	Financial Year	Set-off preceding financial year (In INR)
1.	2020-21	32,964
2.	2021-22	1,094

(e) Total CSR obligation for the financial year (5b+5c-5d): INR 15,80,439

6. (a) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project State /District		Amount spent for the project (in INR)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency		
				Name	CSR registration number					
1.	Impact Guru	Promotion of Education	No	-	Delhi	15,000	No	Impact Guru Foundation	CSR00000991	
2.	Health & Social Work	Promoting Healthcare	No	Gujarat	Ahmedabad	25,00,000	No	Indian Red Cross Society	CSR00012108	
3	Health & Social Work	Promoting Healthcare	Yes	Maharashtra	Mumbai	1,00,000	No	Rotary Club of Bombay Metropolitan Charitable Trust	CSR00040135	
4	Education & Skills Development	Promotion of Education	Yes	Maharashtra	Mumbai	50,000	No	Tarun Mitra Mandal	CSR00004562	
<b>TOTAL</b>						<b>26,65,000</b>				

\*Decimals have been rounded off

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the financial year (6a+6b+6c+): INR 26,65,000

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Un-spent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
	26,65,000	NIL	-	-	NIL



**(f) Excess amount for set off, if any:**

Sr. No.	Particular	Amount (INR)
(i)	Two percent of average net profit of the company as per Section 135(5)	16,14,497
(ii)	Total CSR obligation for the financial year 2022-23	15,80,439
(iii)	Total amount spent for the financial year	26,65,000
(iv)	Excess amount spent for the financial year [(ii)-(i)]	10,50,509
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10,50,509

**7. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR)	Amount spent in the Financial Year (in INR).	Amount transferred to any fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding financial years. (in INR)	Deficiency, if any
					Name of the Fund	Amount (in INR).	Date of transfer.		
Not Applicable									

**8. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR:** Not Applicable**9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):** Not Applicable

For and on behalf of Board of Directors of  
**Allied Digital Services Limited**

Place: Mumbai  
Date: May 25, 2023

**Nitin Shah**  
Chairman & Managing Director  
DIN: 00189903

**Swanubhuti Jain**  
Chairperson of CSR Committee  
DIN: 09006117

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
**Allied Digital Services Limited**  
Premises No.13 A, 13<sup>th</sup> Floor,  
Earnest House, NCPA Road,  
Block III, Nariman Point,  
Mumbai-400021.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Allied Digital Services Limited (herein after called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2023 complied with the statutory provisions listed hereunder, and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, 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 there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing for the financial year under report ;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
- e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations');

(vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report: -

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

(vii) Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted to the Company under the financial year under report.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations

applicable specifically to the Company i.e. Information Technology Act, 2000 as amended from time to time;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 based on the information provided to us.

During the year under report the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

None of the directors have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the

report, hence dissenting views were not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report demise of Mr. Prakash Dhanji Shah, Whole-time Director and one of the Promoters of the Company during the year under review.

Apart from this, there were no event(s)/action(s) had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to herein above:

For **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

**JAYESH SHAH**  
**PARTNER**

FCS No. F5637

C.P. No. 2535

Date: May 25,2023

Place: Mumbai

UDIN: F005637E000374335

Peer Review Cert. No.:-668/2020

Note: This report should be read with our letter which is annexed as Annexure-I and forms an integral part of this report.

## ANNEXURE – I

To,  
The Members  
**Allied Digital Services Limited**  
Premises No.13 A, 13<sup>th</sup> Floor,  
Earnest House, NCPA Road,  
Block III, Nariman Point,  
Mumbai-400021.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the information provided to us during our audit.
2. We 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 test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

**JAYESH SHAH**  
**PARTNER**

FCS No. F5637  
C.P. No. 2535

UDIN: F005637E000374335  
Peer Review Cert. No.:-668/2020

Date: May 25,2023  
Place: Mumbai

## DETAILS OF REMUNERATION

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial Year 2022-23 are as under:**

Sr. No.	Name and Designation of Director	Remuneration** (INR in lakhs)	Percentage Increase in Remuneration in the Financial Year 2022-23	Ratio
1.	Mr. Nitin Shah Chairman & Managing Director	519.57	40.39	151.20
2.	Late Mr. Prakash Shah* Whole-time Director	240.82	153.10	70.08
3.	Mr. Nehal Shah Director	7.06	-	2.05
4.	Mr. Sunil Bhatt Director	-	-	-
5.	Dr. Shrikant Parikh Independent Director	2.05	-	-
6.	Mr. Milind Kamat Independent Director	1.90	-	-
7.	Ms. Swanubhuti Jain Independent Director	1.30	-	-
8.	Mr. Shakti Leekha Independent Director	1.00	-	-
9.	Mr. Anup Kumar Mahapatra <sup>§</sup> Independent Director	1.00	-	-
10.	Mr. Paresh Shah Chief Executive Officer	12.01	-	3.50
11.	Mr. Gopal Tiwari Chief Financial Officer	51.46	5.52	14.98
12.	Ms. Neha Bagla Company Secretary	11.89	17.37	3.46

\*\* The remuneration of all Independent Directors includes sitting fees paid during the financial year

\*Ceased from the Directorship w.e.f. February 12, 2023

§Appointed as an Independent Director w.e.f. May 18, 2022

- ii. The percentage increase/decrease in the median remuneration of employees in the Financial Year:**

The Median remuneration of the employees in the financial year 2022-23 was INR 3,43,614 in comparison with the financial year 2021-22, INR 3,62,052. Hence, there is a decrease of 5.09 % in median remuneration in the financial year 2022-23.

- iii. The number of permanent employees on the rolls of the Company:**

There were 1546 permanent employees on roll in the Company as on March 31, 2023, as compared to 1450 employees as on March 31, 2022.



**iv. Average percentage increase/decrease already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase/decrease in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:**

The said decrease in the salaries of employees was in line with the individual performance of the employees, project requirements, market projections in the said financial year. The increase in the total managerial remuneration was linked with the overall performance of the Company.

**v. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Policy for Nomination & Remuneration of the Directors, Key Managerial Personnel and other Employees.

**vi. 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 and any Member interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors of  
**Allied Digital Services Limited**

Place: Mumbai  
Date: May 25, 2023

**Nitin Shah**  
Chairman & Managing Director  
DIN: 00189903

**Nehal Shah**  
Director  
DIN: 02766841

# Corporate Governance Report

The report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), is furnished below:

## ➤ COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

*"Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders."*

The Company's philosophy on corporate governance is built on overseeing business strategies, ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of its regulators, customers, employees, vendors, investors, and the society at large.

The Board of Directors (the "Board") of the Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices.

## ➤ GOVERNANCE STRUCTURE

Corporate governance is the structure of rules, practices, and processes used to direct and manage a company. The Company's Board is the primary force influencing corporate governance. The Board exercises strategic oversight over business operations while directly measuring and rewarding management's performance. The Board also ensures the compliances with the legal framework, integrity of financial accounting and reporting systems and credibility in the eyes of the stakeholders through accurate and timely disclosures.

### a) Board of Directors:

The Board comprises of eminent and distinguished personalities with proficiency and vast experience in diversified sectors with an optimum mix of management and financial experts thereby ensuring the best interest of the stakeholders and the Company. In structuring the Board, number of factors are considered, which include educational background, professional experience, skills, knowledge, among others.

As on March 31, 2023, the Board of the Company comprises of eight (8) Directors with optimum combination of Executive and Non-Executive Directors i.e., three (3) Executive Directors and five (5) Non-Executive Independent Directors including an Independent Woman Director, where each of them are professionals in their respective areas of specialization.

The Chairman of the Company is an Executive Director and more than 50% of the Board consist of Non-Executive Directors.

The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 ("the Act") and Listing Regulations. None of the Non-Executive Directors have attained the age of 75 years. The Board periodically reviews the compliance reports of all laws applicable to the company.

In terms of the provisions of the Act and the Listing Regulations, the Board of the Company submit necessary disclosures regarding the positions held by them on the Board and/or the Committees of other companies with changes therein, if any, on a periodical basis. Based on such disclosures, it is confirmed that as on March 31, 2023, none of the Directors of the Company:

- holds Directorship positions in more than twenty (20) companies including ten (10) public limited companies and seven (7) listed companies;
- holds and serves Independent Director position in more than seven (7) listed companies;
- holds Executive Director position and serves as an Independent Director in more than three (3) listed companies; and
- is a member of more than ten (10) Committees and/or Chairperson of more than five (5) Committees, across all the Indian public limited companies in which they are Directors.

### b) Certificate from Practicing Company Secretary regarding non-debarment and non-disqualification of Directors:

A certificate has been received from M/s. Rathi & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company as on March 31, 2023, have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authorities is marked as "**Annexure I**".

### c) Matrix setting out the core Skills/Expertise/Competencies:

The Board of the Company comprises of highly qualified members and leaders in their respective fields who possess required skills, expertise and competence that allow them to make effective contribution to the Board and its committees.

**The core skills/expertise/competencies identified by the Board as required in the context of the Company's business(es) and for it to function effectively are mentioned below:**

<b>Global Business</b>	Experience of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions, knowledge of foreign exchange markets trends.
<b>Strategy and Planning</b>	Corporate planning and strategy, driving changes and long-term growth, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments, risk management.
<b>Governance and Regulations</b>	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
<b>Technology</b>	Understanding of technology, ability to create innovation and design solution or create new business models using the latest technologies.
<b>Financial</b>	Ability to analyse and understand the key financial statements, assess financial viability of the projects, risk factors & efficient use of resources, experience in the fields of taxation, audit, financial management, banking and internal controls.
<b>Leadership</b>	Extended leadership experience with practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent along with driving change and long-term growth.
<b>Business Diversity and Transformation</b>	Diversity of thought, experience, knowledge, perspective, gender and culture brought to the board by individual members. Varied mix of strategic perspectives, geographical focus with knowledge and understanding of key geographies making fundamental changes in how business is conducted in order to help cope with new developing competences and making better use of existing competences.
<b>Values</b>	Personal characteristics are in line with the Company's ethics and values, such as integrity, accountability, and high-performance standards.
<b>Stakeholders Management</b>	Experience of dealing with government officials, regulators, customers, boards, partners and suppliers, employees; and broader community for corporate social responsibility agenda.

**Below is a list of core skills, expertise and competencies of the individual Directors as March 31, 2023:**

Name of Directors	Global Business	Strategy and Planning	Governance and Regulations	Technology	Financial	Leadership	Business Diversity and Transformation	Values	Stakeholders Management
Mr. Nitin Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nehal Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Bhatt	✓	✓	✓	✓	-	✓	✓	✓	✓
Dr. Shrikant Parikh	✓	✓	-	✓	✓	✓	-	✓	✓
Mr. Milind Kamat	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Swanubhuti Jain	-	✓	-	-	-	✓	✓	✓	✓
Mr. Shakti Leekha	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Anup Mahapatra	✓	✓	✓	✓	✓	✓	✓	✓	✓

**d) Composition of the Board and the Directorship(s)/ Committee Membership(s)/ Chairmanship(s) held as on March 31, 2023 is as follows:**

Name of Director and Director Identification Number (DIN)	Category/Designation	Directorship(s) in other Indian Companies <sup>1</sup>	No. of Membership(s) /Chairmanship(s) in other Companies*		Directorship in other listed Companies	No. and percentage of Equity Shares held in the Company as on March 31, 2023
			Member	Chairman		
Mr. Nitin Shah DIN: 00189903	Chairman & Managing Director (Promoter)	-	-	-	-	1,87,83,031 (34.25%)
Late Mr. Prakash Shah <sup>#</sup> DIN: 00189842	Whole-time Director	-	-	-	-	79,28,348 (14.46%)
Mr. Nehal Shah DIN: 02766841	Executive Director (Promoter Group)	-	-	-	-	1,11,800 (0.20%)
Mr. Sunil Bhatt DIN: 09243963	Executive Director	-	-	-	-	45,000 (0.08%)
Dr. Shrikant Parikh DIN: 01735830	Non-Executive & Independent Director	-	-	-	-	-

Name of Director and Director Identification Number (DIN)	Category/Designation	Directorship(s) in other Indian Companies <sup>1</sup>	No. of Membership(s) /Chairmanship(s) in other Companies*		Directorship in other listed Companies	No. and percentage of Equity Shares held in the Company as on March 31, 2023
			Member	Chairman		
Mr. Milind Kamat DIN: 01772084	Non-Executive & Independent Director	-	-	-	-	-
Ms. Swanubhuti Jain DIN: 09006117	Non-Executive & Independent Director				Motilal Oswal Financial Services Limited - Non-Executive, Independent Director	-
		3	3	-	Arihant Capital Markets Limited - Non-Executive, Independent Director	-
Mr. Shakti Kumar Leekha DIN: 03246804	Non-Executive & Independent Director	-	-	-	-	950 (0.00%)
Mr. Anup Kumar Mahapatra <sup>5</sup> DIN: 08985605	Non-Executive & Independent Director	-	-	-	-	-

<sup>1</sup> Excludes directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Act.

\*In accordance with Regulation 26(1)(b) of the Listing Regulations, Chairmanship(s) / Membership(s) of only Audit Committee and Stakeholders' Relationship Committee in all Indian Public Limited Companies have been considered.

<sup>5</sup>Mr. Anup Kumar Mahapatra was appointed as an Independent Director with effect from May 18, 2022.

<sup>6</sup>Mr. Prakash Shah ceased to be whole-time Director of the Company w.e.f. February 12, 2023 further the shares were in the process of transmission to Mrs. Tejal Prakash Shah, spouse and nominee of his demat account.

#### e) Independent Director:

Independent Director plays a significant role in upholding corporate governance credibility, improving the governance standards and ensuring fairness in decision-making and safeguarding the interests of all stakeholders. The Independent Directors of the Company have the requisite skills, knowledge, experience, and character to bring objective and constructive judgement and valuable insights to the Board's deliberations. The Board has concluded that all the Independent Directors were independent during the period covered by this report.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the Listing Regulations. The Nomination & Remuneration Committee of the Company identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly make its recommendations to the Board.

During the year under review, Mr. Anup Kumar Mahapatra (DIN: 08985605) has been appointed by the Members as an Independent Director at the 28<sup>th</sup> Annual General Meeting

held on July 28, 2022 for a period of five (5) consecutive years commencing from May 18, 2022 up to May 17, 2027.

#### f) Declaration by Independent Directors:

In terms of Regulation 25(8) of Listing Regulations, all the Independent Directors of the Company 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 with an objective independent judgment and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have also confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The maximum tenure of the Independent Directors are in compliance with the provisions of the Listing Regulations and the Act.

Further, the Independent Directors have included their names in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

In the opinion of the Board, all the Independent Directors of the company fulfil the conditions specified in the Listing Regulations and are independent of the management of the company.

**g) Independent Directors' Meeting:**

During the financial year ended on March 31, 2023, one (1) meeting of the Independent Directors was held on July 28, 2022. The Independent Directors of the Company met without the presence of the Executive Directors or any other Management Personnel. The Independent Directors, inter-alia, reviewed and evaluated:

- the performance of Non-Independent Directors, Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and
- other related matters.

All the Independent Directors of the Company attended the said Meeting. The Independent Directors expressed their satisfaction on the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the meetings and the openness and transparency with which the management discusses various subject matters pacified on the agenda of meetings.

The suggestions made by the Independent Directors were discussed at the Board meeting and was implemented by the Board.

**h) Familiarisation programme imparted to Independent Directors:**

In compliance with the Listing Regulations, the Company conducts a familiarisation programme for Independent Directors in which the Managing Director apprises the Independent Directors of the Company's business model, the nature of the industry in which they operate, and their business environment, performance trends, operating/competitive issues and plans. Familiarisation Programmes are conducted for the Independent Directors to enable them to understand their roles, rights and responsibilities. The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. In addition to that the Directors are also regularly kept informed of other developments and regulatory changes and corresponding impact on your Company.

When a director is inducted on the Board, a comprehensive Induction Programme is conducted describing organisation structure, ethics and compliance practices, company policies, etc. In terms of the Listing Regulations, the terms and conditions of appointment of Independent Directors are available on your Company's website [https://www.allieddigital.net/in/downloads/Inv\\_Policies/Appointment\\_Letter\\_of\\_Independent\\_Director.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Appointment_Letter_of_Independent_Director.pdf)

Details of such familiarisation programmes have been disclosed on the website of the Company at:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Familiarisation\\_Programme\\_Independent\\_Directors.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Familiarisation_Programme_Independent_Directors.pdf)

**i) Board Meetings:**

The Board oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served in order to effectively perform its responsibility of oversight. In compliance with the statutory requirements, and to provide a focused discharge of its responsibilities, the Board has constituted various committees with necessary terms of reference.

A minimum of four (4) Board meetings are held every year. Additional meetings are held to meet business exigencies or urgent matters. Where permitted, resolutions are passed by circulation.

The Board Agenda along with the explanatory notes is circulated at least seven days in advance including minimum information required to be made available to the Board as specified in Part A of Schedule II to the Listing Regulations for facilitating meaningful and focused discussions at the meeting. Where it is not feasible to circulate any document in advance, the same is placed / tabled / presented at the meeting with the permission of Chairman and the consent of the majority of the Directors present in the Meeting, including at least one Independent Director. In special and exceptional circumstances, additional item(s) are also considered. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

The Company Secretary ensures comprehensive documentation of meeting proceedings. They prepare initial minutes, share them with all Directors for input, finalize them, record them in the Minutes Book, and obtain the Chairman's signature, following the relevant Secretarial Standards.

All the Board and its Committee Meetings had an option of Video Conferencing (VC). All Directors were also provided VC facility to participate in the meetings of the Board and the Committees.



During the financial year 2022- 2023, four (4) Board Meetings were held on May 18, 2022, July 28, 2022, November 08, 2022, and February 09, 2023. The maximum interval between any two meetings was not more than 120 (one hundred and twenty) days, as stipulated under Section 173(1) of the Act, Regulation 17(2) of the Listing Regulations and the Secretarial Standards-1 issued by Institute of Company Secretaries of India.

The 28<sup>th</sup> Annual General Meeting of the Company was held on July 28, 2022 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) without the physical presence of the members of the Company at a common venue as per the Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

**j) The following table gives the attendance record of the Directors of the Company in the Board Meetings and Annual General Meeting (“AGM”) held during the reporting period:**

Name of Directors	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings attended	Whether attended last AGM held on July 28, 2022
Mr. Nitin Shah	04	04	Yes
Late Mr. Prakash Shah*	04	03	Yes
Mr. Nehal Shah	04	04	Yes
Mr. Sunil Bhatt	04	03	No
Dr. Shrikant Parikh	04	04	Yes
Mr. Milind Kamat	04	04	Yes
Ms. Swanubhuti Jain	04	04	No
Mr. Shakti Leekha	04	04	Yes
Mr. Anup Mahapatra <sup>§</sup>	04	04	Yes

\*Ceased to be Director with effect from February 12, 2023.

<sup>§</sup> Appointed as an Independent Director with effect from May 18, 2022

**k) Relationship between the Directors inter-se:**

Mr. Nitin Shah, Chairman & Managing Director and Late Mr. Prakash Shah, Whole-time Director of the Company are brothers. Mr. Nehal Shah, Director is the son of Mr. Nitin Shah, Chairman & Managing Director and relative of Late Mr. Prakash Shah, Whole-time Director.

None of the Directors other than the above-mentioned Directors are related to each other.

**l) Resignation of Independent Director from the Board of the Company before the expiry of term:**

During the year under review, there was no resignation of any Independent Director from the Board of the Company.

**m) Number of shares and convertible instruments held by Non-Executive Directors:**

Mr. Shakti Kumar Leekha (DIN: 03246804) holds 950 shares of the Company.

Other than the above, none of the Non-Executive Directors of the company hold any shares and/or convertible instruments in the Company.

**n) Risk Management:**

Business Risk Evaluation and Management is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate

and minimise risks as also to identify business opportunities. The Company also pursues a comprehensive risk management programme as an essential element of sound corporate governance and is committed to continuously embedding risk management. The risks are reviewed periodically for the change in nature and extent of the major risks identified since the last assessment. Systematic and proactive identification of risks and mitigation thereof enables effective or quick decision making and boosts the performance of the organisation.

➤ **COMMITTEES OF THE BOARD:**

The Committees of the Board play a crucial role in ensuring sound corporate governance practices. The structure of the Committees are being set out to deal with specific areas/ activities which concern the Company and need a closer review and ensures speedy resolution of the diverse matters. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good corporate governance. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. During the year, all the recommendations of the committees of the Board have been accepted by the Board, which were mandatorily required.

All the Committees have detailed terms of reference approved by the Board which outlines the composition,

scope, powers, duties and responsibilities. The Chairperson of the respective Committee updates the Board about the summary of the discussions held in the Committee meetings. The minutes of the Committee meetings are sent to all Committee Members individually for their approval/comments as prescribed in Secretarial Standards-1 and after the minutes are duly approved, these are circulated to the Board and presented at the Board Meetings.

The Company Secretary acts as the Secretary of these Committees. The Board has established the following statutory and non- statutory committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

## I. AUDIT COMMITTEE:

### A. Brief Description:

The Audit Committee acts as an interface between the Management, Statutory Auditor, Internal Auditor and Board for monitoring the financial reporting process. The Board has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The Audit Committee monitors and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and maintain the integrity and quality of financial control and reporting.

The Chief Financial Officer is the permanent invitee to the Audit Committee. The committee members may invite the Statutory Auditor/Internal Auditor/ Secretarial Auditor and any other concerned officers of the Company in the meeting, whenever required on case-to-case basis. The Company Secretary acts as the Secretary of the Audit Committee.

### B. Terms of reference:

The primary responsibilities and role of the Audit Committee, inter-alia, are:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending to the Board, the appointment, re-appointment, remuneration, terms of appointment and if required, the replacement or removal of the auditors and fixation of audit fees;

- iii. Approval of payment to statutory auditors for any other non-audit services rendered by the statutory auditors;
- iv. Reviewing with the management, the quarterly/ annual Standalone and Consolidated financial result/statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters to be specified in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;

- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- xxi. Consider and comment on rationale, cost benefits and the impact of schemes involving merger, demergers, amalgamation etc., on the company and its shareholders;
- xxii. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**The Audit Committee mandatorily reviews the following information:**

- Management Discussion and Analysis of financial condition and results of operations;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**C. Composition:**

The Audit Committee comprises of three (3) members as on March 31, 2023 out of which two (2) are Independent Directors and one (1) is an Executive Director. The Committee's composition complies with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. All Members of the Committee are financially literate and have financial management expertise.

**D. Members and meeting details:**

The Audit Committee met four times during the year under review i.e. May 18, 2022, July 28, 2022, November 08, 2022 and February 09, 2023. The gap between any 2 meetings did not exceed 120 days.

The details of the Members and their attendance at meetings during the year, are as given below:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Dr. Shrikant Parikh	Chairman	Non-Executive, Independent Director	04	04
2.	Mr. Milind Kamat	Member	Non-Executive, Independent Director	04	04
3.	Late Mr. Prakash Shah*	Member	Executive, Whole-time Director	04	03
4.	Mr. Nehal Shah**	Member	Executive Director	NA	NA

\*Ceased to be a Director from February 12, 2023

\*\* Appointed as a member of the Committee with effect from March 01, 2023

All the recommendations of the Audit Committee have been accepted by the Board. The Chairman of the Audit Committee was present at the 28<sup>th</sup> (Twenty-Eighth) Annual General Meeting held on July 28, 2022, to answer shareholder's queries.

## II. NOMINATION & REMUNERATION COMMITTEE:

### A. Brief Description:

The objective of Nomination and Remuneration ('NR') Committee is to ensure a fair transparent and equitable remuneration to employees and Directors based on quality of people, their performance and capability to run the company successfully. The purpose of the NR Committee is to assist the Board in ensuring that the Board and Executive Committee retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the firm.

### B. Terms of reference:

The purpose and responsibilities of the Committee shall include matters as prescribed under applicable law or by the Board in compliance with applicable law from time to time, which inter-alia includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a Policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in

such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of performance of Independent directors and the Board of Directors;
  - iv. Devising a Policy on diversity of Board of Directors;
  - v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
  - vi. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - vii. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
  - viii. Administration of the Employee Stock Option Plan (ESOP), if any.

### C. Composition:

The NR Committee comprises three (3) Independent Directors of the Company as on March 31, 2023. The Committee's composition meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

### D. Members and meeting details:

The Committee met one (1) time during the year under review i.e. May 18, 2022.

The details of the Members and their attendance at the meeting held during the year, is given below:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Dr. Shrikant Parikh	Chairman	Non-Executive, Independent Director	01	01
2.	Mr. Milind Kamat	Member	Non-Executive, Independent Director	01	01
3.	Ms. Swanubhuti Jain	Member	Non-Executive, Independent Director	01	01

The Chairman of the Committee was present at the 28<sup>th</sup> Annual General Meeting held on July 28, 2022.

### E. Performance Evaluation Criteria for Independent Directors:

The Board works with the NR Committee to lay down the evaluation criteria for the Board of the Company, based on the recommendations of the NR Committee of the Company, has laid down the criteria for performance evaluation of Independent Directors, which covers the areas relevant to their functioning as Independent Directors of the Company.

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board with specific focus on the performance and effective functioning of the Board and Individual Directors and the same is taken note by the Nomination and Remuneration Committee.

### F. Disclosure of Remuneration paid to Director:

- There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company
- Details of remuneration paid to Executive Directors and Managing Director for the year ended March 31, 2023 are as under:

Name of Director	Designation	Remuneration during 2022-23			
		All Elements of remuneration package i.e. salary, allowances and other benefits, etc.	Fixed Component & performance linked incentives along with the performance criteria	Service Contract, Notice Period, severance fees	Stock Options held as on March 31, 2023
Mr. Nitin Shah	Chairman & Managing Director	INR 519.57 Lakhs [Refer Note (a)]	Nil	Refer Note (b)	Nil
Late Mr. Prakash Shah*	Whole-time Director	INR 240.82 Lakhs [Refer Note (a)]	Nil	-	Nil
Mr. Nehal Shah	Director	INR 7.06 Lakhs [Refer Note (a)]	Nil	Refer Note (b)	Nil
Mr. Sunil Bhatt	Director	NA	NA	Refer Note (b)	1,75,000

\* Ceased to be a Whole-time Director with effect from February 12, 2023

- The amount include perquisite includes allowances in respect of rent-free furnished accommodation owned, leased or rented by the Company or House Rent Allowances in lieu thereof, repairs and maintenance of accommodation including furniture, fixtures and furnishings and provision of gas, electricity and water, medical reimbursement, health insurance premium, group personal accident insurance, telephone facility at residence, mobile phone, leave travel concession, for himself and his family, education of self and family, fees for two clubs, fees for two credit cards, Company's car with a driver and maintenance, and any other reimbursements, allowances or perquisites in terms of the Company's Rules.
- Services of the Managing Director and Executive Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

- The details and criteria for making payments to Non-Executive Directors of the Company are as under:  
The Non-Executive Independent Directors are paid remuneration in form of sitting fees for attending the Board and Committee meetings, respectively.



The sitting fees paid to the Non-Executive Directors for attending the Board / Committee meetings held during the year is as under:

Name	Sitting Fees
Mr. Milind Kamat	INR 1,90,000
Dr. Shrikant Parikh	INR 2,05,000
Ms. Swanubhuti Jain	INR 1,30,000
Mr. Shakti Kumar Leekha	INR 1,00,000
Mr. Anup Kumar Mahapatra	INR 1,00,000

There was no commission paid to the Non-Executive Director during the Financial Year 2022-23.

### III. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

#### A. Brief Description:

The main objective of the Stakeholders' Relationship Committee is to resolve the grievances of security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

During the Financial Year 2022-23, 18 queries/complaints were received by the Company from members/investors/authorities, all of which have been redressed/resolved to date, satisfactorily. Thus, there are no pending complaints as on March 31, 2023.

Ms. Neha Sunil Bagla, Company Secretary acts as the Secretary to the Committee. The Chairman of the Stakeholders' Relationship Committee was present

#### D. Members and meeting details:

One (1) meeting of the Stakeholders' Relationship Committee was held on February 09, 2023.

The details of the Members and their attendance at the meeting held during the year, is given below:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1.	Mr. Milind Kamat	Chairman	Non-Executive, Independent Director	01	01
2.	Dr. Shrikant Parikh	Member	Non-Executive, Independent Director	01	01
3.	Late Mr. Prakash Shah*	Member	Executive, Whole – time Director	01	00
4	Mr. Nehal Shah**	Member	Executive Director	NA	NA

\*Ceased to be a Director from February 12, 2023

\*\* Appointed in the Committee with effect from March 01, 2023

#### E. Compliance Officer:

Ms. Neha Sunil Bagla, Company Secretary is the Compliance Officer of the Company in terms of Regulation 6 of the Listing Regulations.

at the Annual General Meeting of the Company to address the shareholders queries.

#### B. Terms of reference:

The terms of reference of the Stakeholders' Relationship Committee as per the applicable laws are as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### C. Composition:

The Committee's composition meets the requirements of Section 178 of Act and Regulation 20 of the Listing Regulations, as on March 31, 2023, the Stakeholders' Relationship Committee comprises of two (2) Independent Directors and one (1) Executive Director

## F. Investor's/ Shareholders' Grievance Redressal:

The number of complaints / requests received and resolved to the satisfaction of investors during the year under review and their break-up is as under:

Source of Complaint	No. of Complaints received	No. of Complaints resolved	Not resolved to the satisfaction of shareholders	No. of Complaints Pending
Directly from Investors	18	18	0	0
Through SEBI, Stock Exchanges.	0	0	0	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>0</b>

The Company has appointed the Company Secretary, as the designated Investor Relations Officer who may be contacted at the Registered Office of the Company or on Telephone: +91-22-66816400 or the Investors can also send their grievances to the designated email ID investors@allieddigital.net

## IV. MANAGEMENT COMMITTEE:

### A. Brief Description and Composition:

The Management Committee was constituted by the Board on April 28, 2009. The Committee is entrusted with the operational and administrative power. The Committee comprises of three (3) Members.

### B. Terms of reference of the Committee:

- i. To borrow monies not exceeding specified sum or such other amount as may be authorized by the Shareholders at the General Meeting, together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) from Financial Institutions / Banks and others from time to time;
- ii. To authorize Employees of the Company for purchase whether on hire purchase or otherwise or sale of vehicle;
- iii. To open Bank Accounts and to authorize Directors/Authorized Signatories to operate the said Bank Accounts;
- iv. To withdraw /change the authority to operate any of the Company's Bank Account;
- v. To appoint attorney for and on behalf of the Company for specific /general purposes;
- vi. To authorize Company Executives to represent the Company and sign and execute all the documents and papers related to the Central Government, State Government, Local Authority or any other authority in relation to the business of the Company;
- vii. To take premises on leave and license / lease to be used as office/store /godown of the company or for the purpose of residence of employees or for any other purpose;
- viii. To grant authority for opening Branches/ Godowns at different places in the country or abroad subject to such permission as may be required from different authorities;
- ix. To authorize Company Executives for obtaining Telephone /Electricity connections or other permissions in the name of the Company;
- x. To decide on filing recovery on suits against distributors/dealers/customers and to authorize company's executives to prosecute the same;
- xi. To file criminal proceedings against those misusing the company's rights under the Design, Patents, Trademarks and Copyright Laws, if any;
- xii. To authorize company's executives to defend civil suits filed by third parties against the company;
- xiii. Other general day-to-day affairs of the Company.

### C. Meeting details:

During the Financial Year 2022-23, two (2) meetings of the Management Committee was held on August 12, 2022 and March 01, 2023.

Sr. No.	Name of Members	Designation	No. of meetings held during the year	No. of meetings attended
1.	Mr. Nitin Shah	Chairman & Managing Director	02	02
2.	Late Mr. Prakash Shah*	Whole-time Director	02	01
3.	Mr. Paresh Shah	Chief Executive Officer	02	02
4	Mr. Nehal Shah**	Director	NA	NA

\* Ceased to be a Director from February 12, 2023

\*\* Appointed in the Committee with effect from March 01, 2023

## V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### A. Brief Description:

The Corporate Social Responsibility (“CSR”) Committee’s prime responsibility is to assist the Board in discharging its social responsibilities by formulating and monitoring implementation of the framework of Corporate Social Responsibility Policy (“CSR Policy”).

### B. Terms of reference:

The Terms of reference of the CSR Committee are as under:

- i. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Act;
- ii. Formulate and recommend to the Board an Annual Action Plan in pursuance of its CSR Policy, which shall include the items mentioned in Rule 5(2) of the Companies (CSR Policy) Rules, 2014;

- iii. Recommend the amount of expenditure to be incurred on activities referred under the CSR Policy;
- iv. Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company;
- v. Making decisions with respect to the Company’s CSR Policy
- vi. Monitor the CSR Policy of the Company from time to time;
- vii. Such other powers to be exercised by the CSR Committee pursuant to circulars, notifications issued by Statutory & Regulatory Authorities from time to time.
- viii. Such other activities as the Board of Directors determine as they may deem fit in line with the CSR Policy.

### C. Composition:

The Company has constituted the Corporate Social Responsibility Committee to comply with the requirements under Section 135 (1) of the Companies Act, 2013.

During the year under review, one (1) meeting of CSR Committee was held on February 09, 2023. The detailed composition and attendance of the CSR Committee is given below:

Sr. No.	Name of Members	Designation	Category of Director	No. of meetings held during the year	No. of meetings attended
1	Ms. Swanubhuti Jain	Chairperson	Independent Director	01	01
2	Dr. Shrikant Parikh	Member	Independent Director	01	01
3	Late Mr. Prakash Shah*	Member	Whole-time Director	01	00
4	Mr. Nehal Shah**	Member	Director	NA	NA

\* Ceased to be a Director from February 12, 2023

\*\* Appointed in the Committee with effect from March 01, 2023

## VI. RISK MANAGEMENT COMMITTEE:

As per Regulation 21(5) of the Listing Regulations, the Company does not fall in the top 1000 listed entities determined on the basis of market capitalisation as at the end of March 31, 2023, hence the requirement to constitute the Risk Management Committee was not applicable to the Company during the said financial year.

## ➤ GENERAL MEETINGS:

### a) Annual General Meeting

The details of the Annual General Meetings (AGM) held in last 3 years along with particulars of Special Resolution(s) passed by members of the Company in the said meetings are as under:

Financial Year	Day, Date, Time and Venue of AGM	Particulars of Special Resolution(s) passed
2021-22	<p><b>Day and Date</b> Thursday, July 28, 2022</p> <p><b>Time</b> 04:00 P.M.</p> <p><b>Venue:</b> Video conference and Other Audio-Visual Means</p>	<ol style="list-style-type: none"> <li>To approve appointment of Mr. Anup Kumar Mahapatra (DIN: 08985605) as an Independent Director of the Company.</li> <li>To approve appointment of Mr. Sunil Vasudev Bhatt (DIN: 09243963) as an Executive Director of the Company.</li> </ol>
2020-21	<p><b>Day and Date</b> Monday, September 13, 2021</p> <p><b>Time</b> 02:00 P.M.</p> <p><b>Venue:</b> Video conference and Other Audio-Visual Means</p>	<ol style="list-style-type: none"> <li>To approve the re-appointment of Mr. Nitin Dhanji Shah (DIN: 00189903) as the Chairman &amp; Managing Director of the Company</li> <li>To approve the re-appointment of Mr. Prakash Dhanji Shah (DIN: 00189842) as the Whole-time Director of the Company of the Company.</li> <li>To approve the appointment of Ms. Swanubhuti Jain (DIN: 09006117), as an Independent Director of the Company.</li> <li>To approve the re-appointment of Mr. Nehal Nitin Shah (DIN: 02766841), as an Executive Director of the Company.</li> <li>To approve the appointment of Mr. Sunil Bhatt (DIN: 09243963), as the Non-Executive Director of the Company</li> </ol>
2019-20	<p><b>Day and Date</b> Thursday, September 03, 2020</p> <p><b>Time</b> 02:00 P.M.</p> <p><b>Venue:</b> Video conference and Other Audio-Visual Means</p>	<ol style="list-style-type: none"> <li>Approval for Revision in Remuneration of Mr. Nitin Shah, Chairman and Managing Director of the Company.</li> <li>Approval for Revision in Remuneration of Mr. Prakash Shah, Whole-time Director of the Company.</li> <li>To approve 'ADSL - Employees Stock Option Plan 2020'</li> <li>To extend approval of 'ADSL - Employees Stock Option Plan 2020' to the employees of Holding Company and its Subsidiary Company(ies).</li> <li>To Grant options to issue securities equal to or exceeding One per cent but not exceeding Two per cent of the issued Capital of the Company during any One financial year to identified employees under ADSL - Employees Stock Option Plan 2020</li> <li>To approve issue and allotment of 40,00,000 (Forty Lakhs) Convertible Equity Warrants on Preferential basis to Mr. Nitin Dhanji Shah, Promoter of the Company.</li> </ol>

### b) Approval of members through Postal Ballot

During the year under review, no Special Resolution was passed through Postal Ballot.

## ➤ DISCLOSURES:

### i. Related Party Transactions:

During the financial year 2022-23, there was no materially significant related party transaction entered into by the Company with its related parties that has potential conflict with the interests of the Company at large.

Further, in terms of Section 188(1) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all the related party transactions entered during the financial year were in the "ordinary course of business", "at arm's length basis" and approved by the Audit Committee. Other related party transactions are disclosed in

the financial statements for the year ended March 31, 2023 in Note no. 30(4).

The Company has formulated a policy for Related Party Transactions, which has been uploaded on the website of the Company. The web-link as required under Schedule V of the Listing Regulations, is as under: [https://www.allieddigital.net/in/downloads/Inv\\_Policies/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Related_Party_Transaction_Policy.pdf).

The Company has submitted to the Stock Exchange disclosures of related party transactions on a consolidated basis, in accordance with Regulation 23(9) of Listing Regulations.

**ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchange(s), or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three financial years:**

There have been no instances of non-compliance with the applicable statutory requirements by the Company and no penalties or strictures have been imposed on the Company during the last three years.

**iii. Vigil Mechanism / Whistle Blower Policy and Access of personnel to the Audit Committee:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 read with Schedule V of the Listing Regulations, your Company has adopted a Whistle-Blower Policy, with a view to establishing a vigil mechanism whereby all the stakeholders, Directors and employees, are encouraged to report illegal, unethical or improper activities through established channels, enabling an ethical and corruption-free work environment and at the same time safeguarding stakeholders, Directors and employees against victimisation. All unethical malpractices reported via the hotline or otherwise are thoroughly investigated, to the extent possible.

The Whistle-Blower Policy does not release stakeholders, Directors or employees from their duty of confidentiality in the course of their work nor can it be used as a route for taking up a grievance about a personal situation. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. Further, it is hereby affirmed that the no personnel has been denied access to the Audit Committee.

The said Whistle-Blower Policy has been uploaded on the website of the Company at: [https://www.allieddigital.net/in/downloads/Inv\\_Policies/Whistle\\_blower\\_and\\_vigil\\_mechanism.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Whistle_blower_and_vigil_mechanism.pdf)

**iv. Compliance with Mandatory Requirement & Adoption of the Non-mandatory requirement:**

The Company has complied with all the mandatory Corporate Governance specified in Regulation 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 read with Schedule V of Listing Regulations.

Adoption of non-mandatory requirements as prescribed under Schedule II Part E of the SEBI

Listing Regulations are reviewed by the Board from time to time.

The Company has been a strong believer in good Corporate Governance and has been adopting the best practices that have evolved over the decades.

The auditors' report on financial statements of the Company are unmodified. The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

**v. Policy for determining 'material subsidiaries':**

The Company has formulated and adopted a policy for determining 'Material Subsidiaries' in compliance with the Listing Regulations.

Allied Digital Services, LLC is a material subsidiary of the Company.

The Policy is available on the website of the Company at:

[https://www.allieddigital.net/in/downloads/Inv\\_Policies/Policy\\_on\\_Determination\\_of\\_Material\\_Subsidiaries.pdf](https://www.allieddigital.net/in/downloads/Inv_Policies/Policy_on_Determination_of_Material_Subsidiaries.pdf)

**vi. Disclosure of commodity price risks and commodity hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

**vii. Employees Stock Option Plan:**

At the 26<sup>th</sup> Annual General Meeting held on September 03, 2020, the Members of the Company approved 'ADSL - Employees Stock Option Plan 2020' (ADSL ESOP 2020) to create, grant, offer, issue and allot at any time in one or more tranches, such number of stock options convertible into Equity Shares of the Company ("Options"), in one or more tranches, not exceeding 40,00,000 Equity Shares of face value of INR 5/- each. There is no material change in the ADSL ESOP 2020 during the year under review. The relevant disclosures pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") as amended from time to time, is forming part of this Annual report.

**viii. Means of Communication:**

The Company communicates with all its stakeholders via multiple channels of communication as outlined below:

**Financial Results:** The quarterly, half-yearly and annual financial results of the Company (both standalone and consolidated) are submitted to National Stock Exchange of India Limited and BSE Limited on their respective web portal viz. "NEAPS" and "BSE Listing Centre" within the prescribed timelines, and they are published in prominent newspapers, which include Business Standard and local newspaper Nava Kaal. Simultaneously, the results are hosted on the Company's website: [www.allieddigital.net](http://www.allieddigital.net).

**Website:** The Company's website [www.allieddigital.net](http://www.allieddigital.net) has a separate dedicated section 'Investors' where latest



information required under Regulation 46 of the Listing Regulations is available. Other than the quarterly and annual results, comprehensive information about the Company, its business and operations, press releases, shareholding pattern, corporate benefits, contact details, forms, etc. are posted on the website.

During the said financial year, the Company did not make any presentation to the institutional investors or to the analysts and therefore, no details of the presentations have been communicated to the Stock Exchanges.

**Intimation to the Stock Exchanges:** The Company regularly intimates the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the company are listed) all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders and are required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations.

**NSE Electronic Application Processing System:** As per the mandate received from National Stock Exchange of India Limited ('NSE'), the Company has been uploading its Financial Information, Shareholding Pattern, Report on Corporate Governance, other material events/ information and other mandatory compliances on the dedicated website of NSE i.e. <https://neaps.nseindia.com/NEWLISTINGCORP/>

**Online Portal-BSE Corporate Compliance & Listing Centre:** As per the mandate received from BSE Limited ('BSE'), the Company has been uploading its Financial Information, Shareholding Pattern, Report on Corporate Governance, other material events/ information and other mandatory compliances on the dedicated website of BSE i.e. <http://listing.bseindia.com/login.aspx>.

**Designated Exclusive email-id:** To serve the investors better and, as required under Regulation 46(2)(j) of the Listing Regulations, the Company's Investor Grievance Redressal Division has a designated email address for investor complaints i.e. [investors@allieddigital.net](mailto:investors@allieddigital.net). The Company's Compliance Officer monitors this email constantly.

#### ix. Code of Conduct:

The Board has prescribed a Code of Conduct for all members of the Board and the Senior Management of the Company. This Code of Conduct has been uploaded on the website of the Company i.e. <http://www.allieddigital.net/>.

The Code highlights corporate governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association. The Code is applicable to all Directors and specified Senior Management executives. Another important principle on which the Code is based is that the Directors and Senior

Management executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith and due care in performing their duties.

A declaration signed by the Company's Chief Executive Officer affirming that the members of board of directors and senior management personnel have complied with the code of conduct of board of directors and senior management is attached to this report as "**Annexure IV**".

#### x. Disclosure in relation to the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is an equal employment opportunity provider and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity.

Pursuant to the requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a Policy and duly constituted Internal Complaints Committees across locations. During the year under review, no complaint was filed.

#### xi. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditor is a part:

Details relating to fees paid to Statutory Auditors are given in Note no. 27A to the Standalone Financial Statements and Note no. 28A to the Consolidated Financial Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

#### xii. Disclosure of Loans and Advances:

The Company and its subsidiaries has not given any loans and advances to firms/company in which directors are interested

#### xiii. Details of material subsidiaries of Company:

In terms of the Company's Policy on determining "material subsidiary", during the financial year ended March 31, 2023, Allied Digital Services, LLC was determined as a material subsidiary whose income exceeded 10% of the consolidated income of the Company in the immediately preceding financial year.

Allied Digital Services, LLC was incorporated on July 09, 2008 in the State of Delaware, United States of America. M/s. Ram Associates, Certified Public Accountants, was appointed as March 8, 2011.

#### xiv. Details of utilization of funds raised through Preferential allotment:

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations, during the year under review.

#### xv. As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the Shares in the Suspense Account are as follows:

Aggregate No. of Shareholders and the Outstanding shares in the suspense Account lying at the beginning of the year	No. of the Shareholders who approached the Company for transfer of shares from the suspense account during the year	No. of the Shareholders whom shares are transferred from the suspense account during the year	Aggregate No. of Shareholders and the Outstanding shares in the suspense Account lying at the end of the year	Voting rights of shares to remain frozen till the rightful owner of such shares claims the shares
1 Shareholder and 280 Eq. Shares*	-	-	1 Shareholder and 280 Eq. Shares*	280 Equity Shares

\*Re-classified as Bodies Corporate in the shareholding pattern submitted quarterly during the reporting year.

### 1. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting detail:	
<b>Date:</b>	August 17, 2023
<b>Time:</b>	3:00 p.m. I.S.T.
<b>Mode:</b>	Video Conference ("VC") and Other Audio-Visual Means ("OAVM")
<b>Financial Year:</b>	April 1, 2022 to March 31, 2023
Financial Calendar for 2023-24 (Tentative)	
First quarter results	By July 31, 2023
Second quarter results	By November 14, 2023
Third quarter results	By February 14, 2023
Annual results	By May 30, 2024
<b>Date of Book Closure</b>	August 11, 2023 to August 17, 2023 (both days inclusive)
<b>Proposed Dividend</b>	INR 1.25/- per equity share of face value INR 5/- each
<b>Dividend Payment Date</b>	On or before September 15, 2023
<b>Registered Office of the Company:</b>	Premises No. 13A, 13 <sup>th</sup> Floor, Earnest House, NCPA Road, Block III, Nariman Point Mumbai – 400 021. Email: investors@allieddigital.net Website: www.allieddigital.net
<b>Listing on Stock Exchanges and Stock Codes</b>	<b>The shares of your Company are listed on:</b> <ul style="list-style-type: none"> <li>• <b>BSE Limited</b> Scrip Code: 532875 P.J. Towers, Dalal Street, Mumbai 400001</li> <li>• <b>National Stock Exchange of India Limited</b> Symbol: ADSL Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051</li> </ul>
<b>Reason for suspending of Securities from trading, if any</b>	Not Applicable
<b>Listing Fees and Custodian Fees to Depositories</b>	The Company has made the payment towards the Annual Listing fees for the year 2023-2024 to both the Stock Exchanges within the prescribed timelines. The Company has also made payments towards the Annual Custodian Fees to each of the depositories for the year 2023-24.
<b>ISIN of Company' Equity Shares:</b>	INE102I01027
<b>Corporate Identification Number (CIN):</b>	L72200MH1995PLC085488
<b>Registrar and Share Transfer Agent</b>	<b>M/s Link Intime India Private Limited,</b> C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai- 400083. Tel. No.: +91-022-4918 6270 Fax No.: +91-22-4918 6060 Email: rnt.helpdesk@linkintime.co.in
<b>Copies of Permanent Account Number (PAN)</b>	Members are requested to furnish their PAN to the Company to help strengthen compliance with KYC norms and provisions of Prevention of Money Laundering Act, 2002. For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.

**A. Dividend**

The Board at their meeting held on May 18, 2022, recommended a final dividend of INR 1 per Equity share (i.e. 20%) of face value of INR 5/- each for the financial year ended 2021-2022 and the dividend was paid before August 26, 2022.

The Board at their meeting held on May 25, 2023, recommended a final dividend of INR 1.25 per Equity share (i.e. 25%) of face value of INR 5/- each for the financial year 2022-23. The aforesaid dividend is subject to the approval of the members at the ensuing Annual General Meeting of the Company and if approved the final dividend shall be paid/credited on or before September 15, 2023.

**B. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company being engaged in IT Consulting & Software Services does not use any commodity for its business activities. Consequently, the Company is not exposed to any commodity price risk.

The Company is exposed to foreign exchange fluctuations risks on account of receivables from export of services to its foreign subsidiary companies as well as payables towards borrowings in foreign exchange from a bank. The Company has put in place internal hedging mechanism to mitigate the risks arising on account of this.

**C. Credit Rating**

The Company's financial discipline and prudence is reflected in the strong credit ratings of its debts. Acuite Ratings & Research Limited ("Acuite Ratings") has assigned a long-term rating of 'ACUITE BBB' (ACUITE triple B) and a short-term rating of 'ACUITE A3+' (ACUITE A three plus) to its bank facilities against the earlier rating of BBB- for Long-term and A3 for Short-term facilities by Brickwork Rating India Private Limited. The outlook is 'Stable'.

**F. Distribution of Share Holding as on March 31, 2023**

Equity Shares slabs	Shareholders		Shares	
	Number	Percentage (%)	Number	Percentage (%)
1-500	33663	86.21	3662299	6.68
501-1000	2574	6.59	2104647	3.84
1001-2000	1338	3.43	2059988	3.76
2001-3000	429	1.10	1099772	2.01
3001-4000	215	0.55	774005	1.41
4001-5000	181	0.46	854310	1.56
5001-10000	337	0.86	2508710	4.57
> 10001	312	0.80	41773797	76.18
<b>TOTAL</b>	<b>39049</b>	<b>100.00</b>	<b>54837528</b>	<b>100.00</b>

**D. Code of Conduct to Regulate, Monitor and Report Trading by Insiders**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, the Board has adopted a Code of Conduct to regulate, monitor and report Trading by Insiders (the 'Code') for prevention of insider trading.

The Code lays down guidelines and procedures to be followed and disclosures to be made by Insiders, Connected Persons, Directors, Promoters, Key Managerial Personnel, top level executives and certain staff whilst dealing in the Company's shares. The Code, inter alia, contains regulations for preservation of unpublished price sensitive information, pre-clearance of trade, etc.

The Company Secretary has been appointed as the Compliance Officer and is responsible for ensuring / monitoring adherence to the Code.

**E. Share Transfer System**

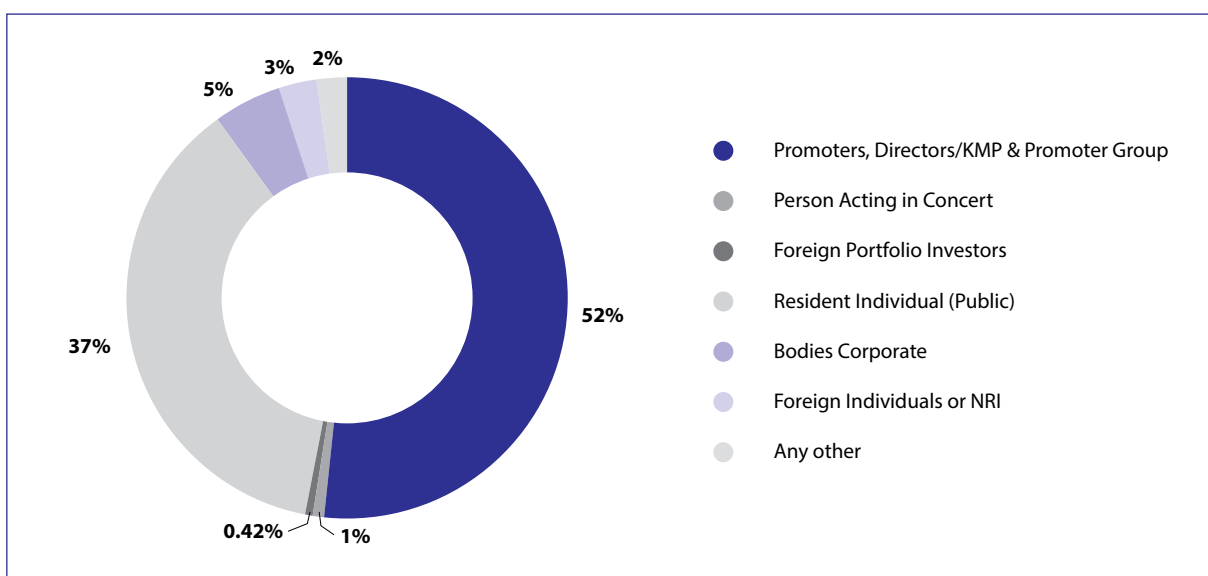
The Board of Directors has delegated the power of share transfer to Link Intime India Private Limited, the Registrar and Share Transfer Agent. A summary report on the transfer/transmission of shares of the Company is placed at every meeting of the Board of Directors. The Company yearly obtains from a practising Company Secretary a certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the certificate with the Stock Exchanges.

As per SEBI norms, all requests for transfer of securities shall be processed only in dematerialised form. Further vide circular dated January 24, 2022, SEBI has notified that all requests for transmission, transposition, duplicate issuance, splitting and consolidation requests too will be processed in a demat mode only. All Shareholders are requested to convert their shares in demat mode. The necessary form is available on the Company's website at:

[www.allieddigital.net/in/wp-content/uploads/2023/03/Investor\\_Forms\\_and\\_Services.pdf](http://www.allieddigital.net/in/wp-content/uploads/2023/03/Investor_Forms_and_Services.pdf)

## G. Category wise Shareholding as at March 31, 2023

Category	No. of shares	Percentage of total number of Shares
Promoters, Directors, KMP & Promoter Group	2,85,34,324	52.03
Person Acting in Concert	4,27,226	0.78
Foreign Portfolio Investors	2,31,083	0.42
Foreign Institutional Investor	-	-
Resident Individual (Public)	20391150	37.21
Bodies Corporate	2443709	4.22
Foreign Individuals or NRI	1888233	3.41
Any other	921803	1.92
<b>Total</b>	<b>5,48,37,528</b>	<b>100.00</b>



## H. Dematerialization of Shares and Liquidity

As on March 31, 2023, 97.23% of the Company's paid-up capital was held in dematerialised form. The particulars of number of shares held in dematerialised and physical form are as under:

Particulars	No. of Shares	Percentage (%)
Physical Shares	15,20,106	2.77
Held in dematerialised form in CDSL	1,16,04,099	21.16
Held in dematerialised form in NSDL	4,17,13,323	76.07
<b>Total</b>	<b>5,48,37,528</b>	<b>100.00</b>

## I. Outstanding Global Depository receipt (GDRs)/American Depository Receipt (ADRs) /Warrants or any Convertible Instruments, conversion date, likely impact on equity

There were no GDRs/ADRs/ or any other instrument likely to impact the equity share capital of the Company as on March 31, 2023.

## J. Plant Location

The Company is into providing IT service only and hence it does not have any plant.

## K. E-mail Id for Investor's Grievances

The Company has designated separate E-mail Id for the investor grievance and Redressal and to improve the quality of the services to the investor. The e-mail address for investor grievance is investors@allieddigital.net.

**L. Address for Correspondence**

For any other query relating to shares:

**Link Intime India Private Limited**C-101,247 Park, L B S Marg,  
Vikhroli West, Mumbai-400083.

Tele: +91 22 49186270

Fax: +91 22 49186060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)Website: [www.linkintime.co.in](http://www.linkintime.co.in)

For general correspondence:

**Company Secretary****Allied Digital Services Limited,**Premises No. 13A, 13<sup>th</sup> Floor, Earnest House, NCPA Road,  
Block III, Nariman Point Mumbai – 400 021

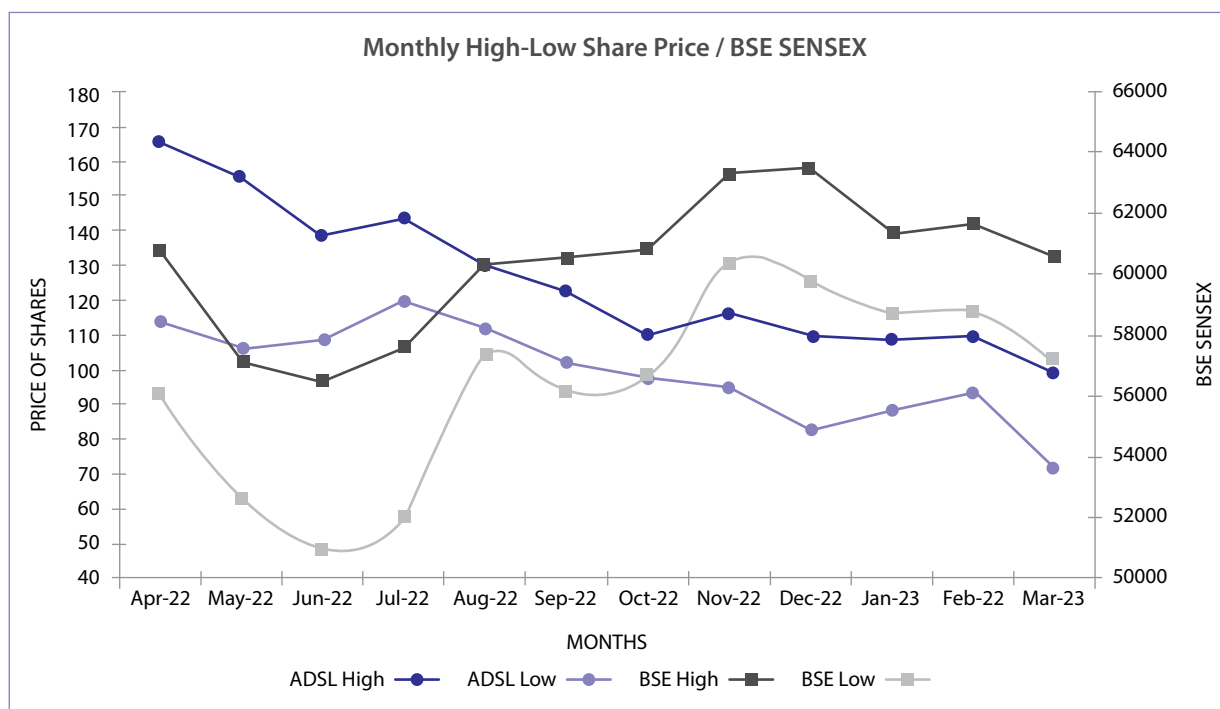
Tel: +91 22 6681 6400

Fax: +91 22 2282 3030

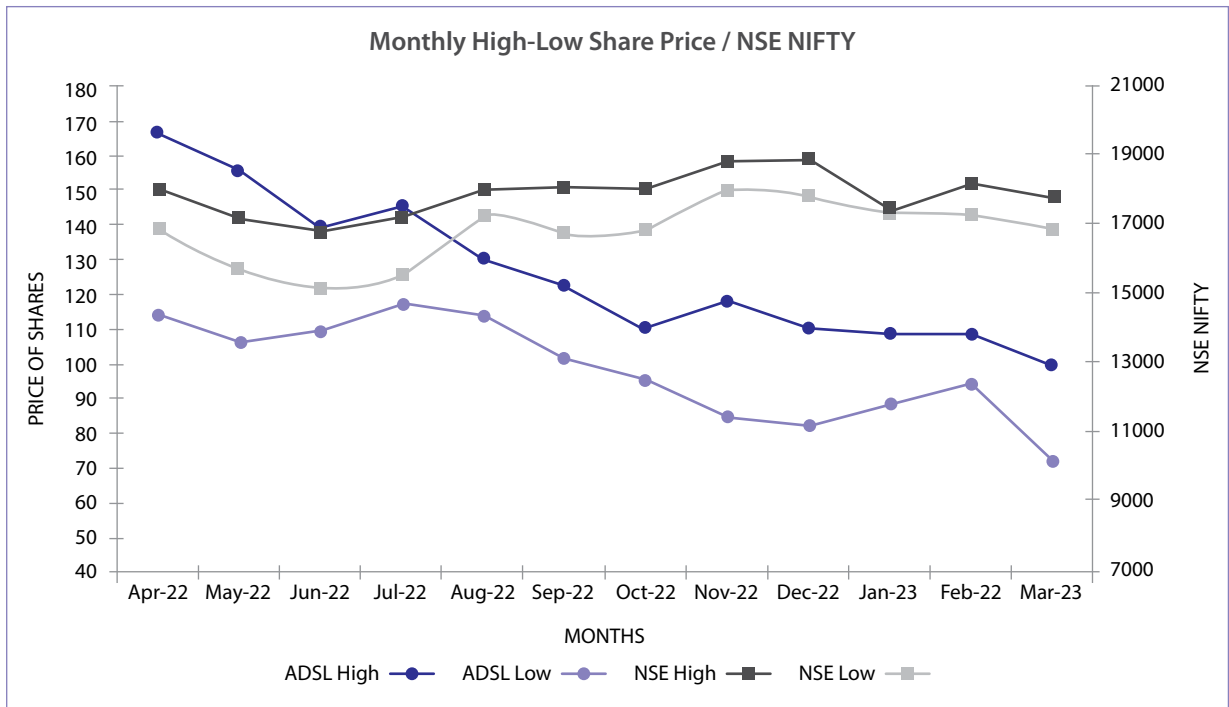
Email: [investors@allieddigital.net](mailto:investors@allieddigital.net)Website: [www.allieddigital.net](http://www.allieddigital.net)**M. Market information**

Monthly high and low prices of the Company's Equity Shares and performance in comparison to BSE Sensex and NSE Nifty from April 01, 2022 to March 31, 2023 are noted herein below:

Month	ADSL on BSE		SENSEX		ADSL on NSE		S & P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-22	165.30	114.45	60,845.10	56,009.07	165.50	114.00	18114.65	16824.7
May-22	155.15	105.10	57,184.21	52,632.48	155.15	105.35	17132.85	15735.75
Jun-22	138.00	108.85	56,432.65	50,921.22	138.00	109.00	16793.85	15183.4
Jul-22	144.00	119.70	57,619.27	52,094.25	144.80	117.05	17172.8	15511.05
Aug-22	129.80	112.00	60,411.20	57,367.47	129.50	114.00	17992.2	17154.8
Sep-22	121.90	101.05	60,676.12	56,147.23	121.85	101.50	18096.15	16747.7
Oct-22	109.50	97.45	60,786.70	56,683.40	109.60	95.30	18022.8	16855.55
Nov-22	116.95	95.00	63,303.01	60,425.47	117.85	83.85	18816.05	17959.2
Dec-22	110.00	82.85	63,583.07	59,754.10	109.60	82.00	18887.6	17774.25
Jan-23	108.10	88.30	61,343.96	58,699.20	108.00	88.25	18251.95	17405.55
Feb-23	110.00	93.90	61,682.25	58,795.97	109.50	94.20	18134.75	17255.2
Mar-23	99.00	71.50	60,498.48	57,084.91	99.10	71.55	17799.95	16828.35







**2. Discretionary Requirements under Regulation 27 of Listing Regulations:**

The status of compliance made by the Company with discretionary recommendations of the Regulation 27 of the Listing Regulations is provided below:

**The Board:** The Company has an Executive Director as the Chairman of the Company, therefore, the need for implementing the non-mandatory requirement i.e. maintaining a chairperson’s office at the Company’s expense and allowing reimbursement of expenses incurred in performance of his duties, does not arise.

**Shareholders’ Rights:** The quarterly, half yearly and yearly financial performance along with significant events are published in the newspaper and are also posted on the Company’s website www.allieddigital.net. The same are also available on the websites of stock exchanges, where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

**Modified Opinion in Auditor’s Report:** The Auditors’ Report on Company’s Standalone and Consolidated Financial Statements for the financial year ended March 31, 2023 is of an unmodified opinion.

**Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee and are invited to be present as Invitees at the Audit Committee Meetings held every quarter.

**3. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:**

The Company has complied with all the requirements in this regard, to the extent applicable.

**4. CEO and CFO Certification:**

The Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Company has given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations. The CEO and CFO has also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the CEO and CFO forms part of this report and marked as “Annexure II”.

**5. Certificate on Corporate Governance:**

Certificate from M/s. Rathi & Associates, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Listing Regulations, forms part of this report and is marked as “Annexure III”.

## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Allied Digital Services Limited**  
Premises No.13A,13<sup>th</sup> Floor,  
Earnest House, NCPA Road,  
Block III, Nariman Point,  
Mumbai 400021.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Allied Digital Services Limited having CIN: L72200MH1995PLC085488, and having registered office at Premises No.13A,13<sup>th</sup> Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V-Para C- Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We 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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Mr. Nitin Dhanji Shah	00189903	10/02/1995
2.	Mr. Shrikant Navnitlal Parikh	01735830	23/05/2006
3.	Mr. Milind Madhav Kamat	01772084	11/06/2020
4.	Mr. Nehal Nitin Shah	02766841	30/07/2018
5.	Ms. Swanubhuti Jain	09006117	30/07/2021
6.	Mr. Sunil Vasudev Bhatt	09243963	30/07/2021
7.	Mr. Shakti Kumar Leekha	03246804	20/01/2022
8.	Mr. Anup Kumar Mahapatra*	08985605	18/05/2022
9.	Mr. Prakash Dhanjibhai Shah**	00189842	12/02/2023

\*From May 18, 2022

\*\*Upto February 12, 2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. 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.

For **RATHI & ASSOCIATES**  
**COMPANY SECRETARIES**

**JAYESH SHAH**  
PARTNER  
M. NO.: FCS 5637  
COP NO.: 2535  
UDIN: F005637E000371420  
P. R. Certificate No: 668/2020

Date: May 24, 2023  
Place: Mumbai

## CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

(Pursuant to Part B Schedule II read with Regulation 17 (8) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Board of Directors  
Allied Digital Services Limited

We, Paresh Shah, CEO and Gopal Tiwari, CFO, of Allied Digital Services Limited, to the best of our knowledge and belief, hereby certify that:

- I. We have reviewed Financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- II. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- III. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- IV. We have indicated to the Auditors and the Audit Committee-
  - significant changes, if any in internal control over financial reporting during the year;
  - significant changes, if any in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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.

For **Allied Digital Services Limited**

Place: Mumbai  
Date: May 25, 2023

**Paresh Shah**  
Chief Executive Officer

**Gopal Tiwari**  
Chief Financial Officer

## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) and Schedule V Para E of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
**Allied Digital Services Limited**  
Premises No.13A,13<sup>th</sup> Floor,  
Earnest House, NCPA Road,  
Block III, Nariman Point,  
Mumbai 400021.

We have examined the compliance of all the conditions of Corporate Governance by Allied Digital Services Limited (CIN: L72200MH1995PLC085488) ("the Company") for the Financial Year ended March 31, 2023 having its registered office situated at Premises No.13A,13<sup>th</sup> Floor, Earnest House, NCPA Road, Block III, Nariman Point, Mumbai 400021, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination has been limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made to us by the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance for the year ended March 31, 2023 as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **RATHI & ASSOCIATES**  
**COMPANY SECRETARIES**

**JAYESH SHAH**  
PARTNER  
M. NO.: FCS 5637  
COP NO.: 2535  
UDIN: F005637E000374401  
P. R. Certificate No: 668/2020

Date: May 24, 2023  
Place: Mumbai

## DECLARATION BY THE CHIEF EXECUTIVE OFFICER UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members  
**Allied Digital Services Limited**

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes of conduct for the financial year ended March 31, 2023.

For **Allied Digital Services Limited**

**Paresh Shah**  
Chief Executive Officer

Place: Mumbai  
Date: May 25, 2023



# Management Discussion & Analysis Report

## INDUSTRY OVERVIEW

### Global Economy

In late 2022, the world economy began to recover from the COVID-19 pandemic and the Russian invasion of Ukraine. Inflation reached multidecade highs in many economies in 2021 and the first half of 2022 due to pent-up demand, supply disruptions, and rising commodity prices, prompting central banks to aggressively tighten monetary policy in order to return inflation to target levels. The impact of the most recent liquidity issues following a succession of global bank crises has been contained; however, these uncertainties continue to undermine the spending confidence of consumers and businesses, thereby slowing overall global economic growth. According to the International Monetary Fund's (IMF) April 2023 forecast, the global economy, which witnessed a growth of 3.4% in 2022, is projected to grow by 2.8% in 2023 and by 3.0% in 2024. The reopening of the Chinese economy in 2022 and the resilient global financial conditions have contributed to a solid beginning for emerging markets in 2023.

India has demonstrated resilience over the past year and continues to be the major economy with the fastest growth rate in the world. Similarly, despite global headwinds, the country's technology industry continues to experience revenue growth. According to Nasscom, the revenue of the Indian tech industry is expected to have increased by USD 19 billion to USD 245 billion in FY 2022-23, representing an annual growth rate of 8.4%. Of this, domestic revenue stood at USD 51 billion, expanding by 4.9% annually, and exports revenue at USD 194 billion, representing a 9.4% increase over FY 2021-22.

Going forward, forward-looking policies, robust governance, talented workforce, and emphasis on digital trust to ensure accessibility, privacy, security, and reliability, are poised to drive accelerated growth in India's technology sector. The domestic market is expected to benefit from growing cloud adoption and digital transformation, along with the government's focus on using technology to build public platforms and digital public infrastructure. Also, globally, there is a clear trend of strong growth in IT Services on the back of opportunities around application modernisation, cloud migration, platformisation and cybersecurity. This is likely to benefit Indian IT companies.

### OUR BUSINESS

Allied Digital Services Ltd. (hereafter referred to as "our Company" or "ADSL"), situated in Mumbai and established in 1984, began supporting mainframe computers in the pre personal computer era. Our Company was one of the first IT companies in India to specialise in Infrastructure Management Services (IMS) as a third-party support provider, and we developed an annuity business model by signing multi-year contracts. Today, our Company has developed into a global leader in IT consulting and services,

providing 'Managed Services' and 'Systems Integration' for infrastructure technology services in more than 70 countries. In summary, our Company provides 'Digital Workspace Services,' 'Digital Enterprise Infrastructure Transformative Solutions,' 'Cyber Security,' 'Cloud Services and Support,' and multilingual and multichannel service desks.

Our business this year has witnessed an exceptional, 36% YoY growth. This significant growth is contributed to well-oiled strategy for global business development building stronger partner and customer relationship coupled with fine-tuned operations model. We follow a theory of continuous introspection of our business, ensuring customer, supplier, investor and employee satisfaction. High quality corporate governance with efficient finance management and talent acquisition are key stakeholders to our success. We step into the current financial year with strong confidence, risk resilience and are always ready to adopt to change and disruption.

To satisfy changing market demands, ADSL has expanded its Cloud services portfolio to include Hybrid cloud, Edge computing, Automation, Serverless computing, DevOps, and IoT technologies. These services allow our customers to deployed their operations, scale effectively, and maintain a competitive edge in the rapidly evolving digital landscape.

Cybersecurity is a top priority, and our Company has launched its all-encompassing Cybersecurity practice, "AIM 360," in the United States. This emphasis on identity and access management, secure access service edge, endpoint detection and response, zero trust, and threat management enables businesses to operate securely in a deployed environment. In addition, our Company has launched MSI (Master System Integrator) services in the United States, expanding on its successful MSI operations in India. This service offers IoT Smart solutions to State, Local, and Education (SLED) clients, enabling them to leverage technology to enhance operational efficiencies.

ADSL has accomplished significant global expansion of its services and deployed cutting-edge technologies to various businesses around the globe. Our Company's recent expansion into Mexico and other new markets has created new opportunities and stimulated growth. Our Company's extensive partner ecosystem, created through strategic alliances, positions it as an industry leader capable of delivering comprehensive IT technology service to an expanding client base.

With an experienced global workforce of over 3,000 professionals and robust local support functions, we implement comprehensive governance frameworks and a highly ethical approach with a focus on creating sustained shareholder value. Our client base is comprised of well-known companies, and we offer our technology

services to multiple large global customers with relationships spanning multiple years.

### Managed IT Services Business Highlights

Large consumers in India have continued to seek out high-quality, all-inclusive IT managed service providers and a market-leading master system integrator. ADSL's several significant managed IT services initiatives are in progress, and others are in the pipeline. Our cybersecurity technology services, "AIM 360," are gaining market traction rapidly amidst rising demand for the cloud transformation market, cybersecurity, and governance.

Our global enterprises, especially in the United States, have significantly contributed to the expansion of our global footprints. Despite significant cost increases in the United States during FY 2021-22, we were able to deliver services exceptionally well due to our refined service delivery models. Moreover, we are upgrading our global business model by expanding to Europe and other parts of the world to ensure continued business expansion across all business verticals.

Some key customers added during FY 2022-23 are as follows,

- Won an order for the implementation of a comprehensive enterprise security platform with managed security services for India's largest auto manufacturing Company's engineering and research division. Our Company employed an end-to-end AI based cybersecurity platform leveraging Big-Data and machine learning.
- Completed an enormous workplace transformation initiative for one of the world's largest automobiles Company. We have entirely transformed it so that nearly 2500 users can work from home or from anywhere.
- Won a multi-year managed service contract from a manufacturing Company in the USA.
- Won an end-user services deal for a compliance software Company and luxury car rental agency.
- Won an order from a leading Print & Digital Media Publishing Company in the US for the implementation of End User Support, including 24/7 Service Desk coverage, efficient EUC device provisioning, Management, and Lifecycle services, as well as top-notch endpoint security management.
- Selected by a leading global apparel and accessories Company for providing Global End User Support at offices in the Americas, Europe, and Asia. The scope of work included a Hybrid Onshore/Offshore Support Model.

In the recent years, we have also expanded our presence across key geographies. We expanded in Japan, Brazil, and China over a year ago. In FY 2022-23, we expanded in Mexico. This gives us good coverage for our US clients as a near-shore service. This was very strategic to mitigate inflation challenges in the US, which helps keep our delivery costs in control as well as provide good coverage to our US clients.

From our strategy perspective, we have continued our roadmap of six technology service areas, namely.

- Cloud migration projects and cloud engineering
- Enterprise-managed IT services
- Digital transformation – AI and Automation projects
- Smart city operations
- Cybersecurity services and solutions
- Digital workplace services and solutions

### Master Systems Integration (MSI) - Smart City Solutions Highlights

The scope of ADSL's Smart City Solutions business includes designing, developing, and deploying digital solutions, as well as providing end-to-end IT infrastructure services, Enterprise applications, and Integrated solutions. Our Company entered the smart city solutions market and obtained a contract for the Pune-Pimpri-Chinchwad City Surveillance Project. It was the first of its kind, with the goal of preventing crime, enhancing law and order, analysing traffic violations, and investigating incidents through the establishment of a 24x7 video surveillance and security command centre. The undertaking included the construction of an infrastructure framework as well as its operation and maintenance. The undertaking was accomplished successfully and then expanded.

As a result of the success of the Pune project, our Company won several new orders. In FY 2022-23, we had an exceptional period for smart /safe city business winning the following orders:

- We bagged the Lucknow safe city project as a sole bidder for the installation of City-Wide Surveillance Systems, Artificial Intelligence-based Video Analytics, Drones, Mobile Device Terminals, an Integrated Smart Control Room, Data Centre, and Cloud-Based Disaster Recovery.
- Our Company received a letter of intent for the Solapur Safe City project for setting up of City Communication Network, State of the art Command Control Center, City-Wide Surveillance System, Intelligent Traffic Management Systems including Automatic Number Plate Recognition System and Red-Light Violation Detection System, Adaptive Traffic Management System, Public Address System, Emergency Panic Buttons and Data Center.
- Our Company has been awarded the Smart City contract by the Punjab Municipal Infrastructure Development Company (PMIDC) covering 3 cities i.e., Amritsar, Jalandhar, and Sultanpur Lodhi.

With this, our Company now has 12 smart /safe city initiatives in various phases of implementation, making us a leading MSI in India and highlighting our Company's expanding presence in this space. Our Company has successfully commissioned seven safe/smart city projects including Kalyan, Dombivli, Aurangabad, Bidkin, Rajkot and Pune. Another five secured in FY 2022-23

including Lucknow, Sultanpur, Amritsar, Jalandhar, Solapur are in progress and will go live by October 2023.

Additionally, our re-skilled engineering services division is currently tendering on international IoT-based system integration projects. Our current Smart-City pipeline is robust and bids on enterprise IoT initiatives have also been witnessing exceptional growth. In FY 2022-23, approximately 9% of our Company's revenue was generated through the smart city projects acquired from the government.

### Trending Transformation Technologies – Artificial Intelligence (AI) and DevOps Highlights

FinoAllied, our first conversational AI-based platform, was developed with tremendous success, with innovation being a key growth pillar. India's largest banking agency has recognised our Company for the innovation of its products. This platform will enable small and midsize banks to rapidly and cost-effectively digitalise their traditional banking, bringing them on par with a small group of large private banks in India and allowing them to provide a vast array of services to a larger urban/rural customer base. This is an innovative digital fabric that is native to the cloud, supports voice and multiple languages, and is available on a "pay-as-you-use" basis with enhanced consumer analytics and experience.

#### ADiTaas

Our ADiTaas (establishing as an AI-Ops based ITSM/ESM no-code/low-code software) platform has more than 15 years of experience, employs 75 people, and serves 100 customers. ADSL has entered into a strategic relationship with seven global brands, that would use our ADiTaas as their technology platform.

During the year, our Company implemented the next generation AI based IT Services Management (ITSM) platform – ADiTaas for a 'Big 4' global professional services firm. The enhancement enabled the firm to monitor a single platform instead of different technology stacks for each department. ADiTaas is enabling the implementation partner to deliver more efficient and effective service and support, including troubleshooting and problem resolution. Moreover, we received an order to deploy our ADiTaas platform for a leading Packaging products company in the US. The order covers the implementation of a bi-lingual 24/7 Service Desk, endpoint management, and endpoint security compliance services, as well as cloud and infrastructure management. Our technology platform ADiTaas is shaping up to be a key AIOps platform to bring further efficiencies in IT and enterprise operations for our clients

Due to a heightened emphasis on DevOps, we have migrated our ADiTaas platform to a cloud-native platform. We have undertaken RPA (Robotic Process Automation) initiatives to enhance our automation expertise. ADiTaas, a "PinkVERIFY"-certified product, is already transitioning to an "AI-based Service" platform with numerous features, including intelligent routing, a dynamic interface, and conversational AI. Moreover, our Company Implemented the ADiTaas platform for a Global IT and Consulting Services firm that specialises in providing 360-degree digital transformation frameworks. Post Implementation of the ADiTaas platform, service delivery timelines have improved due to codeless configuration, ITIL (Information Technology Infrastructure Library)-certified processes, built in AI and analytics and technology-enabled automation.

## FINANCIAL HIGHLIGHTS

The key financial highlights of our Company for the financial year ended March 31, 2023 are given below

(INR in Lakhs)

Particulars	Standalone			Consolidated		
	2022-23	2021-22	Y-o-Y Change	2022-23	2021-22	Y-o-Y Change
Revenue	21,029	12,258	72%	66,007	48,468	36%
EBIDTA	2,028	2,104	-4%	8,830	7,004	26%
PBT*	1,320	807	64%	7,296	4,972	47%
PAT*	931	569	64%	5,373	3,721	44%

\*Excluding exceptional income & losses

**Revenue:** During the period under review, our Company was awarded a number of high-volume contracts including Smart/Safe city project and also revenue generation started in new geographies. This resulted in continued performance momentum, with revenues of INR 66,007 lakhs in FY 2022-23, up 36% year-over-year.

**EBIDTA:** Our Company attained a higher consolidated EBIDTA of INR 8,830 lakhs, up 26% compared to the previous year, driven by an increased volume of business.

**Profitability:** Our Company achieved a 44% increase in consolidated profit margins from continued operations to INR 5,373 lakhs as a result of cost optimisation, and improved operational efficiency practiced throughout the year.

During the previous year, our Company made a strategic decision to discontinue the business of selling IT hardware and peripherals. By exiting this business, our Company has streamlined our operations and focussed on our core competencies & strategic areas.

During FY 2022-23, Acuite Ratings and Research has assigned our Company, a long-term rating of 'ACUITE BBB' (ACUITE triple B) and a short-term rating of 'ACUITE A3+' (ACUITE A three plus) to its bank facilities, against the earlier rating of BBB- for Long-term and A3 for Short-term facilities by Brickwork Ratings. The Ratings are supported by the robust financial risk profile and strong operating performance of our Company and our subsidiaries, as well as our diverse revenue streams.

## Key Financial Ratios

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Debtors Turnover (times)	2.00	0.89	3.68	2.67
Inventory Turnover (times)	5.22	3.38	16.35	13.32
Interest Coverage Ratio (times)	8.17	9.41	20.36	34.62
Current Ratio (times)	2.55	4.05	3.53	3.74
Debt Equity Ratio (times)	0.10	0.09	0.06	0.08
Operating Profit Margin (%)	9.64	17.16	13.38	14.45
Net Profit Margin (%)*	4.31	4.55	8.07	7.64
Return on Equity (%)	1.97	1.17	9.53	7.15

\*Excluding exceptional income & losses from discontinued operations

- Debtors and Inventory turnover ratios have improved considerably, mainly due to high turnover and better working capital management.
- The higher revenue growth leading to an increase in finance costs resulted in a decrease in Interest coverage ratio.
- Debt Equity has improved marginally due to an increase in profitability and reduction in debt.
- Current ratio reduced on a standalone basis mainly due to provision against in receivables of discontinued business.
- Standalone operating Profit margin percentage was on the lower side mainly due to higher initial cost incurred for onboarding some of the large contracts. However, the Net Profit margin percentage remained on the same line.
- A higher Return on Equity is a result of improved profitability resulting from cost optimisation, improved operational efficiency during the year.

## KEY DRIVERS FOR GROWTH

The key growth drivers for our Company include the following:

- **Strategic Global Partnerships:** Our Company has established partnerships with major global players, which has expanded our competencies and ability to offer comprehensive technology services. These collaborations enable us to leverage global expertise, access new markets, and tap into a wider customer base, driving growth. It is on the back of these partnerships that we have recently won several large deals for global giants. Our Company remains focused on continually expanding partnerships to unlock new growth opportunities.
- **Geographic Expansion:** Our Company is actively expanding into newer geographies, opening up fresh opportunities

for business growth. As a result of achieving world-class global benchmarks and recognition in service governance, we would continue to expand our partner-driven model globally to further propel our business with large contracts. By diversifying our presence across different regions, we are able to capitalise on emerging markets and cater to the specific needs of customers in the different parts of the world. We are actively building a strong presence in the United States and have expanded our footprint to Mexico, Canada, and other nations. We have also been engaged in establishing new partnerships for strategic business development in Europe and the rest of the world.

- **Innovation:** As pioneer in technology adoption, innovation is ingrained in our Company's fabric. Our leadership has successfully implemented design-thinking and innovative-focused business model with the organisation, which has set the foundation to generate innovative solutions for the evolving needs of customers. This is evident in the various pathbreaking solutions that we have successfully introduced over the year including ADiTaaS and FinoAllied platforms and the recent AIM 360, empowering our clients and enhancing outcomes for them. Our Company remains focused on continually investing in cutting-edge technologies like artificial intelligence, robotic process automation, cybersecurity, and startup support systems to drive new frontiers of innovation.
- **Excellent Service Maturity:** Our Company has a matured service governance, which has been effective in delivering clients with high-quality technology services. We ensure this by adhering to best practices and maturity models, establishing a Centre of Excellence, and having a diverse workforce comprising individuals with a vast array of skills. We have further enhanced our workforce, ensuring that we have the right talent and expertise to drive growth and



deliver exceptional results. Overall, our matured service governance strengthens our competitive edge, enhances our reputation with clients, and opens long-term opportunities.

- **Clear Roadmap for the Future:** ADSL has evolved as a matured IT services Company that specialises in offering a comprehensive range of technology services, including the design, development, and deployment of digital solutions. Supported by a leadership with future-focused mindset, our Company has undertaken a rigorous introspection and analyzed future opportunities to set a clear roadmap for the next 3-5 years. This strategic planning allows us to align our goals, investments, and resources accordingly, ensuring a systematic approach to achieve growth targets and maintain a competitive edge in the industry.

## HUMAN RESOURCE

Human resource (HR) practices have played a crucial role in our Company's expansion across the world. The human resources division has been a pillar of strength in all aspects, including efficient resource management and the rapid scaling of existing and new initiatives. The HR department has been promoting constant communication and providing additional care to support and field personnel worldwide. Our objective is to strengthen our core team in order to ensure our success across all business verticals. Our strategy has shifted from individual-driven to team-oriented delegation, as exemplified by the "Guru-Shishya model".

In spite of witnessing rising resource costs last year, our HR department has made significant strides in deploying smart global as well as domestic talent acquisition models, which have directly contributed to controlling the cost of operations.

To enhance our people resources and internal competencies for executing our plan to expand into more advanced technology areas, we have implemented various strategies such as training and development, cross-functional teams and collaboration, internal mobility and career development and continuous learning and innovation culture. Another area where our global HR department has exceeded expectations is in the employment of new leadership roles and the enormous scalability of recruiting.

Our Company also undertakes various efforts for employee engagement initiatives to foster a positive work environment and employee satisfaction. These include feedbacks, wellness programs, team-building activities, and opportunities for career growth. Our Company further offers competitive compensation, alongside attractive benefits such as health insurance, retirement plans, paid time off, flexible work arrangements, and opportunities for career advancement. To promote physical and mental health, employees are supported with wellness programs, access to counselling services, stress management initiatives, and employee assistance programs (EAPs).

Diversity, equality and inclusiveness is an important aspect at ADSL. Our Company fosters a work culture where employees feel valued, respected, and included. To ensure equal opportunity,

there is a strong emphasis on fair and unbiased selection processes and promotions. Our Company takes pride in being a truly global and diverse organisation. Across all our global offices, our Company prioritises hiring local leadership and talent, from across all backgrounds, ethnicities and gender. Our US office sets the standard as a beacon of diversity within the organisation with its vibrant mix of diverse diasporas, embodying the essence of a nation built on the power of immigrants.

Our Company's sustained people related efforts have significantly lowered attrition rates, below the industry average. This ensures stability, enhanced team dynamics, and smoother project execution. Moreover, it fosters a positive Company culture, high employee morale, increased productivity, and improved job satisfaction, ultimately contributing to our Company's growth and competitiveness.

From Indian perspective, the total number of permanent employees as of March 31, 2023, was 1,546. Our Company conducted 208 induction trainings and allocated 468 hours to the training.

## GOVERNMENT INITIATIVES

The Government of India has been a key enabler our technology adoption with revolutionary initiatives around digital infrastructure, digital payments, cybersecurity, start-up ecosystem, and the Make in India. These are unleashing massive opportunities. Our Company, has been actively undertaking innovative efforts to seize the opportunities while also aligning the government's vision for a digitally empowered and secured nation.

- **Digital Infrastructure:** Following the pandemic rise of emerging technologies, the government has been proactively focused on creating a digital India and implementing smart cities to empower citizens and enhance efficiency in public service delivery. Our Company leveraging its technological capabilities has been actively promoting the visionary initiative through participating in smart city tenders. Our Company with a track record of competing seven such projects and executing another five has successfully established itself as an MSI, capable to undertake the entire responsibility of project end-to-end. Our Company remains focused on participating in all MSI projects in India and has also leveraged this expertise to enter the US market as an MSI.

**Digital Payments:** The government aims to drive digital payments and enhance financial inclusion through initiatives like the Unified Payments Interface (UPI). ADSL actively contributes to financial inclusion with the launch of innovative platform 'FinoAllied'. It empowers small and medium banks to digitise their services and extend them to rural populations, both within India and globally. The platform further has the potential to expand into various industries, including insurance, enabling transactions to be conducted seamlessly through conversational bots.



- Cybersecurity:** The government as well our Company recognise the importance of cybersecurity in safeguarding data. The government has announced its plans to construct a cyber-lab for the ‘Online Capacity Building Programme on Crime Investigation, Cyber Law and Digital Forensics’ in an effort to bolster cyber security capabilities. At ADSL, we are also at the forefront of cybersecurity efforts, developing programmes specifically designed to enhance security measures for banks and corporations. Moreover, ADSL’s AIM 360 initiative focuses on providing comprehensive cybersecurity solutions to protect critical data assets. In addition, we have acquired extensive knowledge of numerous facets of cybersecurity. We have attained new heights in utilising the most advanced industry tools and platforms in cybersecurity including OT security, which has aided us in acquiring some exceptional projects.
- Start-up Support:** Start-ups are key to driving forward the growth of the nation in the digital era. The government recognises this and has been dedicated to supporting start-ups and fostering innovation with favourable policies, incentives and funding. According to a Ministry of Electronics & IT report titled ‘India’s trillion-dollar digital opportunity’, India will have 60-65 million jobs that necessitate digital capabilities by 2025-2026. ADSL actively promotes and supports start-ups by assisting in the development and implementation of their innovative ideas. Additionally, ADSL collaborates with select non-profit organisations to drive their technology-enabled initiatives, further supporting the start-up ecosystem.
- Make in India:** ADSL aligns with the government’s Make in India initiative, which aims to promote local manufacturing and encourage investment and make India an integral part of the global supply chain. ADSL supports this initiative by focusing on empowering domestic companies with digital competencies. Our comprehensive service management platform AdiTaaS, has been driving significant value for customers by empowering them with integrated services.

The solution has been implemented by several domestic companies, providing them with exceptional outcomes.

**THE ESG INITIATIVE HIGHLIGHTS**

Environmental, Social, and (Corporate) Governance is abbreviated as ESG and is a practise adopted by our Company to support environmental and social issues as well as monitor our own ethical corporate governance. The initiative includes the measurement and reporting of our Company’s activities to enhance the environment, engage in social work causes and ensure ethical corporate governance practises are followed.

ADSL has adopted equitable governance and plays an active role in public-facing technology initiatives such as smart cities. Our Company has been documenting these activities but intends to formalise and report them in accordance with the global ESG metrics framework.

ESG facilitates overall top-line growth, attracts talent, reduces costs, and fosters consumer confidence. As sustainability is incorporated into their governance and fundamental values, organisations with excellent ESG practises receive a higher reputation score and face less risk.

Due to recent and ongoing global challenges, such as geopolitical stability (such as the Ukraine-Russia conflict and the US-China relationship), climate change, unethical business practises, food scarcity, soil pollution, and starvation, the current fiscal year has been challenging. All of this contributes to greater economic disparity, sustainability issues, and long-term effects on the planet. Therefore, ESG must be adopted to contribute to the current and future well-being of the planet, the surrounding community, and to ensure the organisation is run fairly. It enhances investors’ confidence in our Company’s long-term sustainability planning and identifies any unforeseen risks.

ESG reports include both qualitative and quantitative data pertinent to their three primary topics.

**Environmental:**

Focus areas	ADSL Initiatives
Combating climate change	ADSL is undertaking various tree plantation activities.
Reducing carbon emissions	ADSL has implemented several energy-saving measures on premises including maximising natural lighting and ventilation, using energy-efficient systems (for lighting, office equipment, appliances) and sensitising employees. Our Company also proactively monitors resource usage, including electricity bills, and actively managing supply chain risks associated with various electronic goods from OEMs. Further, car-pooling and work from home is also supported.

<b>Focus areas</b>	<b>ADSL Initiatives</b>
Preserving biodiversity, improving air and water quality, combating deforestation, or responsibly managing its waste	Our Company also engaged various NGO agencies to drive effective e-waste management practices. Further, our Company has been actively implementing cloud migration projects, enabling efficient, cost-effective, and energy-saving utilisation of technology for our clients, helping them optimise operations and reduce environmental impact.
Responsibly using resources and its supply chain	Globally, ADSL has adopted usage of filtered water and actively discourages the use of plastic bottles. Our Company also proactively monitors supply chain risks relating to electronic goods with OEMs.

**Social:**

<b>Focus areas</b>	<b>ADSL Initiatives</b>
Nurturing people and workplace	ADSL has comprehensive HR policies and has made them available online. Additionally, the HR department provides frequent updates to employees regarding the ongoing pandemic. Our Company also conducts training, health, safety and well-being, engagement and rewards and recognition programmes. ADSL firmly believes in the concept of "Employee nurturing as an everyday role of a manager.
Gender, disability parity initiatives	ADSL is committed to gender neutrality and provides equal opportunities and support for individuals with disabilities.
Employee engagement	Our Company promotes equal opportunity and diversity. We are continuously upholding a strong "Core Value Pyramid" with Ethics and Integrity placed at the top and firmly believe in the importance of "walking the talk." Furthermore, we are regularly publishing newsletters to keep our employees well-informed.
Data Protection and privacy	ADSL is driving extensive cybersecurity practices for clients and is maintaining similar practices internally. This includes ongoing compliance with standards such as ISO 27001, ISO 20000, and SOC 2. Additionally, our Company has established a "Centre of Excellence" to lead by example in driving cybersecurity initiatives. Our Company has been undertaking regular campaigns focused on data protection, privacy, and raising awareness about cybersecurity.
Community involvement	ADSL made donations to support social initiatives around promoting health and well-being of the vulnerable communities and eradicating hunger, poverty and malnutrition. Our team also participated in the 3-day blood donation drive organised at Andheri SEEPZ-SEZ office, Mumbai. To create livelihood opportunities, our Company undertook efforts around promoting education and skill development for children, women, elderly and the differently-abled to. Our US team provided volunteering service to Los Angeles, USA Regional Food Bank for supporting their Commodity Supplemental Food Program (CSFP). Our innovative product 'FinoAllied' aligns with the digital India initiative, contributing to significant financial inclusion efforts. It empowers small and medium banks to digitise their services and extend them to rural populations, both within India and globally.

**Focus areas**

**ADSL Initiatives**

Human Rights and labour standards

As a leading MSI for smart city projects, our Company continuously assumes a prominent role in enabling technology for the betterment of society at large. We prioritise citizen safety, citizen-centric services, water and waste management, transportation, and overall urban security, by constantly improving the quality of life for urban populations.

ADSL is complying with all statutory regulations and labour laws.

**Governance:**

**Examples**

**ADSL Initiatives**

Internal controls

ADSL is maintaining a range of internal controls that encompass

- Whistle blower policy
- Employee grievance and support services online and offline
- Open door policy
- Mandatory onboarding procedures to communicate policies, code of conduct and “Core Value Pyramid”
- Continuous communication during leadership town hall sessions

Policies, principles, and procedures governing leadership, board composition, executive compensation, audit committee structure and shareholder rights.

Our Company, as a publicly listed entity, is actively adhering to and implementing all the essential statutory and regulatory compliances required.

Our Company this year plans to actively formalise these initiatives in a global measurable report.

**ADSL’s active role in global ESG initiatives**

Our Company is continuously making notable improvements in various sustainability aspects that warrant highlighting. Our ongoing focus on energy conservation is leading to significant reductions in energy consumption, resulting in approximately 20% savings year-on-year. We are also making efforts to optimise water consumption and implement efficient waste management practices. Additionally, our commitment to environmental stewardship is demonstrated through initiatives such as tree planting, contributing to the preservation and restoration of natural ecosystems. These accomplishments showcase our unwavering dedication to ESG initiatives, sustainability, and resource efficiency.

Along with these endeavours, our Company has remained dedicated to leveraging technology to benefit all segments of society, drive financial inclusion, and promote sustainable and responsible use of resources.

department is proactive in ensuring that such problems don’t have an impact on business growth. Internal audits of our Company assure robust risk management readiness, where the risks are evaluated quarterly by the management. Due to war-related issues, climate change, and post-pandemic economic changes, some global and India-related macroeconomic risks pose challenges to our Company. We are able to control these risks more effectively by taking proactive measures to de-risk the supply chain.

**Technology**

Technology is linked to innovation and imminent change. Industry 4.0 and Web 3.0 represent the next wave of technological developments, and we would use technological advances in order to provide our customers with innovative technology service areas. This necessitates a proactive adoption strategy for modern technologies and the promotion of innovative solutions, thereby increasing the potential to capitalise on new business opportunities. Our Company engages in ongoing training and skill development programmes in order to maintain our knowledge base. ADSL has explicitly defined its six business-related technology practices, which have a defined plan for the next three years and will concentrate on new opportunities. It will continue to invest in R&D in order to create new technology service areas in all geographies.

Cybersecurity is currently the most pressing concern for managed service providers and the industry. Due to the execution of significant contracts for new business, we have also increased the limits of our cybersecurity insurance.

**RISKS, CONCERNS AND THREATS**

**Volatile Global Outlook**

ADSL is subject to interest rate risk, currency fluctuations, credit risk, and regulatory risk due to our significant global presence. In the United States, rising inflation and war-related concerns have worsened workforce shortage and attrition issues and even contributed to the onset of a recession. However, our HR

We believe in leveraging technologies such as AI and blockchain to benefit an enterprise that enhances the social and environmental sustainability of the customer's organisation.

### Compliance Risk

As our Company's operations span the world, it is essential for our Company to comply with the legal and regulatory requirements of various countries. Failure to comply with the laws and regulations of a particular country may expose our Company to legal and financial penalties and harm our brand image. Identified key stakeholders across sales and business units, as well as corporate functions, ensure continuous compliance with all applicable laws. The applicable regulations are monitored and amended by the respective departments. Additionally, our Company has hired third-party agencies to support standard compliance in certain countries and mitigate local statutory risks.

From an operations standpoint, we ensure that our compliances, such as ISO, CMMI, and PinkVERIFY, remain active and functional each year.

Last year, we launched new ESG metrics that would aid in the all-round development of our Company.

### Delivery Risk

There is a constant risk of losing a customer or incurring penalties if standard core services are not delivered to the highest standards due to the intense competition in this market. Customers expect continuous value enhancement from service providers. Specifically in India, businesses are under constant pressure to not only surpass the KPI, but also to offer reductions due to the pandemic and free project delivery as a value-addition. Our Company has supported discounts and provided value-added services to customers. This situation is addressed in two sections, with the first being shift-left automation, which automates routine duties. For instance, our managed services team has developed analytical dashboards for customers and partners. Approximately 300 distinct routine daily duties are digitalised and automated. The alternative strategy is to account for increased operational costs in our pricing for new customers. This year, in response to inflationary pressures, our Company has also reached out to existing global and Indian customers for a price increase in order to maintain profitability.

Payment delays are a persistent problem on a global scale. Despite this, our finance team has been able to successfully manage this risk through rigorous follow-ups on receivables. Obviously, this has been more difficult at times, but our finance department has been able to maintain cash flow without incurring additional finance costs.

### Contract Management

Sometimes misunderstandings about the scope of work result in misaligned expectations among participants in the project. Certain contracts have been standardised, and we are continually working to improve contract administration and gain deeper insights into customer environments in order to reduce the risk of service failure at the desired levels. Our contracts team

is continually refining new and existing contracts in light of the current business climate.

### Employee-Related Risk

As a service-centric, talent-driven organisation, one of our most important strategies is to have the finest talent with the most specialised abilities in every aspect of our business. To increase our differentiation and competitiveness, we strike a balance between the right levels in the right places at the right time.

In India, our attrition rate has decreased over the past year, while in the United States, where inflation is higher than in the past, new challenges have emerged. Our Company mitigates risks through cross-training and diligent collaboration with internal and external recruiters. There are attrition issues in Europe due to changes in immigration law, but we have developed constant vigilance in our delivery operations so that customer deliverables are never affected.

### INTERNAL CONTROL SYSTEMS

Internal controls enable the prompt identification and correction of operational irregularities and provide a constant and accurate summary of the organisation's position. Adequate internal controls ensure that transactions are authorised, recorded, and reported accurately, and that assets are protected against unauthorised use or disposition. Moreover, operational controls and fraud risk controls encompass the entirety of internal financial controls. Our Company has placed a significant emphasis on enhancing the internal control systems in all departments, including Finance, Sales, Legal, and HR. When deemed necessary, timely actions are taken to safeguard our Company's long-term viability and growth potential.

In finance, a formal system of internal audits manages internal checks and balances. The mechanism for notifying regulatory changes was in place, and the transition to GST-compliant processes was seamless. M/s. Satya Prakash Natani & Co., Chartered Accountants, Mumbai, has been appointed as our Company's Internal Auditors to conduct the Internal Audit.

On the sales front, there is a greater emphasis on customer credit checks, profitability, and sales closures. We enhanced alert communication, automation, and customer system health checks on the delivery and operations sides. Our Company's quality management system has also been annually ISO-certified and updated regularly. This has significantly increased the overall delivery quality, reducing customer concerns. The contract management software in the United States has been updated, and we intend to implement the same in India. This software will enable us to reduce business risk and enhance compliance by incorporating contract management best practices. In FY 2021-22, we launched a significant initiative to achieve CMMI Level 3 compliance. The work is in its final phase for certification before the end of the year. Last year, additional initiatives, such as management performance audits, were effectively implemented.

## DISCLOSURE OF ACCOUNTING TREATMENT

The Financial Statements of our Company have been prepared in accordance with the procedure and process provided for in the applicable Accounting Standards. There was no alternative treatment adopted in the preparation of the Financial Statements during the year under review.

## BUSINESS OUTLOOK

Our Company's innovative and proactive nature has helped us diversify and establish a strong vertical with enormous opportunities across the globe originating from a developing nation like India. By improving our operational models to account for global inflationary risks, we would continue to achieve new business expansion, and our strategic plan has produced remarkable results. As a key differentiator, we have continued to enhance our service governance scale to new heights. To further propel business growth, we have signed up some very large companies as partners globally, this will create a new flow of business in the coming times. Going forward, we anticipate rapid expansion in AI and automation, which are progressively becoming mainstream industries. Our significant future investments would be in Artificial Intelligence (AI), Robotic Process Automation, Cybersecurity, and specific startup incubation areas.

As we continue to invest in innovation that directly contributes to the development of our business, we foresee a rise in the number of data science and artificial intelligence (AI) initiatives in the coming year. Our Company has been actively delivering order books, and the growth outlook for the pipeline appears to be positive. Multiple smart city project implementations are currently underway, and are about to reach completion in the near future with different schedules. We are now also expanding our cybersecurity cloud business and our Integrated Solutions business (including smart cities) in the US. This will generate new opportunities and allow us to further explore new business with our existing partners and clients. We anticipate that new geographies and new initiatives will contribute to ADSL's steady expansion. In the near future, ADSL will invest resources in building new strategic business partnerships in Europe and the rest of the globe. Our new ESG initiative will play a crucial role in enhancing our Company's brand and global business context, as well as gaining the trust of our current and potential customers.

The FY 2023-24 would also record numerous initiatives in progress and revenues committed for the next few years. ADSL's brand value continues to rise, and our accomplishments are gaining more attention in digital media each year.



# Independent Auditor's Report

To The Members of **ALLIED DIGITAL SERVICES LIMITED**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the standalone financial statements of Allied Digital Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the 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 ("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, 2023, the profit and total 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 specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the 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 standalone financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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 report.

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
1	<p><b>Revenue recognition</b></p> <p>Fixed price contracts</p> <p>The Company engages in Fixed price contracts, including contracts with multiple performance obligations. Revenue recognition in such contracts involves judgments relating to identification of distinct performance obligations, determination of transaction price for such performance obligations and the appropriateness of the basis used to measure revenue recognised over a period.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the systems, processes and controls for evaluation of fixed price contracts to identify distinct performance obligations and recognition of revenue. Evaluated the design and operating effectiveness of internal controls including IT controls relating to recording of the contract value, determining the transaction price, allocation of consideration to different performance obligations, measurement of efforts incurred and process around estimation of efforts required to complete the performance obligations and the most appropriate method to recognise revenue.</li> </ul>

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
	<p>In case of Fixed price contracts where performance obligations are satisfied over a period of time, revenue is recognised using the percentage of completion method based on management's estimate of contract efforts. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. These contracts may also involve recognizing onerous obligations that require critical estimates to be made by the management. In case of Fixed price maintenance contracts, revenue is recognised either on a straight line basis or using the percentage of completion method or at an amount equal to sums billed to customer, depending on the most appropriate method that depicts the value of service delivered to the customer.</p>	<ul style="list-style-type: none"> <li>On selected sample of contracts, we tested that the revenue recognised is in accordance with the revenue recognition accounting standard. We - evaluated the identification of performance obligations; - considered the terms of the contracts to determine the transaction price, - determined if the Company's evaluation of the method used for recognition of revenue is appropriate; - tested the Company's calculation of efforts incurred, estimation of contract efforts including estimation of onerous obligation, through a retrospective review of efforts incurred with estimated efforts; - assessed appropriateness of contract assets/ unbilled revenue on balance sheet date by evaluating underlying documentation.</li> <li>Tested aged contract assets to assess possible delays in achieving milestones, which may require a change in estimated efforts to complete the remaining performance obligations.</li> <li>Performed analytical procedures over revenue and receivables.</li> </ul>
2	<p><b>Evaluation of tax positions and litigations</b></p> <p>The Company is required to estimate its income tax liabilities in accordance with the tax laws applicable in India. Further, there are matters of interpretation in terms of application of tax laws and related rules to determine current tax provision and deferred taxes. The Company has material tax positions and litigations on a range of tax matters. This requires management to make significant judgments to determine the possible outcome of uncertain tax positions and litigations and their consequent impact on related accounting and disclosures in the standalone financial statements.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Testing the design, implementation and operating effectiveness of the Company's key controls over identifying uncertain tax positions and matters involving litigations/disputes.</li> <li>Obtaining details of tax positions and tax litigations for the year and as at 31 March 2023 and holding discussions with designated management personnel.</li> <li>Assessing and analysing select key correspondences with tax authorities and inspecting external legal opinions obtained by management for key uncertain tax positions and tax litigations.</li> <li>Evaluating underlying evidence and documentation to determine whether the information provides a basis for amounts reserved/not reserved in the books of account.</li> <li>Involving our internal tax specialists and evaluating management's underlying key assumptions in estimating the tax provisions and estimate of the possible outcome of significant tax litigations; and</li> <li>In respect of tax positions and litigations, assessing the computation of provisions and consequent impact on related accounting and disclosures in the consolidated financial statements.</li> </ul>

## INFORMATION OTHER THAN THE STANDALONE 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations. We have nothing to report in this regard.

### MANAGEMENT'S RESPONSIBILITY 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 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 controls.
- Obtain an understanding of internal financial controls 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 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 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 disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes

it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 misstatements 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 any significant deficiencies in internal control that we identify during our 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 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.
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.
  - 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 31<sup>st</sup> March, 2023 on its financial position in its standalone financial statements - [Refer Note No 30(3)]
  - 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 amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any

Standalone

persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (i) and (iv) (ii) contain any material mis-statement.

v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For SHAH & TAPARIA**

Chartered Accountants  
(Firm Regn No 109463W)

**RAMESH PIPALAWA**

**Partner**

M. No. 103840  
UDIN: 23103840BGVIBY2223

Place: Mumbai

Date: 25<sup>th</sup> May, 2023



# 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 Allied Digital Services Limited of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii). The Company has made investments during the year. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to any person during the year.
- (a) According to the information and explanations given to us, the company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The investments made by the company during the year are not prejudicial to the interest of the Company.
- (c) The company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(c) to clause 3(iii)(f) of the Order in respect of the same are not applicable.
- (iv). According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made.
- (v). The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the FY 2022-23. However, in respect of existing deposits the outstanding amount towards the principal and interest in respect of some unclaimed deposits are as under:

Principal Amount due as on 31.03.2023	Interest Due upto 31.03.2023	Total Dues as at 31.03.2023
INR 2.01 Lakhs	INR 1.19 Lakhs	INR 3.20 Lakhs

To the best of our knowledge and as per the information and explanations provided to us by the management, during the year no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

- (vi). According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii). According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund,

Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 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 were no dues of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues which have not been deposited by the Company on account of disputes, except as mentioned hereunder:

Name of the Statute	Nature of Dues	Amount (INR In lakhs)*	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Penalty u/s 271(1)(c)	INR 32.82 Lakhs	AY 2006-07	Commissioner of Income Tax Appeals, Mumbai
Income Tax Act, 1961	Penalty u/s 271(1)(c)	INR 18.22 Lakhs	AY 2010-11	Commissioner of Income Tax Appeals, Mumbai

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act 1961 as income during the year.

Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) Based upon the audit procedures performed and the information and explanations given by the management, no funds raised on short term basis have been utilised by the Company for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The company did not raise any money by way of initial public offer or further public offer including debt instruments. Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) During the year, the company has not made any preferential allotment or private placement of shares and hence reporting under clause 3(x)(b) of the Order is not applicable.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There were no whistle blower complaints received during the year. Accordingly clause 3(xi)(c) of the Order is not applicable.
- (xii) 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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanation provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For SHAH & TAPARIA**  
Chartered Accountants  
(Firm Regn No 109463W)

**RAMESH PIPALAWA**  
Partner  
M. No. 103840  
UDIN: 23103840BGVIBY2223

Place: Mumbai  
Date: 25<sup>th</sup> May, 2023

# 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 Allied Digital Services 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”)**

We have audited the internal financial controls over financial reporting with reference to the standalone financial statements of Allied Digital Services Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **MANAGEMENT’S AND BOARD OF DIRECTOR’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management and the Board of Directors are 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. 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 respective 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 Companies Act, 2013.

## **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Accountants 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 judgement, 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

## **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 unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## **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 the best of our information and according to the explanations given to us, the Company has, 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, 2023, 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 SHAH & TAPARIA**

Chartered Accountants  
(Firm Regn No 109463W)

## **RAMESH PIPALAWA** **Partner**

M. No. 103840  
UDIN: 23103840BGVIBY2223

Place: Mumbai  
Date: 25<sup>th</sup> May, 2023

# Standalone Balance Sheet

As at March 31, 2023

(INR in Lakhs)

Particulars	Note No.	As on 31st March 2023	As on 31st March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	5,649	4,497
Right-of-use assets	3	379	358
Investment properties	4	7,834	7,937
Other Intangible assets	5	2,782	2,441
<b>Financial assets</b>			
Investments	6	15,620	15,699
Loans	7(i)	252	252
Others financial assets	8(i)	67	340
Other non-current assets	9(i)	1,740	1,078
<b>Total Non-Current Assets</b>		<b>34,323</b>	<b>32,603</b>
<b>Current assets</b>			
Inventories	10	4,268	3,789
<b>Financial assets</b>			
Trade receivables	11	7,220	13,838
Cash and cash equivalents	12(i)	1,514	15
Other bank balances	12(ii)	618	942
Loans	7(ii)	177	195
Others financial assets	8(ii)	5,018	5,227
Other current assets	9(ii)	1,893	2,502
<b>Total Current Assets</b>		<b>20,708</b>	<b>26,507</b>
Non-current assets held for sale	13	-	59
<b>Total Assets</b>		<b>55,031</b>	<b>59,168</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	2,742	2,710
Other equity	15	42,568	46,577
<b>Total Equity</b>		<b>45,309</b>	<b>49,287</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16(i)	270	463
Other financial liabilities	17(i)	399	362
Deferred tax liabilities (Net)	19	923	2,512
<b>Total Non-Current Liabilities</b>		<b>1,592</b>	<b>3,336</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16(ii)	4,449	3,793
Trade payables	20	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,816	1,919
Other financial liabilities	17(ii)	590	42
Provisions	18	1,275	791
<b>Total Current Liabilities</b>		<b>8,129</b>	<b>6,544</b>
<b>Total Equity and Liabilities</b>		<b>55,031</b>	<b>59,168</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

**For Shah & Taparua**  
Chartered Accountants  
FRN : 109463W

**For Allied Digital Services Limited**

**Ramesh Piplawa**  
M. No. 103840

**Nitin Shah**  
Chairman &  
Managing Director

**Nehal Shah**  
Director

Place: Mumbai  
Date: 25<sup>th</sup> May, 2023

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary



# Statement of Profit & Loss Account

for the period ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>REVENUE</b>			
Revenue from operations	21	21,029	12,258
Other income	22	566	238
<b>Total income</b>		<b>21,594</b>	<b>12,496</b>
<b>EXPENSES</b>			
Purchase and other direct expenses	23	8,892	2,859
Changes in inventories	24	(480)	(315)
Employee benefit expenses	25	7,931	5,830
Finance Cost	26	316	265
Depreciation and amortization expenses		957	1,269
Other expenses	27	2,659	1,780
<b>Total Expenses</b>		<b>20,274</b>	<b>11,689</b>
<b>Profit / (Loss) before exceptional items &amp; Tax</b>		<b>1,321</b>	<b>807</b>
Exceptional items		-	-
<b>Profit / (Loss) before tax from continuing operations</b>		<b>1,321</b>	<b>807</b>
Tax expense			
Current Tax		388	409
Deferred tax		0	(171)
<b>Net Profit / (Loss) after tax from Continuing Operations</b>		<b>932</b>	<b>569</b>
Profit/(Loss) before Tax from Discontinued Operations		(6,490)	-
Tax Expenses of Discontinued Operations		1,806	-
<b>Profit/(Loss) after tax from Discontinued Operations</b>		<b>(4,685)</b>	<b>-</b>
<b>Profit/(Loss) for the period</b>		<b>(3,752)</b>	<b>569</b>
<b>Other Comprehensive Income (after tax)</b>			
<b>Items that will not be Reclassified to P&amp;L</b>			
Remeasurement of Defined Benefit Liabilities	28	27	93
<b>Items that will be Reclassified Subsequently to P&amp;L</b>			
		-	-
<b>Total Comprehensive Income for the period</b>		<b>(3,725)</b>	<b>661</b>
<b>Earnings per Share (Refer Note 29) (Face Value of INR 5/- each)</b>			
<b>From Continuing Operations</b>			
Basic		1.71	1.09
Diluted		1.66	1.02
<b>From Discontinuing Operations</b>			
Basic		(8.61)	-
Diluted		(8.33)	-
<b>From Continuing and Discontinuing Operations</b>			
Basic		(6.90)	1.09
Diluted		(6.67)	1.02

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

**For Shah & Taparia**

Chartered Accountants

FRN : 109463W

**For Allied Digital Services Limited**

**Ramesh Pipalawa**

M. No. 103840

**Nitin Shah**

Chairman &  
Managing Director

**Nehal Shah**

Director

Place: Mumbai

Date: 25<sup>th</sup> May, 2023

**Gopal Tiwari**

Chief Financial Officer

**Neha Bagla**

Company Secretary

# Standalone Statement of Cash Flow

for the year ended on 31<sup>st</sup> March, 2023

			(INR in Lakhs)	
	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022	
<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>(a)</b>	<b>Profit/Loss before tax as per Profit &amp; Loss Account (Incl. Discontinued Operations)</b>	(5,169)	807	
	Adjustments:			
	Actuarial gain/(loss) on gratuity	27	93	
	Depreciation and amortization expenses	957	1,269	
	Provision for share-based compensation expense	379	393	
	Unrealized foreign exchange gain	(348)	(115)	
	Income from investing activities	(55)	(56)	
	Finance cost	316	265	
	Profit on Sale of Assets	(111)	-	
	Other adjustments	(15)	(13)	
	Operating profit before working capital changes	(4,019)	2,644	
	<b>Changes in working capital</b>			
	(Increase)/Decrease in Inventories	(480)	(315)	
	(Increase)/Decrease in Trade receivables	6,618	(144)	
	(Increase)/Decrease in Loans and advances	18	(51)	
	(Increase)/Decrease in Other financial assets	603	(28)	
	(Increase)/Decrease in Other assets	(53)	726	
	Increase/(Decrease) in Trade payables	(103)	(1,466)	
	Increase/(Decrease) in liabilities & provisions	585	177	
	Increase/(Decrease) in other current liabilities	483	27	
		7,672	(1,073)	
	Income Taxes	142	409	
	<b>Net Cash generated from/(used in) Operating Activities</b>	<b>3,511</b>	<b>1,162</b>	
<b>II</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Acquisition of Property Plant & Equipments	(1,293)	(338)	
	(Recognition)/Derecognition of ROU Assets	(91)	(314)	
	Sale of Property Plant & Equipments	130	-	
	Investments in subsidiaries	(124)	(130)	
	Interest received	55	56	
	<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(1,324)</b>	<b>(726)</b>	
<b>III</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from borrowings	-	412	
	Repayment of loan	(199)	(1,025)	
	Proceeds from issue of share warrants	-	483	
	Proceeds from Issue of Shares	126	-	
	Dividend paid	(542)	(380)	
	Lease payment	(82)	(79)	
	Finance cost	(316)	(265)	
	<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(1,012)</b>	<b>(854)</b>	

# Standalone Statement of Cash Flow

for the year ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,175</b>	<b>(418)</b>
Add: Cash and cash equivalents at the beginning of the period (B)	957	1,375
<b>Cash and cash equivalents at the end of the period (A+B)</b>	<b>2,132</b>	<b>957</b>
<b>Supplementary Information</b>		
<b>Restricted Cash Balance &amp; Cash Equivalent</b>		
Earmarked balances	572	587
(Balance in Fixed Deposits with banks pledged against guarantees given by bank)		
Fixed deposits with original maturity exceeding 90 days	46	355
	<b>618</b>	<b>942</b>

## Annexure I

(INR in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash on hand and balances with banks	1,514	15
Short Term Investment	618	942
Cash and cash equivalents as previously reported	2,132	957
Effect of exchange rate changes	-	-
	<b>2,132</b>	<b>957</b>

The accompanying notes form an integral part of the Standalone financial statements

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7)-Statement of Cash Flow.

As per our report of even date attached

### For Shah & Taparia

Chartered Accountants

FRN : 109463W

### Ramesh Pipalawa

M. No. 103840

Place: Mumbai

Date: 25<sup>th</sup> May, 2023

### For Allied Digital Services Limited

### Nitin Shah

Chairman &  
Managing Director

### Gopal Tiwari

Chief Financial Officer

### Nehal Shah

Director

### Neha Bagla

Company Secretary

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2023

## A) EQUITY SHARE CAPITAL

(INR in Lakhs)

Particulars	Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 <sup>st</sup> March, 2023	2,710	-	-	32	2,742
For the year ended 31 <sup>st</sup> March, 2022	2,535	-	-	175	2,710

(INR in Lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus				Other Comprehensive Income		Total other equity
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Share Options Outstanding	Remeasurement of defined benefit liabilities	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	-	<b>30</b>	<b>37,571</b>	<b>2,058</b>	<b>6,166</b>	<b>675</b>	<b>78</b>	<b>46,577</b>
Profit/(loss) for the year	-	-	-	-	(3,752)	-	-	(3,752)
Other comprehensive income/(loss)	-	-	-	-	-	-	27	27
<b>Total Comprehensive Income/(Loss) for the year</b>	-	-	-	-	<b>(3,752)</b>	-	<b>27</b>	<b>(3,725)</b>
Compensation cost related to employee shared-based payment	-	-	-	-	-	711	-	711
Issue of equity shares on exercise of options	-	-	431	-	-	(336)	-	95
Dividend (Refer Note- (xvi))	-	-	-	-	(1,090)	-	-	(1,090)
<b>Other Transaction for the year</b>	-	-	<b>431</b>	-	<b>(1,090)</b>	<b>375</b>	-	<b>(284)</b>
<b>Balance as at 31<sup>st</sup> March, 2023</b>	-	<b>30</b>	<b>38,002</b>	<b>2,058</b>	<b>1,324</b>	<b>1,050</b>	<b>105</b>	<b>42,568</b>

(INR in Lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus				Other Comprehensive Income		Total other equity
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Share Options Outstanding	Remeasurement of defined benefit liabilities	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>165</b>	<b>30</b>	<b>37,088</b>	<b>2,058</b>	<b>5,977</b>	-	<b>(15)</b>	<b>45,303</b>
Profit/(loss) for the year	-	-	-	-	569	-	-	569
Other comprehensive income/(loss)	-	-	-	-	-	-	93	93
<b>Total Comprehensive Income/(Loss) for the year</b>	-	-	-	-	<b>569</b>	-	<b>93</b>	<b>662</b>
Compensation cost related to employee shared-based payment	-	-	-	-	-	675	-	675
Issue of equity shares on exercise of options	-	-	-	-	-	-	-	-
Issue of equity shares under preferential allotment	(165)	-	483	-	-	-	-	318
Dividend (Refer Note- (xvi))	-	-	-	-	(380)	-	-	(380)
<b>Other Transaction for the year</b>	<b>(165)</b>	-	<b>483</b>	-	<b>(380)</b>	<b>675</b>	-	<b>613</b>
<b>Balance as at 31<sup>st</sup> March, 2022</b>	-	<b>30</b>	<b>37,571</b>	<b>2,058</b>	<b>6,166</b>	<b>675</b>	<b>78</b>	<b>46,577</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN : 109463W

**For Allied Digital Services Limited**

**Ramesh Pipalawa**  
M. No. 103840

**Nitin Shah**  
Chairman &  
Managing Director

**Nehal Shah**  
Director

Place: Mumbai  
Date: 25<sup>th</sup> May, 2023

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## 1) CORPORATE INFORMATION

Allied Digital Services Limited (referred to as “ADSL” or the “Company”) is renowned as a leading Global IT Transformation Architect, having its operations in pan India, USA, Australia, Europe and Middle East Asia with an impeccable track record for designing, developing, deploying digital solutions and delivering end-to-end IT infrastructure services. It provides wide range of information technology and consultancy services including Infrastructure Services, End user IT Support, IT asset life cycle, enterprise applications and integrated solutions.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Mumbai, India. The Company has its primary listings on the BSE and NSE in India. The company has presence in pan India and it has Subsidiary companies in USA, UK, Singapore, Australia, Ireland, Brazil, Japan and China.

## 2) SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation and presentation

#### a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter.

#### b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

1. Derivative financial instruments;
2. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
3. Share based payment transactions and
4. Defined benefit and other long-term employee benefits

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in INR, the functional currency of the Company. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and liabilities at the date of the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed under “Summary of significant accounting policies”. Accounting estimates could change from period to period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

### Summary of significant accounting policies

- (i) Functional and presentation currency Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- (ii) Foreign currency transactions and balances are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.
- (iii) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the



# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

(iv) Investment in subsidiaries: Investment in subsidiaries is measured at cost.

(v) **Impairment of investment in subsidiaries:** The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

(vi) **Current v/s Non-current classification**

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset /liability is current when it is:

- Expected to be realised/settled or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised / settled within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets/ liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(vii) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual

provisions of the instruments. Financial assets and 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) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

## Measurement and Recognition of financial instruments

The Company's accounting policies and disclosures require measurement of fair values for the financial instruments. The Company has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified. When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

measurement. The Company recognizes transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred.

## (A) Financial Assets:

### (a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and 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.

### (b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it 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.

### (c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at FVTPL unless they are measured at amortised cost or at FVTOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit and loss.

### (d) Derecognition

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

## (B) Financial liabilities

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost.

Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognizes a financial liability (or a part of a financial liability) from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## (C) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. The Company is recognised equity instrument at the proceeds received net off direct issue cost.

## (D) 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

### (viii) Property, plant and equipment

a) Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

b) Depreciation: The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease if any and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives for the current and comparative period of significant items of property, plant and equipment are as follows

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

Type of Asset	Method	Estimated useful life
Leasehold Land	Straight line	99 Years
Freehold & Leasehold Buildings	Straight line	60 Years
Furniture and Fixtures	Straight line	10 Years
Computers and IT Equipment's	Straight line	3 Years
Servers	Straight line	6 Years
Motor Vehicles	Straight line	8 Years
Office Equipment's	Straight line	5 years
Civil and Plumbing Work	Straight line	60 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress (if any).

- c) Impairment: Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years

(ix) **Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The estimated useful lives of intangibles are as follows:

Type of Asset	Method	Estimated useful life
Intellectual Property	Straight line	10 Years

(x) **Impairment**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(xi) **Inventories**

Inventory comprising hardware and software are valued at lower of cost and net realisable value. Costs comprise cost of purchase and directly attributable

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(xii) **Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

(xiii) **Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

(xiv) **Employee benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee.

The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

**Gratuity:**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

**Provident Fund:**

Eligible employees of the company receive benefits from employee's provident fund Organisation, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The remaining portion is contributed to the government-administered pension fund.

(xv) **Share based payments**

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss.

(xvi) **Dividend**

The Company declares and pays dividends in Indian rupees. According to the Companies Act, 2013 any dividend should be declared out of accumulated distributable profits. A Company may, before the declaration of any dividend, transfer a percentage of its profits for that financial year as it may consider appropriate to the reserves.

The cash dividends paid per equity share were INR 1.00 during the period for year ended March 31, 2022, and the Board of Directors of the Company at their meeting held on May 25, 2023, recommended the payout of a final dividend of INR 1.25 per equity share of face value INR 5.00 each for the financial year ended March 31, 2023. This recommendation is subject to approval of shareholders at the Annual General Meeting of the Company.

(xvi) **Revenue**

The Company derives revenue primarily from IT Infrastructure Services, Enterprise Application & Integrated Solutions and related services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

Revenue on time-and-material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue)

In arrangements for IT and ITeS related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering IT and ITeS related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For IT and ITeS and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Revenue from licenses where the customer obtains a "right to use" the licenses is available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Revenues for the years ended March 31, 2023 and March 31, 2022 are as follows :

Particulars	(INR in Lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue from Services	20143	11,789
Revenue from products	880	469
Other Operating Income	6	0
<b>Total revenue from operations</b>	<b>21029</b>	<b>12,258</b>

'0', it denotes value less than INR50,000/- as all value is rounded off to the nearest INR 1 Lakh.

## Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Revenue by Offerings	(INR in Lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Infrastructure Management Services	7,570	3,678
End User Services	13,459	8,581
<b>Total</b>	<b>21,029</b>	<b>12,258</b>

Revenue by Geography	(INR in Lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
India	14,593	6,435
USA	6,434	5,787
UK	2	36
<b>Total</b>	<b>21,029</b>	<b>12,258</b>

## Infrastructure Management services

Infrastructure Management services comprise service and solution offerings of the Company that enable our clients to transform their businesses. We have added many medium enterprises government businesses for Network Operations Centre (NOC) and Security Operations Centre (SOC) services along with traditional Managed Services business.



# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## End user services

Core services comprise traditional offerings of the Company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, facility management services, traditional enterprise application implementation, support and integration services and Annual Maintenance Contracts.

## Trade receivables and contract balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for fixed-price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed-price development contracts is based on percentage-of-completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed-price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

## Performance Obligations and Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those

contracts where invoicing is on time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

## (xviii) Discontinued operations:

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss. Additional disclosures are provided hereunder. All other notes to the Standalone financial statements mainly include amounts for continuing operations, unless otherwise mentioned

During the transformation phase, in order to fully concentrate on the services business, the company

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

made a strategic decision to discontinue its business of selling IT hardware and peripherals. Consequently, the company has completely ceased such business activities and has no intention to reenter this line of activity in the near future. Accordingly, the management has made the decision to create sufficient provision for non-recoverable receivables and advances related to the said discontinued business.

(xix) **Income taxes**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) **Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company off sets 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 liability simultaneously

b) **Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary difference arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary difference. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred

income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

c) **Minimum Alternate Tax**

Minimum Alternate Tax is in the nature of unused tax credit which can be carried forward and utilised when the company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that is probable that the unused tax credit can be utilised in the specified future period.

(xx) **Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

(xxi) **Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(xxii) **Foreign Currency Transactions:**

a) **Initial Recognition**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

transactions settled during the year are recognized in the Statement of Profit and Loss.

## b) **Measurement of Foreign Currency Items at the Balance Sheet Date**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

## (xxiii) **Leases**

### i) **The Company as a Lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### ii) **The Company as a Lessee:**

The Company, as a lessee, recognises a right of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use

of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of use asset 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 plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

The changes in the carrying value of property, plant and equipment for the period ended March 31st, 2023 are as follows :

## NOTE -2: PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block		Depreciation and Amortization			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	31-03-2023	31-03-2023	31-03-2023	31-03-2022
					Deletions		
					for the year		
Premises	2,970	4,103	433	41	-	474	3,629
Civil and plumbing work	1,879	1,999	327	32	-	360	1,639
Furniture and fixtures	3,363	3,369	3,152	24	-	3,176	194
Office equipments	18	18	18	-	-	18	0
Motor vehicles	343	358	179	27	-	206	152
Computers and IT equipments	3,735	3,735	3,700	(0)	-	3,700	35
Computers (Given on lease)	158	158	158	-	-	158	-
<b>Total</b>	<b>12,466</b>	<b>13,741</b>	<b>7,968</b>	<b>123</b>	<b>-</b>	<b>8,091</b>	<b>5,649</b>

## NOTE - 3 : RIGHT-OF-USE ASSETS

Particulars	Gross Block		As at 01-04-2022			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	31-03-2023	31-03-2023	31-03-2023	31-03-2022
					Deletions		
					for the year		
Right-of-use assets	394	485	35	71	-	106	358
<b>Total</b>	<b>394</b>	<b>485</b>	<b>35</b>	<b>71</b>	<b>-</b>	<b>106</b>	<b>358</b>

## NOTE - 4 : INVESTMENT PROPERTY

Particulars	Gross Block		Depreciation and Amortization			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	31-03-2023	31-03-2023	31-03-2023	31-03-2022
					Deletions		
					for the year		
Leasehold land	2,281	2,281	288	23	-	311	1,993
Premises	6,873	6,850	930	64	(7)	986	5,864
<b>Total</b>	<b>9,154</b>	<b>9,131</b>	<b>1,218</b>	<b>87</b>	<b>(7)</b>	<b>1,297</b>	<b>7,934</b>

## NOTE - 5 : OTHER INTANGIBLE ASSETS

Particulars	Gross Block		Depreciation and Amortization			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	31-03-2023	31-03-2023	31-03-2023	31-03-2022
					Deletions		
					for the year		
Computer software licenses	76	94	76	1	-	76	18
Intellectual property rights	9,360	10,360	6,920	676	-	7,595	2,764
<b>Total</b>	<b>9,436</b>	<b>10,454</b>	<b>6,995</b>	<b>676</b>	<b>-</b>	<b>7,671</b>	<b>2,441</b>
<b>Grand Total</b>	<b>31,450</b>	<b>33,810</b>	<b>16,217</b>	<b>957</b>	<b>(7)</b>	<b>17,167</b>	<b>15,231</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows :

### NOTE - 2: PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at	Additions	Deletions	As at	As at	Deletions	Upto	As at	As at	As at
	01-04-2021	during the year		31-03-2022	01-04-2021	for the year	31-03-2022	31-03-2022	31-03-2021	31-03-2021
Premises	2,743	227	-	2,970	397	36	433	2,537	2,338	2,338
Civil and plumbing work	1,835	44	-	1,879	296	31	327	1,551	1,539	1,539
Furniture and fixtures	3,305	58	-	3,363	3,015	137	3,152	211	292	292
Office equipments	18	-	-	18	18	-	18	0	3	3
Motor vehicles	343	-	-	343	153	26	179	164	191	191
Computers and IT equipments	3,735	-	-	3,735	3,698	2	3,700	34	37	37
Computers (Given on lease)	158	-	-	158	158	-	158	-	-	-
<b>Total</b>	<b>12,136</b>	<b>329</b>	<b>-</b>	<b>12,466</b>	<b>7,736</b>	<b>232</b>	<b>7,968</b>	<b>4,497</b>	<b>4,400</b>	<b>4,400</b>

### NOTE - 3 : RIGHT-OF-USE ASSETS

Particulars	Gross Block				As at 01-04-2021				Net Block	
	As at	Additions	Deletions	As at	As at	Deletions	Upto	As at	As at	As at
	01-04-2021	during the year		31-03-2022	01-04-2021	for the year	31-03-2022	31-03-2022	31-03-2021	31-03-2021
Immovable property	80	314	-	394	13	22	35	358	66	66
<b>Total</b>	<b>80</b>	<b>314</b>	<b>-</b>	<b>394</b>	<b>13</b>	<b>22</b>	<b>35</b>	<b>358</b>	<b>66</b>	<b>66</b>

### NOTE - 4 : INVESTMENT PROPERTY

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at	Additions	Deletions	As at	As at	Deletions	Upto	As at	As at	As at
	01-04-2021	during the year		31-03-2022	01-04-2021	for the year	31-03-2022	31-03-2022	31-03-2021	31-03-2021
Leasehold land	2,278	3	-	2,281	266	22	288	1,993	2,012	2,012
Premises	6,873	-	-	6,873	862	68	930	5,945	6,011	6,011
<b>Total</b>	<b>9,151</b>	<b>3</b>	<b>-</b>	<b>9,154</b>	<b>1,128</b>	<b>90</b>	<b>1,218</b>	<b>7,937</b>	<b>8,023</b>	<b>8,023</b>

### NOTE - 5 : OTHER INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at	Additions	Deletions	As at	As at	Deletions	Upto	As at	As at	As at
	01-04-2021	during the year		31-03-2022	01-04-2021	for the year	31-03-2022	31-03-2022	31-03-2021	31-03-2021
Computer software licenses	76	-	-	76	75	0	75.57	1	1	1
Intellectual property rights	9,360	-	-	9,360	5,995	925	6,920	2,440	3,365	3,365
<b>Total</b>	<b>9,436</b>	<b>-</b>	<b>-</b>	<b>9,436</b>	<b>6,070</b>	<b>925</b>	<b>6,995</b>	<b>2,441</b>	<b>3,366</b>	<b>3,366</b>
<b>Grand Total</b>	<b>30,804</b>	<b>646</b>	<b>-</b>	<b>31,450</b>	<b>14,948</b>	<b>1,269</b>	<b>16,217</b>	<b>15,234</b>	<b>15,855</b>	<b>15,855</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 6: INVESTMENTS

### i) Non current investments

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<b>Unquoted, Long Term, Trade: (Carried at Cost)</b>		
<b>(a) Investment in Equity instruments of Subsidiaries</b>			
(i)	<b>Allied Digital Services LLC (USA)</b> 306017 (Previous year: 306017) equity shares of USD 10 each, fully paid up	7,531	7,531
(ii)	<b>Allied Digital Inc (USA)</b> 10,000 (Previous year: 10,000) equity shares of USD 0.0001/- each fully paid up	7,075	7,075
(iii)	<b>Allied Digital Singapore Pte Limited</b> 100 (Previous year: 100) equity shares of SGD 1 each, fully paid up	6	6
(iv)	<b>Allied Digital Asia Pacific Pty Limited (Australia)</b> 100 (Previous year: 100) equity shares of AUD 1 each, fully paid up	128	128
(v)	<b>Allied E-Cop Surveillance India Pvt. Ltd</b> 86010 (Previous year: 86010) equity shares of INR 10/- each fully paid up	1	1
(vi)	<b>Allied Digital Services (UK) Ltd.</b> 900 (Previous year: 900) equity shares of GBP 1 each fully paid up	1	1
(vii)	<b>Enpointe Technologies (India) Private Limited</b> 999 (Previous Year : 999) equity shares of INR 100 Each fully paid up	1	1
(viii)	<b>Allied Digital Services (Ireland) Limited</b> 1000 (Previous year: 1000) equity shares of EURO 1 each, fully paid up	1	1
(ix)	<b>Allied Digital Services Japan G.K.</b> 1,000,000 (Previous year: 1,000,000) equity shares of JPY 1 each, fully paid up	6	6
(x)	<b>Allied Digital Services DO Brasil LTDA.</b> 775,000 (Previous year: 775,000) equity shares of BRL 1 each, fully paid up	127	124
(xi)	<b>Allied Digital IT Services (Beijing) Co., Ltd.</b> USD 151,250 (Previous year: 0) equity shares of USD 1 each, fully paid up	121	-
		<b>14,998</b>	<b>14,874</b>
<b>(b) Investment in Equity instruments of Associates:</b>			
(i)	<b>Soft Shell System (I) Pvt Ltd</b> 117,924 (Previous year 117924) equity shares of INR 10/- each fully paid up	600	600
(ii)	<b>Allied CNT Solutions Pvt. Ltd.</b> 142,000 (Previous Year: 142,000) equity shares of INR 10/- each fully paid up	22	22
		<b>622</b>	<b>622</b>
<b>(c) Investment in Other Equity instruments:</b>			
	Uthopia Green Trans Pvt Ltd 200 (Previous Year: 200) equity shares of INR 10/- each fully paid up	0	0
		<b>0</b>	<b>0</b>
<b>(d) Investment carried at Amortized Cost</b>			
	Nil (Previous Year : 450,000) Preference Shares @ INR 100 each of Devyog Builders Pvt Ltd	-	204
		-	<b>204</b>
<b>Total Non Current Investments</b>		<b>15,620</b>	<b>15,699</b>
<b>Note :</b>			
	Aggregate amount of quoted investments	Nil	Nil
	Market value of quoted investments	Nil	Nil
	Aggregate amount of unquoted investments	<b>15,620</b>	<b>15,699</b>
	Aggregate amount of impairment in value of Investment	Nil	Nil
	Investment Carried at cost	15,620	15,495
	Investment Carried at amortized cost	Nil	204
	Investment carried at fair value through other comprehensive income	Nil	Nil
	Investment carried at fair value through profit and loss	Nil	Nil
<b>Total</b>		<b>15,620</b>	<b>15,699</b>

Wherever the amount is '0', it denotes value less than INR50,000/- as all value is rounded off to the nearest INR 1 Lakh.



# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 7 : LOANS

			(INR in Lakhs)		
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022		
<b>(i) Non-Current</b>					
	Loans considered good-unsecured				
	Other loans	252	252		
		<b>252</b>	<b>252</b>		
<b>(ii) Current</b>					
	Loans considered good-unsecured				
	Loans to employees	177	195		
		<b>177</b>	<b>195</b>		
	<b>Total Loans</b>	<b>429</b>	<b>447</b>		

## NOTE 8: OTHER FINANCIAL ASSETS

			(INR in Lakhs)		
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022		
<b>(i) Non-Current</b>					
	Unsecured, considered good				
(a)	Security deposits	67	100		
(b)	Others	-	240		
		<b>67</b>	<b>340</b>		
<b>(ii) Current</b>					
	Unsecured, considered good				
(a)	Security deposits	4	4		
(b)	Unbilled revenue	3,794	3,311		
(c)	Accrued income	586	1,366		
(d)	Accrued interest	45	61		
(e)	Others	589	484		
		<b>5,018</b>	<b>5,227</b>		
	<b>Total other financial assets</b>	<b>5,085</b>	<b>5,567</b>		

## NOTE 9: OTHER ASSETS

			(INR in Lakhs)		
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022		
<b>(i) Non-Current</b>					
	Receivables from government authorities	1,740	1,078		
		<b>1,740</b>	<b>1,078</b>		
<b>(ii) Current</b>					
(a)	MAT credit entitlement	1,287	1,327		
(b)	Prepaid expenses	124	29		
(c)	Capital advances	481	1,146		
		<b>1,893</b>	<b>2,502</b>		
	<b>Total other assets</b>	<b>3,633</b>	<b>3,580</b>		

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 10: INVENTORIES

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Stock in Trade	4,268	3,789
		<b>4,268</b>	<b>3,789</b>

## NOTE 11: TRADE RECEIVABLES

(INR in Lakhs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 year	2 to 3 year	More than 3 years	
<b>As on 31.03.2023</b>							
Undisputed trade receivables – considered good	206	2,807	1,043	1,638	797	918	<b>7,408</b>
Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-
	<b>206</b>	<b>2,807</b>	<b>1,043</b>	<b>1,638</b>	<b>797</b>	<b>918</b>	<b>7,408</b>
Less: Allowance for expected credit loss							<b>(188)</b>
<b>Total Trade Receivables</b>							<b>7,220</b>

(INR in Lakhs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 year	2 to 3 year	More than 3 years	
<b>As on 31.03.2022</b>							
Undisputed trade receivables – considered good	673	3,442	1,131	1,877	840	5,941	<b>13,903</b>
Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-
	<b>673</b>	<b>3,442</b>	<b>1,131</b>	<b>1,877</b>	<b>840</b>	<b>5,941</b>	<b>13,903</b>
Less: Allowance for expected credit loss							<b>(65)</b>
<b>Total Trade Receivables</b>							<b>13,838</b>

## NOTE 12 (I): CASH AND CASH EQUIVALENTS:

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Balances with banks		
	In Current Account	1,513	14
(b)	Cash on hand	1	1
	<b>Total cash and cash equivalents</b>	<b>1,514</b>	<b>15</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 12 (II): OTHER BALANCES WITH BANK

(INR in Lakhs)			
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Balances with banks		
	Earmarked balances *	572	587
	Fixed deposits	46	355
	<b>Total</b>	<b>618</b>	<b>942</b>

\* Earmarked balances with banks primarily relate to margin money for the Bank Guarantees.

## NOTE 13: NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

(INR in Lakhs)			
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Non-current assets held for sale	-	59
	<b>Total</b>	<b>-</b>	<b>59</b>

## NOTE 14: EQUITY SHARE CAPITAL

### (a) Authorized, Issued, Subscribed & Paid - up and par value per share

(INR in Lakhs)				
Share Capital	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount	Number	Amount
<b>Authorized</b>				
Equity shares of INR 5 each with voting rights	6,00,00,000	3,000	6,00,00,000	3,000
<b>Issued</b>				
Equity shares of INR 5 each with voting rights	5,48,37,528	2,742	5,42,05,528	2,710
<b>Subscribed &amp; Paid up</b>				
Equity shares of INR 5 each with voting rights	5,48,37,528	2,742	5,42,05,528	2,710

### (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(INR in Lakhs)			
Particulars	Opening Balance	Issued during the period	Closing Balance
<b>Equity shares with voting rights</b>			
<b>Year ended 31 March, 2023</b>			
- Number of shares	5,42,05,528	6,32,000	5,48,37,528
- Amount in INR Lakh	2,710	32	2,742
<b>Year ended 31 March, 2022</b>			
- Number of shares	5,07,05,528	35,00,000	5,42,05,528
- Amount in INR Lakh	2,535	175	2,710

### (c) Rights, Preferences and restrictions related to equity shares

The company has only one class of equity share having par value of INR 5 per share. Each holder of equity share is entitled to one vote per share.

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## (d) Disclosure of shareholding of promoters as at March 31, 2023 is as follows :

(INR in Lakhs)

Name of Shareholder	As at 31st March 2023		As at 31st March 2022		% change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
<b>Equity shares with voting rights</b>					
Nitin Dhanji Shah	1,87,83,031	34.25	1,87,83,031	34.65	(0.40)
Late Prakash Dhanji Shah	79,28,348	14.46	81,78,348	15.09	(0.63)

## (e) Details of shares held by each shareholder holding more than 5% shares:

(INR in Lakhs)

Name of Shareholder	As at 31st March 2023		As at 31st March 2022		% change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
<b>Equity shares with voting rights</b>					
Nitin Dhanji Shah	1,87,83,031	34.25	1,87,83,031	34.65	(0.40)
Late Prakash Dhanji Shah	79,28,348	14.46	81,78,348	15.09	(0.63)

## The Company Stock Options Plan Summary :

### (i) Stock Option Scheme (2020)

(INR in Lakhs)

Particulars	2022-23	2021-22
Number of options outstanding at the beginning of the period	34,20,000	-
Number of options granted during the year	-	-
Number of options forfeited / lapsed during the year	-	-
Number of options vested during the year	14,10,000	-
Number of options exercised during the year	6,32,000	-
Number of shares arising as a result of exercise of options	6,32,000	-
Money realized by exercise of options (INR)	1,26,40,000	-
Number of options outstanding at the end of the year	27,88,000	34,20,000
Number of options exercisable at the end of the year	7,78,000	-

## NOTE 15: OTHER EQUITY

### (i) Reserves and Surplus

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(a) Capital Redemption Reserve</b>			
Opening Balance		30	30
Add/Less: Transaction during the year		-	-
<b>Closing Balance</b>		<b>30</b>	<b>30</b>
<b>(b) Securities Premium Account</b>			
Opening Balance		37,571	37,088
Add: Securities premium credited on allotment of equity shares		431	483
<b>Closing Balance</b>		<b>38,002</b>	<b>37,571</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(c)</b>	<b>General Reserves</b>		
	Opening Balance	2,058	2,058
	Add/Less: Transaction during the year	-	-
	<b>Closing Balance</b>	<b>2,058</b>	<b>2,058</b>
<b>(d)</b>	<b>P&amp;L Surplus</b>		
	Opening balance	6,166	5,977
	Add: Net Profit/(Net Loss) For the current year	(3,752)	569
	Less: Equity Dividend	(1,090)	(380)
	<b>Closing Balance</b>	<b>1,323</b>	<b>6,166</b>
	<b>Total Reserves and Surplus</b>	<b>41,413</b>	<b>45,825</b>

## (ii) Other component of equity

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(a)</b>	<b>Employee Stock Options Outstanding</b>		
	Opening Balance	675	-
	Add: Compensation cost related to employee shared-based payment	712	675
	Less: Transaction during the year	(336)	
	<b>Closing Balance</b>	<b>1,050</b>	<b>675</b>
<b>(b)</b>	<b>Other Comprehensive Income</b>		
	Opening Balance	78	(15)
	Add: Transaction during the year	27	93
	Closing Balance	105	78
	<b>Total Other Component of Equity</b>	<b>1,155</b>	<b>752</b>

## (iii) Money received against share warrants

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Opening Balance	-	165
	Add: Money received against share warrants during the year	-	319
	Less: Shares Issued against the warants during the year	-	(483)
	Closing Balance	-	-
	<b>Total</b>	<b>42,568</b>	<b>46,577</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 16: BORROWINGS

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(i) Non Current Borrowings</b>			
	<b>Secured</b>		
	<b>Term Loans</b>		
	<b>From Bank</b>		
<b>a. Indian Bank</b>			
	Secured by equitable mortgage of the immovable property situated at Unit 1 & 2, 5 <sup>th</sup> Floor, Crystal, Sector V, Salt Lake, Kolkata	223	381
<b>b. HDFC Bank Ltd.</b>		22	43
	Equitable mortgage of Vehicles		
	<b>From Others</b>		
<b>a. BMW Financial Services Ltd.</b>		26	38
	Equitable mortgage of Vehicles		
		<b>270</b>	<b>463</b>
<b>(ii) Current Borrowings</b>			
	<b>Secured</b>		
	<b>From Banks</b>		
a	Loans repayable on demand	2,844	1,969
b	Current Maturities	62	62
	<b>Unsecured</b>		
a	Loans and advances from related parties (Repayable on Demand)	1,532	1,747
b	Unsecured Loan Others	10	10
c	Unclaimed public deposits	2	6
		<b>4,449</b>	<b>3,793</b>
	<b>Total Borrowings</b>	<b>4,719</b>	<b>4,256</b>

Detail of secured short - term borrowing along with security and term of repayment:

(INR in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<u>Loans repayable on demand</u>		
<u>From banks:</u>		
Barclays Bank Foreign Currency Loan	600	1,005
Indian Bank	2,243	965
<b>Loans repayable on demand from banks</b>	<b>2,844</b>	<b>1,969</b>

### (i) Details of Security Offered to Banks for loans repayable on demand

Following securities have been offered to Barclays banks

- First charge on Office no. 13A, Earnest House, NCPA Road, Nariman Point, Mumbai
- Pari pasu charge with Indian Bank on movable assets except vehicles
- Pari pasu charge with Indian Bank on current assets
- Personal Guarantee of Promoters



# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## Following securities have been offered to Indian Bank

- First charge on property Office no. 405 & 406, 4<sup>th</sup> Floor, Seepz, SEZ, M I D.C., Marol, Andheri-East, Mumbai
- First charge on property at Unit 1 & 2, 5<sup>th</sup> Floor, Crystal, Sector V, Salt Lake, Kolkata
- First charge on Gala No.301, 302 305 & 306 at Building No.3, Millennium Business Park, Sector No.3, Mahape, Navi Mumbai
- First charge on liquid assets in the form of Fixed Deposits
- Pari pasu charge with Barclays Bank on movable assets except vehicles
- Pari pasu charge with Barclays Bank on current assets
- Personal guarantee of Promoters

## NOTE 17: OTHER FINANCIAL LIABILITIES

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(i) Other Non-Current Financial Liabilities</b>			
	Lease liability	399	362
		<b>399</b>	<b>362</b>
<b>(ii) Other Current Financial Liabilities</b>			
	Others	590	42
		<b>590</b>	<b>42</b>
	<b>Total other financial liabilities</b>	<b>989</b>	<b>404</b>

## NOTE 18: PROVISIONS

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current Provisions</b>			
	Provision for expenses	1,139	657
	Others	136	134
	<b>Total Provisions</b>	<b>1,275</b>	<b>791</b>

## NOTE 19: DEFERRED TAX LIABILITIES

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Deferred Tax Liability</b>			
	Property, Plant And Equipments And Intangible Assets	923	2,512
	<b>Net Deferred Liability/ (Asset)</b>	<b>923</b>	<b>2,512</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 20: TRADE PAYABLES

(INR in Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 Year	1 to 2 year	2 to 3 year	more than 3 years	
<b>As on 31.03.2023</b>					
MSME Vendors	-	-	-	-	-
Other Vendors	1,527	178	78	33	<b>1,816</b>
Disputed dues – MEME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>1,527</b>	<b>178</b>	<b>78</b>	<b>33</b>	<b>1,816</b>

(INR in Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 Year	1 to 2 year	2 to 3 year	more than 3 years	
<b>As on 31.03.2022</b>					
MSME Vendors	-	-	-	-	-
Other Vendors	1,087	575	163	93	<b>1,919</b>
Disputed dues – MEME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>1,087</b>	<b>575</b>	<b>163</b>	<b>93</b>	<b>1,919</b>

## NOTE 21: REVENUE FROM OPERATIONS

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Revenue from Sales of Services and Solutions	21,023	12,258
(b)	Others	6	0
	<b>Total Revenue from operations</b>	<b>21,029</b>	<b>12,258</b>

## NOTE 22 : OTHER INCOME

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Interest income	55	56
(b)	Office rent	20	10
(c)	Net gain on foreign currency transactions	348	115
(d)	Other non-operating income	143	57
	<b>Total Other income</b>	<b>566</b>	<b>238</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 23: PURCHASE & OTHER DIRECT EXPENSES

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Purchase of Traded Goods and Services	7,393	1,648
(b)	Other direct expenses	1,499	1,211
	<b>Total purchase &amp; other direct expenses</b>	<b>8,892</b>	<b>2,859</b>

## NOTE 24: CHANGES IN INVENTORIES

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
	Closing Stock	4,268	3,789
	Less : Opening Stock	3,789	3,474
	<b>Net (increase) / decrease</b>	<b>(480)</b>	<b>(315)</b>

## NOTE 25 : EMPLOYEE BENEFIT EXPENSES

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Salaries and wages	7,264	5,271
(b)	Contributions to Provident Fund	67	28
(c)	Contributions to ESIC	23	16
(d)	Contributions to Labour Welfare Fund	0	0
(e)	Contributions to Gratuity	136	79
(f)	Staff welfare expenses	61	43
(g)	Share-based compensation expense	379	393
	<b>Total employee benefit expenses</b>	<b>7,931</b>	<b>5,830</b>

## NOTE 26: FINANCE COST

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Interest expense on Borrowings	259	239
(b)	Other borrowing costs	56	26
	<b>Total finance cost</b>	<b>316</b>	<b>265</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 27 : OTHER EXPENSES

(INR in Lakhs)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Rent including Lease Rentals	40	44
Repairs and Maintenance	128	77
Insurance	125	52
Communication	144	101
Travelling and Conveyance	277	167
Electricity Expenses	162	66
Freight and Forwarding	12	5
Advertisement Expenses	5	4
Legal, Professional and Outsourcing Charges	789	890
Payments to Auditors (Refer Note 27A below)	15	15
Rates and Taxes	139	85
Commission & Brokerage	6	0
Printing & Stationery Expenses	93	6
Business Promotion Expenses	122	65
Office Expenses	206	35
Impairment loss allowance on trade receivables	188	65
CSR Expenses	64	38
Miscellaneous Expenses	145	67
<b>Total other expenses</b>	<b>2,659</b>	<b>1,780</b>

### Note 27A: Details of Auditors' Remuneration:

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	For Statutory Audit	13	13
(b)	For Taxation Matters	2	2
	<b>Total</b>	<b>15</b>	<b>15</b>

## NOTE 28 : COMPONENT OF OTHER COMPREHENSIVE INCOME

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	<b>Items that will not be reclassified to profit or loss</b>		
	Remeasurement of defined benefit liabilities	(27)	(93)
	<b>Total</b>	<b>(27)</b>	<b>(93)</b>

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 29: EARNING PER SHARES

		(INR in Lakhs)	
Sr. No	Particulars	FY 2022-23	FY 2021-22
A	Weighted average number of equity shares of INR 5/- each		
I	Number of shares at the beginning of the year (nos) of INR 5/- each (Previous Year of INR5/- each)	5,42,05,528	5,07,05,528
II	Number of Shares at the end of the year (Nos) of INR5/- each	5,48,37,528	5,42,05,528
III	ESOP outstanding to employees	17,37,311	34,20,000
IV	Share Warrant Issues	-	-
V	Weighted average number of equity shares of INR 5/- each (Previous Year of INR5/- each) outstanding during the year (Nos) for basic EPS	5,44,68,788	5,23,26,076
VI	Weighted average number of equity shares of INR 5/- each Dilutive EPS	5,62,06,099	5,57,46,076
B	Net Profit after tax available for equity shareholders (In INR Lakh)-Continued Operations	931	569
C	Net Profit after tax available for equity shareholders (In INR Lakh)-Discontinued Operations	(4,685)	-
E	<b>For Continued Operations</b>		
	Basic income as per share (in rupees) [B/A (V)]	1.71	1.09
	Diluted income per share (in rupees) [B/A (VI)]	1.66	1.02
F	<b>For Discontinued Operations</b>		
	Basic income as per share (in rupees) [C/A (V)]	(8.61)	-
	Diluted income per share (in rupees) [C/A (VI)]	(8.33)	-
G	<b>For Continued &amp; Discontinued Operations</b>		
	Basic income as per share (in rupees) [(B+C)/A (V)]	(6.90)	1.09
	Diluted income per share (in rupees) [(B+C)/A (VI)]	(6.67)	1.02

## NOTE 30(1) : EMPLOYEE BENEFITS

### Gratuity Plan

- (i) An amount of INR 27.26 lakhs has been recognized towards the Employees Gratuity Fund against the liability of INR276.18 lakhs as per the Actuarial Valuation for Gratuity as on 31<sup>st</sup> March 2023. The Plan Assets comprise of a Gratuity Fund maintained by The Trustees of the Scheme. The particulars under IND AS 19 furnished below are those which are relevant and available to the company and which are as per the Actuarial Valuation Report:-

		(INR in Lakhs)	
	Particulars	Valuation Date	Valuation Date
		31st March, 2023	31st March, 2022
<b>I</b>	<b>Assumptions as at</b>		
	Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
	Discount Rate	7.29%	7.10%
	Rate of increase in compensation	5.00%	5.00%
	Rate of return (expected) on plan assets	7.29%	7.10%
	Withdrawal rates	1 to 6%	1 to 6%
<b>II</b>	<b>Changes in present value of obligations</b>		
	PVO at beginning of period	2,80,06,686	3,13,22,319
	Interest cost	19,02,713	20,46,948
	Current Service Cost	1,17,39,795	62,86,832
	Benefits Paid	(24,15,812)	(23,51,619)
	Actuarial (gain)/loss on obligation	(27,25,840)	(92,97,794)
	PVO at end of period	3,65,07,542	2,80,06,686

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Particulars	Valuation Date	Valuation Date
	31st March, 2023	31st March, 2022
<b>III Interest Expenses</b>		
Interest cost	19,02,713	20,46,948
<b>IV Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Asset	3,88,191	6,32,438
Adjustment to Opening Fair Value of Plan Assets	(2,83,564)	-
Return on Plan Assets excl. interest income	4,728	(34,650)
Interest Income	(4,728)	34,650
Contributions by Employer	23,39,736	21,07,372
Contributions by Employee	-	-
Benefit Paid	(24,15,812)	(23,51,619)
Fair Value of Plan Assets at end of period	28,551	3,88,191
<b>V Actuarial Gain/(Loss) Recognized</b>		
Actuarial Gain/(Loss) for the period (Obligation)	27,25,840	92,97,794
Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
Total Gain/(Loss) for the period	27,25,840	92,97,794
Actuarial Gain/(Loss) recognized for the period	27,25,840	92,97,794
Unrecognized Actuarial Gain/(Loss) at end of period	-	-
<b>VI Amounts to be recognized in the Balance Sheet and statement of Profit &amp; Loss Account</b>		
PVO at end of period	3,65,07,542	2,80,06,686
Fair Value of Plan Assets at end of period	28,551	3,88,191
Funded Status	(3,64,78,991)	(2,76,18,495)
Net Asset/(Liability) recognized in the balance sheet	(3,64,78,991)	(2,76,18,495)
<b>VII Expense recognized in the statement of P &amp; L Account</b>		
Current Service Cost	1,17,39,795	62,86,832
Interest cost	18,97,985	20,12,298
Expected Return on Plan Assets	-	-
Expense recognized in the statement of P & L Account	1,36,37,780	82,99,130
<b>VII Expense recognized in the statement of P &amp; L Account</b>		
Actuarial (Gain)/Loss recognized for the period	(27,25,840)	(92,97,794)
Return on Plan Assets excl. net interest	4,728	34,650
Expected Return on Plan Assets	(27,21,112)	(92,63,144)
<b>VIII Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	2,76,18,495	3,06,89,881
Adjustment to Opening Fair Value of Plan Assets	2,83,564	-
Expenses as above	1,36,37,780	82,99,130
Contribution paid	(23,39,736)	(21,07,372)
Other Comprehensive Income (OCI)	(27,21,112)	(92,63,144)
Closing Net Liability	3,64,78,991	2,76,18,495
<b>IX Actuarial (Gain)/loss on obligation</b>		
Due to Demographic Assumption	-	-
Due to Financial Assumption	(8,80,970)	(9,94,502)
Due to Experience	(18,44,870)	(83,03,292)
Total Actuarial (Gain)/Loss	(27,25,840)	(92,97,794)



# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## Note 30(2) : Additional Information pursuant to the provisions of part II of the Schedule III of the Companies Act 2013:-

		(INR in Lakhs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
i	Income in Foreign Currency (Exports)		
	Sales of Services and products	6,444	5,806
ii	Expenditure in Foreign Currency (subject to deduction of tax where applicable)	-	-
a	Professional & Consultation Fees	1,939	375
b	Travelling	-	-
c	Software Services	590	122
iii	Value of Imports calculated on C.I.F. basis - Traded Goods	-	-

## Note 30(3) : Contingent Liabilities and commitment

		(INR in Lakhs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
	Bank Guarantees issue	844	635
	Income Tax (Litigation)	51	51
	<b>Total</b>	<b>895</b>	<b>686</b>

## Note : Income Tax (Litigation)

Name of the Statute	Nature of dues	Amount (INR Lakhs)	Period to which the it relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty u/s 271(1)(c)	33	AY 2006-07	Commissioner of Income Tax Appeals, Mumbai
Income Tax Act, 1961	Penalty u/s 271(1)(c)	18	AY 2010-11	Commissioner of Income Tax Appeals, Mumbai
	<b>Total</b>	<b>51</b>		

## Note 30(4) : Summary of Related Party transaction

### A) List of Related Parties & Relationship

Relationship	Name of Related Party
Subsidiary Company	Allied Digital Services LLC
	Allied Digital Inc
	Allied Digital Singapore Pte Limited
	Allied Digital Asia Pacific Pty Limited
	Allied E-Cop Surveillance India Pvt. Ltd
	Allied Digital Services (UK) Ltd.
	Enpointe Technologies (India) Private Limited
	Allied Digital Services (Ireland) Limited
	Allied Digital Services Japan G.K.
	Allied Digital Services DO Brasil LTDA.
	Allied Digital IT Services (Beijing) Co., Ltd.
Associate Company	Soft Shell System (I) Pvt Ltd
	Allied CNT Solutions Pvt. Ltd
Promoters & Promoter Group	Nitin Dhanji Shah
	Prakash Dhanjibhai Shah
	Nehal Nitin Shah
	Tejal Prakash Shah

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

Relationship	Name of Related Party
	Rohan Prakash Shah
	Dhara Nitin Shah
Directors	Sunil Vasudev Bhatt
	Milind Madhav Kamat
	Shrikant Navnitlal Parikh
	Shakti Kumar Leekha
	Swanubhuti Jain
	Anup Kumar Mahapatra
Key Managerial Personnel	Paresh Bipinchandra Shah (CEO)
	Gopal Tiwari (CFO)
	Neha Sunil Kumar Bagla (CS)
Entity controlled by Promoters	Assetlite Equipment India Pvt. Ltd.
	Abhirati Properties Private Limited
	Allied Digital Coworks Private Limited
	Allied Digital Incube Private Limited

## A) Nature of transaction with the Related Parties

(INR in Lakhs)

Particulars	2022-23	2021-22
<b>Sale of Goods / Services / Facility</b>		
Allied Digital Services, LLC (USA)	6,434	5,770
Allied Digital Services (UK) Ltd.	2	36
<b>Purchase of Goods, Services and Facilities</b>		
Allied Digital Services, LLC (USA)	1,939	375
<b>Dividend Paid</b>		
Nitin Dhanji Shah	188	115
Prakash Dhanjibhai Shah	82	61
Nehal Nitin Shah	1	1
Tejal Prakash Shah	11	9
Rohan Prakash Shah	2	1
Dhara Nitin Shah	0	0
Sunil Vasudev Bhatt	0	0
Abhirati Properties Private Limited	0	0
Padma Pragna Private Trust	2	2
<b>Remuneration and Other employee benefits</b>		
Promoter & Promoter Group	767	472
Key Managerial Personnel	76	76
<b>Director Sitting Fees</b>		
Milind Madhav Kamat	2	2
Shrikant Navnitlal Parikh	2	2
Shakti Kumar Leekha	1	0
Swanubhuti Jain	1	1
Anup Kumar Mahapatra	1	-

"0" denotes amounts less than INR 50,000/-

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## B) Balances with Related Party

(INR in Lakhs)

Particulars	Subsidiary	
	2022-23	2021-22
<b>Trade Receivables</b>		
Allied Digital Asia Pacific Pty Ltd.	487	451
Allied Digital Services, LLC (USA)	2,412	3,596
Allied Digital Services (UK) Ltd	254	336
<b>Trade Payables</b>		
Allied Digital Services LLC (USA)	273	410
<b>Other Current Assets</b>		
Allied Digital Services (Ireland) Ltd.	2	2
Allied Digital Incube Private Limited	0.56	0.40
Allied CNT Solutions Pvt. Ltd.	8.88	8.45
Allied Digital Coworks Private Limited	1.27	1.11
Abhirati Properties Private Limited	423	395
<b>Short Term Borrowing</b>		
En-Pointe Technologies India Pvt. Ltd.	59	59
Assetlite Equipment India Private Limited	237	238
Allied Digital Services LLC (USA)	558	771
Allied Digital INC (USA)	861	861
<b>Non-current investment</b>		
Allied Digital Services LLC (USA)	7,531	7,531
Allied Digital INC (USA)	7,075	7,075
Allied Digital Singapore Pte Ltd.	6	6
Allied Digital Asia Pacific Pty Ltd. (Australia)	128	128
Allied e-Cop Surveillance India Pvt. Ltd.	1	1
Allied Digital Services (UK) Ltd.	1	1
Allied Digital Services (Ireland) Ltd.	1	1
Allied Digital Services Japan G.K.	6	6
Allied Digital Services Do Brasil LTDA	127	124
Allied Digital IT Services (Beijing) Co., Ltd.	121	-

# Notes forming part of Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## Summarized segment information for the year ended March 2023

(INR in Lakhs)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
<b>Segment Revenue</b>		
Enterprise Computing based Solutions	13,459	8,581
Infrastructure Management based Solutions	7,570	3,678
Un-allocable Income	566	238
<b>Net Segment Revenue</b>	<b>21,595</b>	<b>12,496</b>
<b>Profit before Interest, Un-allocable expenses &amp; Tax</b>		
Enterprise Computing based Solutions	3,230	2,886
Infrastructure Management based Solutions	2,023	1,237
	<b>5,253</b>	<b>4,123</b>
Less: i) Interest	316	265
ii) Un-allocable Expenses	3,617	3,050
<b>Total Profit Before Tax</b>	<b>1,320</b>	<b>807</b>
Un-allocable - Capital Employed	46,901	52,624
<b>Total Capital Employed</b>	<b>48,221</b>	<b>53,431</b>

## Additional Regulatory Information

### Financial Ratios

(INR in Lakhs)

Ratio	Numerator	Denominator	2022-23	2021-22
Current ratio (in times)	Total current assets	Total current liabilities	2.55	4.05
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.11	0.09
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	4.55	5.45
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	1.97%	1.17%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	2.00	0.89
Trade payables turnover ratio (in times)	Cost of equipment and software licences + Other Expenses	Average trade payables	5.93	1.63
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.29	0.65

# Independent Auditor's Report

To The Members of **Allied Digital Services Limited**

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the consolidated financial statements of Allied Digital Services Limited ("the Holding Company") and its subsidiaries and its associate (the Holding Company, its subsidiaries and associate together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 ended on that date, and notes to the consolidated financial statements, including a summary of the 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 (the "Act") 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 the consolidated state of affairs of the Group as at March 31, 2023, 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 statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants 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 the 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 MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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 report.

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
1.	<p><b>Revenue recognition</b></p> <p><b>Fixed price contracts</b></p> <p>The Company engages in Fixed price contracts, including contracts with multiple performance obligations. Revenue recognition in such contracts involves judgments relating to identification of distinct performance obligations, determination of transaction price for such performance obligations and the appropriateness of the basis used to measure revenue recognised over a period.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the systems, processes and controls for evaluation of fixed price contracts to identify distinct performance obligations and recognition of revenue. Evaluated the design and operating effectiveness of internal controls including IT controls relating to recording of the contract value, determining the transaction price, allocation of consideration to different performance obligations, measurement of efforts incurred and process around estimation of efforts required to complete the performance obligations and the most appropriate method to recognise revenue.</li> </ul>

SR NO	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
	<p>In case of Fixed price contracts where performance obligations are satisfied over a period of time, revenue is recognised using the percentage of completion method based on management's estimate of contract efforts. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. These contracts may also involve recognizing onerous obligations that require critical estimates to be made by the management. In case of Fixed price maintenance contracts, revenue is recognised either on a straight line basis or using the percentage of completion method or at an amount equal to sums billed to customer, depending on the most appropriate method that depicts the value of service delivered to the customer.</p>	<ul style="list-style-type: none"> <li>• On selected sample of contracts, we tested that the revenue recognised is in accordance with the revenue recognition accounting standard. We - evaluated the identification of performance obligations; - considered the terms of the contracts to determine the transaction price, - determined if the Company's evaluation of the method used for recognition of revenue is appropriate; - tested the Company's calculation of efforts incurred, estimation of contract efforts including estimation of onerous obligation, through a retrospective review of efforts incurred with estimated efforts; - assessed appropriateness of contract assets/ unbilled revenue on balance sheet date by evaluating underlying documentation.</li> <li>• Tested aged contract assets to assess possible delays in achieving milestones, which may require a change in estimated efforts to complete the remaining performance obligations.</li> <li>• Performed analytical procedures over revenue and receivables.</li> </ul>
2	<p><b>Evaluation of tax positions and litigations</b></p> <p>The Group operates in multiple global jurisdictions which requires it to estimate its income tax liabilities according to the tax laws of the respective tax jurisdictions. Further, there are matters of interpretation in terms of application of tax laws and related rules to determine current tax provision and deferred taxes. The Group has material tax positions and litigations on a range of tax matters primarily in India. This requires management to make significant judgments to determine the possible outcome of uncertain tax positions and litigations and their consequent impact on related accounting and disclosures in the consolidated financial statements.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Testing the design, implementation and operating effectiveness of the Group's key controls over identifying uncertain tax positions and matters involving litigations/ disputes.</li> <li>• Obtaining details of tax positions and tax litigations for the year and as at 31 March 2023 and holding discussions with designated management personnel.</li> <li>• Assessing and analysing select key correspondences with tax authorities and inspecting external legal opinions obtained by management for key uncertain tax positions and tax litigations.</li> <li>• Evaluating underlying evidence and documentation to determine whether the information provides a basis for amounts reserved/not reserved in the books of account.</li> <li>• Involving our internal tax specialists and evaluating management's underlying key assumptions in estimating the tax provisions and estimate of the possible outcome of significant tax litigations; and</li> <li>• In respect of tax positions and litigations, assessing the computation of provisions and consequent impact on related accounting and disclosures in the consolidated financial statements.</li> </ul>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The said information is expected to be made available to us after the date of this 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations. We have nothing to report in this regard.

### **MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of 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 Management and the Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group 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 skepticism 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 controls.
- Obtain an understanding of internal financial controls 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 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 and Board of Directors.
- Conclude on the appropriateness of management's and Board of Director'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 ability of the Group and its associate 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 and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate 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, 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 misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) 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 consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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 account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates incorporated in India, none of the directors of the Group companies and associates incorporated in India is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act: In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company is in accordance with the provisions of Section 197 of 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 consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group – Refer Note No 32 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long term contracts including derivatives contracts during the year ended 31<sup>st</sup> March, 2023.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiaries incorporated in India during the year ended 31<sup>st</sup> March, 2023.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no

funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv)(i) and (iv)(ii) contain any material mis-statement.
  - (i) The dividend declared or paid during the year by the Holding Company are in compliance with section 123 of the Act.

**For SHAH & TAPARIA**  
Chartered Accountants  
(Firm Regn No 109463W)

**RAMESH PIPALAWA**  
**Partner**  
M. No. 103840  
UDIN: 23103840BGVIBZ8574

Place: Mumbai  
Date: 25<sup>th</sup> May, 2023

## Annexure A to the Independent Auditor's report on the consolidated financial statements of Allied Digital Services Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, in respect of the following companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditors till the date of this audit report:

NAME OF THE ENTITY	CIN	NATURE OF RELATIONSHIP
Allied eCop Surveillance Pvt Ltd	U74999MH2007PTC172890	Subsidiary
Enpointe Technologies India Pvt Ltd	U72200KA2006FTC041333	Subsidiary
Soft Shell System (I) Private Limited	U72100MH1998PTC117273	Associate
Allied CNT Solutions Private Limited	U29000MH2004PTC147337	Associate

### For SHAH & TAPARIA

Chartered Accountants  
(Firm Regn No 109463W)

### RAMESH PIPALAWA

Partner

M. No. 103840

UDIN: 23103840BGVIBZ8574

Place: Mumbai

Date: 25<sup>th</sup> May, 2023

# 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 Allied Digital Services 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, 2023, we have audited the internal financial controls over financial reporting of Allied Digital Services Limited (hereinafter referred to as “Company”) and its subsidiary companies and its associate, which are companies incorporated in India, as of that date.

## **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective company’s management and the Board of Directors of the respective Companies 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 (“the 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 the respective 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.

## **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies and its associate, 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 Accountants 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to the Consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies and its associate, 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, 2023, 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.

**For SHAH & TAPARIA**

Chartered Accountants  
(Firm Regn No 109463W)

**RAMESH PIPALAWA****Partner**

M. No. 103840

UDIN: 23103840BGVIBZ8574

Place: Mumbai

Date: 25<sup>th</sup> May, 2023



# Consolidated Balance Sheet

As at March 31, 2023

(INR in Lakhs)

Particulars	Note No.	As on 31st March 2023	As on 31st March 2022
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	2	5,850	4,655
Right-of-use assets	3	379	358
Investment properties	4	7,834	7,937
Goodwill		9,622	9,622
Other intangible assets	5	2,782	2,441
Financial assets			
Investments	6	622	949
Loans	7 (i)	252	252
Other financial assets	8 (i)	67	340
Other non-current assets	9 (i)	3,711	3,376
<b>Total Non-Current Assets</b>		<b>31,119</b>	<b>29,989</b>
<b>Current assets</b>			
Inventories	10	4,277	3,799
Financial assets			
Trade receivables	11	15,954	19,871
Cash and cash equivalents	12 (i)	7,727	4,972
Other bank balances	12 (ii)	618	942
Loans	7 (ii)	177	195
Other financial assets	8 (ii)	5,118	5,785
Other current assets	9 (ii)	4,496	3,774
<b>Total Current Assets</b>		<b>38,367</b>	<b>39,338</b>
Asset classified as held for sale	13	-	59
<b>Total Assets</b>		<b>69,487</b>	<b>69,327</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	2,742	2,710
Other equity	15	50,853	50,428
<b>Total equity attributable to equity holders of parent</b>		<b>53,595</b>	<b>53,138</b>
<b>Non-controlling interests</b>		3,537	2,499
<b>Total Equity</b>		<b>57,132</b>	<b>55,637</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities			
Borrowings	16 (i)	270	463
Other financial liabilities	17 (i)	399	362
Deferred tax liabilities (Net)	18	812	2,353
<b>Total Non-Current Liabilities</b>		<b>1,481</b>	<b>3,177</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16(ii)	3,245	3,793
Trade payables	19	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,727	5,081
Other financial liabilities	17(ii)	590	42
Other current liabilities	20	2,019	791
Provisions	21	1,291	805
<b>Total Current Liabilities</b>		<b>10,873</b>	<b>10,513</b>
<b>Total Equity and Liabilities</b>		<b>69,487</b>	<b>69,327</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

**For Shah & Taparia**

Chartered Accountants

FRN : 109463W

**For Allied Digital Services Limited**

**Ramesh Pipalawa**

M. No. 103840

**Nitin Shah**

Chairman &  
Managing Director

**Nehal Shah**

Director

Place: Mumbai

Date: 25<sup>th</sup> May, 2023

**Gopal Tiwari**

Chief Financial Officer

**Neha Bagla**

Company Secretary

# Consolidated Statement of Profit & Loss Account

for the period ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>REVENUE</b>			
Revenue from operations	22	66,007	48,468
Other income	23	566	256
<b>Total income</b>		<b>66,573</b>	<b>48,724</b>
<b>EXPENSES</b>			
Purchases & other direct expenses	24	40,748	27,943
Changes in inventories	25	(480)	(315)
Employee benefit expenses	26	10,859	8,394
Finance cost	27	402	262
Depreciation and amortization expenses		1,698	2,027
Other expenses	28	6,049	5,442
<b>Total Expenses</b>		<b>59,276</b>	<b>43,753</b>
<b>Profit / (Loss) before exceptional items &amp; Tax</b>		<b>7,297</b>	<b>4,971</b>
Exceptional Items	29	-	2,380
<b>Profit / (Loss) before tax from continuing operations</b>		<b>7,297</b>	<b>7,351</b>
<b>Tax expense</b>			
Current Tax		1,923	1,421
Deferred tax		0	(171)
<b>Net Profit / (Loss) after tax from continuing operations</b>		<b>5,374</b>	<b>6,101</b>
Shares of Profit/(Loss) of Associates & Joint Ventures		3	2
<b>Net Profit / (Loss) for the Period</b>		<b>5,377</b>	<b>6,103</b>
Profit/(Loss) before Tax from Discontinued Operations		(6,490)	-
Tax Expenses of Discontinued Operations		1,806	-
<b>Profit/(Loss) after tax from Discontinued Operations</b>		<b>(4,685)</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b>692</b>	<b>6,103</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to P&amp;L</b>			
Remeasurement of defined benefit liabilities	30	27	93
<b>Items that will be reclassified subsequently to P&amp;L</b>			
Foreign currency translation difference		104	96
<b>Total Comprehensive Income for the period</b>		<b>823</b>	<b>6,292</b>
<b>Earnings per Share (Refer Note 31) (Face Value of INR 5/- each)</b>			
<b>From Continuing Operations</b>			
Basic		9.87	11.66
Diluted		9.56	10.94
<b>From Discontinued Operations</b>			
Basic		(8.61)	-
Diluted		(8.33)	-
<b>From Continuing and Discontinued Operations</b>			
Basic		1.27	11.66
Diluted		1.23	10.94

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

**For Shah & Taparia**

Chartered Accountants

FRN : 109463W

**For Allied Digital Services Limited**

**Ramesh Pipalawa**

M. No. 103840

**Nitin Shah**

Chairman &  
Managing Director

**Nehal Shah**

Director

Place: Mumbai

Date: 25<sup>th</sup> May, 2023

**Gopal Tiwari**

Chief Financial Officer

**Neha Bagla**

Company Secretary

# Consolidated Statement of Cash Flow

for the year ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>(a) Profit/Loss as before tax (Incl. Discontinued Operations)</b>	807	7,351
<b>Adjustments:</b>		
Minority interest and associates profit	(814)	(1,054)
Other adjustments	(34)	(13)
Depreciation and amortization	1,698	2,027
Unrealized foreign exchange gain	(348)	(115)
Sundry balances written back	(28)	(55)
Share-based compensation expense	712	675
Income from investing activities	(56)	(56)
Finance cost	402	262
<b>Operating profit before working capital changes</b>	<b>2,339</b>	<b>9,022</b>
<b>Changes in working capital</b>		
(Increase)/Decrease in Inventories	(478)	(317)
(Increase)/Decrease in Trade receivables	3,917	(3,448)
(Increase)/Decrease in loans and advances	18	(51)
(Increase)/Decrease in Other financial assets	940	(522)
(Increase)/Decrease in Other assets	(1,057)	(1,171)
Increase/(Decrease) in Trade payables	(1,354)	(1,260)
Increase/(Decrease) in Other financial liability	585	320
Increase/(Decrease) in Other liabilities & provisions	1,714	309
<b>Operating profit after working capital changes</b>	<b>6,625</b>	<b>2,883</b>
Income Taxes	1,922	1,420
<b>Net Cash generated from/(used in) Operating Activities</b>	<b>4,703</b>	<b>1,463</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant & Equipments	(1,260)	(338)
Sale of Property, Plant & Equipments	130	-
(Recognition)/Derecognition of ROU assets	(91)	(314)
Interest received	56	56
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(1,165)</b>	<b>(596)</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	494
Repayment of loan	(207)	(1,025)
Proceeds from share warrants issue	-	483
Proceeds from issue of shares	126	-
Dividend paid	(542)	(380)
Lease payment	(82)	(79)
Finance cost	(402)	(262)
<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(1,106)</b>	<b>(769)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A)</b>	<b>2,431</b>	<b>98</b>
Add: Cash and cash equivalents at the beginning of the period (B)	5,914	5,817
<b>Cash and cash equivalents at the end of the period (A+B)</b>	<b>8,346</b>	<b>5,914</b>

# Consolidated Statement of Cash Flow

for the year ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Supplementary Information</b>		
<b>Restricted Cash Balance &amp; Cash Equivalent</b>		
Earmarked balances	572	587
<i>(Balance in Fixed Deposits with banks pledged against guarantees given by bank)</i>		
Fixed deposits with original maturity exceeding 90 days	46	355
	<b>618</b>	<b>942</b>

## Annexure I

(INR in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash on hand and balances with banks	7,728	4,972
Short Term Investment	618	942
Cash and cash equivalents as previously reported	8,346	5,914
Effect of exchange rate changes	-	-
	<b>8,346</b>	<b>5,914</b>

The accompanying notes form an integral part of the Consolidated financial statements

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7)-Statement of Cash Flow.

As per our report of even date attached

**For Shah & Taparia**  
Chartered Accountants  
FRN : 109463W

**Ramesh Pipalawa**  
M. No. 103840

Place: Mumbai  
Date: 25<sup>th</sup> May, 2023

**For Allied Digital Services Limited**

**Nitin Shah**  
Chairman &  
Managing Director

**Gopal Tiwari**  
Chief Financial Officer

**Nehal Shah**  
Director

**Neha Bagla**  
Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2023

## A) EQUITY SHARE CAPITAL

(INR in Lakhs)

Particulars	Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 <sup>st</sup> March, 2023	2,710	-	-	32	2,742
For the year ended 31 <sup>st</sup> March, 2022	2,535	-	-	175	2,710

(INR in Lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus				Other Comprehensive Income			Total other equity
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Share Options Outstanding	Remeasurement of defined benefit liabilities	Foreign Currency Translation Reserve	
<b>Balance as at 1<sup>st</sup> April, 2022</b>	-	30	37,571	2,058	9,758	675	179	158	50,428
Profit/(loss) for the year	-	-	-	-	692	-	-	-	692
Other comprehensive income/(loss)	-	-	-	-	(115)	-	27	104	16
<b>Total Comprehensive Income/(Loss) for the year</b>	-	-	-	-	577	-	27	104	708
Compensation cost related to employee shared-based payment	-	-	-	-	-	712	-	-	712
Issue of equity shares on exercise of options	-	-	431	-	-	(336)	-	-	95
Dividend (Refer Note- xvii)	-	-	-	-	(1,090)	-	-	-	(1,090)
<b>Other Transaction for the year</b>	-	-	431	-	(1,090)	376	-	-	(283)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	-	30	38,002	2,058	9,245	1,051	206	262	50,853

(INR in Lakhs)

Particulars	Share application money pending allotment	Reserves and Surplus				Other Comprehensive Income			Total other equity
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Share Options Outstanding	Remeasurement of defined benefit liabilities	Foreign Currency Translation Reserve	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	165	30	37,088	2,058	5,002	-	86	61	44,490
Profit/(loss) for the year	-	-	-	-	5,238	-	-	-	5,238
Other comprehensive income/(loss)	-	-	-	-	(102)	-	93	97	87
<b>Total Comprehensive Income/(Loss) for the year</b>	-	-	-	-	5,136	-	93	97	5,325
Compensation cost related to employee shared-based payment	-	-	-	-	-	675	-	-	675
Issue of equity shares on exercise of options	-	-	-	-	-	-	-	-	-
Issue of equity shares under preferential allotment	(165)	-	483	-	-	-	-	-	318
Dividend (Refer Note- xvii)	-	-	-	-	(380)	-	-	-	(380)
<b>Other Transaction for the year</b>	(165)	-	483	-	(380)	675	-	-	613
<b>Balance as at 31<sup>st</sup> March, 2022</b>	-	30	37,571	2,058	9,758	675	179	158	50,428

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

**For Shah & Taparai**  
Chartered Accountants  
FRN : 109463W

**For Allied Digital Services Limited**

**Ramesh Pipalawa**  
M. No. 103840

**Nitin Shah**  
Chairman &  
Managing Director

**Nehal Shah**  
Director

Place: Mumbai  
Date: 25<sup>th</sup> May, 2023

**Gopal Tiwari**  
Chief Financial Officer

**Neha Bagla**  
Company Secretary

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## 1) CORPORATE INFORMATION

Allied Digital Services Limited (referred to as “ADSL” or the “Company”) is renowned as a leading Global IT Transformation Architect, having its operations in pan India, USA, Australia, Europe and Middle East Asia with an impeccable track record for designing, developing, deploying digital solutions and delivering end-to-end IT infrastructure services. It provides wide range of information technology and consultancy services including Infrastructure Services, End user IT Support, IT asset life cycle, enterprise applications and integrated solutions.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Mumbai, India. The Company has its primary listings on the BSE Limited and National Stock Exchange Limited in India. The company has presence in pan India and it has Subsidiary companies in India, USA, UK, Singapore, Australia, Ireland, Brazil, Japan and China.

## 2) SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following ;

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The consolidated financial statements comprise of the financials of parent company, subsidiary company and associates company, jointly referred to as Group. Financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate as at March 31, 2023.

**Subsidiaries:** Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**Equity accounted investees;** The Group's interests in equity accounted investees comprise interests in associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of each of the subsidiaries and associate used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

### 2.3 Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.



# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are

eliminated in full on consolidation. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

The consolidated financial statements comprise the financial statements of the Company, and its subsidiaries and associate as disclosed below :

Sr. No.	Name of Company	Relationship	Country of incorporation	Ownership interest	
				31.03.2023	31.03.2022
1.	Allied Digital Services, LLC	Subsidiary	USA	51%	51%
2.	Allied Digital INC	Subsidiary	USA	100%	100%
3.	Allied Digital Singapore Pte Limited	Subsidiary	Singapore	100%	100%
4.	Allied Digital Asia Pacific Pty Limited	Subsidiary	Australia	100%	100%
5.	Allied Digital Services (UK) Ltd.	Subsidiary	United Kingdom	95%	95%
6.	Allied Digital Services (Ireland) Limited	Subsidiary	Ireland	100%	100%
7.	Allied Digital Services Japan G.K.	Subsidiary	Japan	100%	100%
8.	En Pointe Technologies India Private Limited	Subsidiary	India	100%	100%
9.	Allied-eCop Surveillance Private Limited	Subsidiary	India	80%	80%
10.	Allied Digital Services DO Brasil LTDA.	Subsidiary	Brazil	100%	100%
11.	Allied Digital IT Services (Beijing) Co., Limited	Subsidiary	China	100%	100%
12.	Soft Shell System (I) Private Limited	Associate	India	20%	20%
13.	Allied CNT Solutions Private Limited	Associate	India	47%	47%

## Summary of significant accounting policies

- (i) Functional and presentation currency Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- (ii) Foreign currency transactions and balances are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

- (iii) Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- (iv) Investment in subsidiaries: Investment in subsidiaries is measured at cost.
- (v) **Impairment of investment in subsidiaries:** The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually or more frequently when there is indication for

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

## (vi) Current v/s Non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset /liability is current when it is:

- Expected to be realised/settled or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised / settled within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least
- twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## (vii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and 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) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at

fair value through profit or loss are recognised in profit or loss.

## Measurement and Recognition of financial instruments

The Company's accounting policies and disclosures require measurement of fair values for the financial instruments. The Company has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified. When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred.

### (A) Financial Assets:

#### (a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

order to collect contractual cash flows and 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.

**(b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it 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.

**(c) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at FVTPL unless they are measured at amortised cost or at FVTOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit and loss.

**(d) Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

**(B) Financial liabilities**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognizes a financial liability (or a part of a financial liability) from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**(C) Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. The Company is recognised equity instrument at the proceeds received net off direct issue cost.

**(D) 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

**(ix) Property, plant and equipment**

a) Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

b) Depreciation: The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease if any and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives for the current and comparative period of significant items of property, plant and equipment are as follows

Type of Asset	Method	Estimated useful life
Leasehold Land	Straight line	99 Years
Freehold & Leasehold Buildings	Straight line	60 Years
Furniture and Fixtures	Straight line	10 Years
Computers and IT Equipment's	Straight line	3 Years
Servers	Straight line	6 Years
Motor Vehicles	Straight line	8 Years
Office Equipment's	Straight line	5 years
Civil and Plumbing Work	Straight line	60 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. When parts of an item of property, plant and equipment have different

# Notes forming part of Consolidated Financial Statements

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useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress (if any).

- c) **Impairment:** Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

(x) **Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an

identifiable intangible asset is based on the number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The estimated useful lives of intangibles are as follows:

Type of Asset	Method	Estimated useful life
Intellectual Property	Straight line	10 Years

(xi) **Impairment**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(xii) **Inventories**

Inventory comprising hardware and software are valued at lower of cost and net realizable value. Costs comprise cost of purchase and directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(xiii) **Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

(xiv) **Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

## (xv) **Employee benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee.

The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

### **Gratuity :**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

### **Provident Fund :**

Eligible employees of the company receive benefits from employees provident fund organization, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The remaining portion is contributed to the government-administered pension fund.

## (xvi) **Share based payments**

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in the statement of profit and loss.



# Notes forming part of Consolidated Financial Statements

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## (xvii) Dividend

The Company declares and pays dividends in Indian rupees. According to the Companies Act, 2013 any dividend should be declared out of accumulated distributable profits. A Company may, before the declaration of any dividend, transfer a percentage of its profits for that financial year as it may consider appropriate to the reserves.

The cash dividends paid per equity share were INR 1.00 during the period for year ended March 31, 2022, and the Board of Directors of the Company at their meeting held on May 25, 2023, recommended the payout of a final dividend of INR 1.25 per equity share of face value INR 5.00 each for the financial year ended March 31, 2023. This recommendation is subject to approval of shareholders at the Annual General Meeting of the Company.

## (xviii) Revenue

The Group derives revenues primarily from business of IT and ITES services, consulting and implementing smart city projects as a master system integrator (MSI).

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue on time-and-material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue)

In arrangements for IT and ITeS related services and maintenance services, the Group has applied the

guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering IT and ITeS related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For IT and ITeS and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Revenue from licenses where the customer obtains a "right to use" the licenses is available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling



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price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

## Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(INR in Lakhs)

Revenue by Offerings	Year ended 31st March, 2023	Year ended 31st March, 2022
Infrastructure Management Services	40,885	33,927
End User Services	25,122	14,541
<b>Total</b>	<b>66,007</b>	<b>48,468</b>

(INR in Lakhs)

Revenue by Geography	Year ended 31st March, 2023	Year ended 31st March, 2022
India	14,593	6,435
USA	48,847	40,746
Rest of world	2,567	1,287
<b>Total</b>	<b>66,007</b>	<b>48,468</b>

## Infrastructure Management services

Infrastructure Management services comprise service and solution offerings of the Group that enable our clients to transform their businesses. We have added many medium enterprises government businesses for Network operations centre (NOC) and Security operations centre (SOC) services along with traditional Managed Services business.

## End user services

Core services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, facility management services, traditional enterprise application implementation, support and integration services and Annual Maintenance Contracts.

## Trade receivables and contract balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for fixed-price maintenance contracts is recognized on a straight-line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed-price development contracts is based on percentage-of-completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed-price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

## Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

**(xix) Discontinued operations:**

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss. Additional disclosures are provided hereunder. All other notes to the Standalone financial statements mainly include amounts for continuing operations, unless otherwise mentioned

During the transformation phase, in order to fully concentrate on the services business, the company made a strategic decision to discontinue its business of selling IT hardware and peripherals. Consequently, the company has completely ceased such business activities and has no intention to reenter this line of activity in the near future. Accordingly, the management has made the decision to create sufficient provision for non-recoverable receivables and advances related to the said discontinued business.

**(xx) Income taxes**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company off sets 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 liability simultaneously

**b) Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary difference arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary difference. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## c) Minimum Alternate Tax

Minimum Alternate Tax is in the nature of unused tax credit which can be carried forward and utilised when the company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that is probable that the unused tax credit can be utilised in the specified future period.

## (xxi) Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

## (xxii) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the

net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

## (xxiii) Foreign Currency Transactions:

### a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on 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.

### b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

## (xxiv) Leases

### i) The Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### ii) The Company as a Lessee:

The Company, as a lessee, recognises a right of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of use asset 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 plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

**The changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2023 are as follows :**  
**NOTE -2: PROPERTY, PLANT & EQUIPMENT**

Particulars	Gross Block		Depreciation and Amortization			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	01-04-2022	31-03-2023	31-03-2023	31-03-2022
Premises	2,970	4,103	709	42	751	3,352	2,261
Civil and plumbing work	1,879	1,999	327	32	359	1,639	1,552
Furniture and fixtures	3,630	3,636	3,404	24	3,428	208	226
Office equipments	64	64	58	-	58	6	6
Motor vehicles	343	359	179	31	210	149	164
Computers and IT equipments	5,153	5,284	4,707	80	4,787	497	446
Computers (Given on lease)	156	156	156	-	156	-	-
<b>Total</b>	<b>14,194</b>	<b>15,601</b>	<b>9,540</b>	<b>210</b>	<b>9,750</b>	<b>5,851</b>	<b>4,654</b>

**NOTE - 3 : RIGHT-OF-USE ASSETS**

Particulars	Gross Block		As at 01-04-2022			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	01-04-2022	31-03-2023	31-03-2023	31-03-2022
Right-of-use assets	394	485	35	71	106	379	358
<b>Total</b>	<b>394</b>	<b>485</b>	<b>35</b>	<b>71</b>	<b>106</b>	<b>379</b>	<b>358</b>

**NOTE - 4 : INVESTMENT PROPERTIES**

Particulars	Gross Block		Depreciation and Amortization			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	01-04-2022	31-03-2023	31-03-2023	31-03-2022
Leasehold land	2,282	2,282	288	23	311	1,971	1,994
Premises	6,873	6,850	930	64	987	5,863	5,944
<b>Total</b>	<b>9,155</b>	<b>9,132</b>	<b>1,218</b>	<b>87</b>	<b>1,298</b>	<b>7,834</b>	<b>7,937</b>

**NOTE - 5 : OTHER INTANGIBLE ASSETS**

Particulars	Gross Block		Depreciation and Amortization			Net Block	
	As at	As at	As at	As at	Upto	As at	As at
	01-04-2022	31-03-2023	01-04-2022	01-04-2022	31-03-2023	31-03-2023	31-03-2022
Computer software licenses	76	94	76	1	76.65	17.78	0
Intellectual property rights	11,297	12,297	8,856	676	9,532	2,765	2,441
<b>Total</b>	<b>11,373</b>	<b>12,391</b>	<b>8,932</b>	<b>676</b>	<b>9,608</b>	<b>2,783</b>	<b>2,441</b>
<b>Grand Total</b>	<b>35,117</b>	<b>37,608</b>	<b>19,726</b>	<b>1,043</b>	<b>20,762</b>	<b>16,847</b>	<b>15,391</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows :

## NOTE - 2: PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block		Depreciation and Amortization		Net Block	
	As at	Deletions	As at	Deletions	As at	As at
	01-04-2021	during the year	31-03-2022	01-04-2021 for the year	31-03-2022	31-03-2021
Premises	2,734	236	2,970	62	709	2,087
Civil and plumbing work	1,835	44	1,879	31	327	1,539
Furniture and fixtures	3,472	158	3,630	137	3,404	205
Office equipments	64	-	64	-	58	6
Motor vehicles	343	-	343	26	179	190
Computers and IT equipments	5,105	48	5,153	4,704	4,707	401
Computers (Given on lease)	156	-	156	-	156	-
<b>Total</b>	<b>13,708</b>	<b>486</b>	<b>14,194</b>	<b>259</b>	<b>9,540</b>	<b>4,428</b>

## NOTE - 3 : RIGHT-OF-USE ASSETS

Particulars	Gross Block		As at 01-04-2021		Net Block	
	As at	Deletions	As at	Deletions	As at	As at
	01-04-2021	during the year	01-04-2021	for the year	31-03-2022	31-03-2021
Right-of-use assets	80	314	394	13	35	66
<b>Total</b>	<b>80</b>	<b>314</b>	<b>394</b>	<b>13</b>	<b>35</b>	<b>66</b>

## NOTE - 4 : INVESTMENT PROPERTY

Particulars	Gross Block		Depreciation and Amortization		Net Block	
	As at	Deletions	As at	Deletions	As at	As at
	01-04-2021	during the year	31-03-2022	01-04-2021 for the year	31-03-2022	31-03-2021
Leasehold land	2,282	-	2,282	22	288	2,012
Premises	6,873	-	6,873	68	930	6,011
<b>Total</b>	<b>9,155</b>	<b>-</b>	<b>9,155</b>	<b>90</b>	<b>1,218</b>	<b>8,023</b>

## NOTE - 5 : OTHER INTANGIBLE ASSETS

Particulars	Gross Block		Depreciation and Amortization		Net Block	
	As at	Deletions	As at	Deletions	As at	As at
	01-04-2021	during the year	31-03-2022	01-04-2021 for the year	31-03-2022	31-03-2021
Computer software licenses	76	-	76	0	76.13	1
Intellectual property rights	11,297	-	11,297	925	8,856	3,365
<b>Total</b>	<b>11,373</b>	<b>-</b>	<b>11,373</b>	<b>925</b>	<b>8,932</b>	<b>3,366</b>
<b>Grand Total</b>	<b>34,317</b>	<b>800</b>	<b>35,117</b>	<b>1,296</b>	<b>19,726</b>	<b>15,883</b>



# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 6: INVESTMENTS

### i) Non current investments

		(INR in Lakhs)	
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(1)</b>	<b>Unquoted, Long Term, Trade: (Carried at Cost)</b>		
<b>(a)</b>	<b>Investment in equity instruments of Subsidiaries</b>		
	Allied Digital Services DO Brasil LTDA. 775000 equity shares of BRL 1 each, fully paid up	-	124
<b>(b)</b>	<b>Investment in Associates</b>		
(i)	Soft Shell System (I) Pvt Ltd 117,924 (Previous year: 117,924) equity shares of 10/- each fully paid up	600	600
(ii)	<b>Allied CNT Solutions Pvt. Ltd.</b> 142,000 (Previous Year: 142,000) equity shares of INR 10/- each fully paid up	22	22
		<b>622</b>	<b>745</b>
<b>(c)</b>	<b>Investment in Other Equity instruments:</b>		
	Uthopia green Trans Pvt Ltd 200 (Previous Year: 200) equity shares of INR 10/- each	0	0
		<b>0</b>	<b>0</b>
<b>(d)</b>	<b>Investment carried at amortized cost</b>		
	Nil (Previous Year : 450000) Preference shares of INR 100 each of Devyog Builders Pvt Ltd	-	204
		-	204
	<b>Total Non Current Investments</b>	<b>622</b>	<b>949</b>
	<b>Note :</b>		
	Aggregate amount of quoted investments	NIL	NIL
	Market value of quoted investments	NIL	NIL
	Aggregate amount of unquoted investments	<b>622</b>	<b>949</b>
	Aggregate amount of impairment in value of Investment	NIL	NIL
	Investment Carried at cost	622	745
	Investment Carried at amortized cost	-	204
	Investment carried at fair value through other comprehensive income	NIL	NIL
	Investment carried at fair value through profit and loss	NIL	NIL
	<b>Total</b>	<b>622</b>	<b>949</b>

Wherever the amount is '0', it denotes value less than INR50,000/- as all value is rounded off to the nearest INR 1 Lakh.

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 7: LOANS

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(i) Non-Current</b>			
	Considered good-unsecured		
	Other loans	252	252
		<b>252</b>	<b>252</b>
<b>(ii) Current</b>			
	Considered good-unsecured		
	Loans to employees	177	195
		<b>177</b>	<b>195</b>
	<b>Total Loans</b>	<b>429</b>	<b>447</b>

## NOTE 8: OTHER FINANCIAL ASSETS

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(i) Non-Current</b>			
	Unsecured, considered good		
(a)	Security deposits	67	100
(b)	Others	-	240
	<b>Total Non Current Other Financial Assets</b>	<b>67</b>	<b>340</b>
<b>(ii) Current</b>			
	Unsecured, considered good		
(a)	Security deposits	4	4
(b)	Unbilled revenue	3,794	3,311
(c)	Accrued income	586	1,366
(d)	Accrued interest	45	61
(e)	Others	689	1,043
	<b>Total Current Other Financial Assets</b>	<b>5,118</b>	<b>5,785</b>
		<b>5,185</b>	<b>6,125</b>

## NOTE 9: OTHER ASSETS

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(i) Non-Current</b>			
	Receivables from government authorities	1,805	1,144
	Deferred expenses	1,905	2,232
		<b>3,711</b>	<b>3,376</b>
<b>(ii) Current</b>			
(a)	MAT credit entitlement	1,287	1,327
(b)	Prepaid expenses	124	30
(c)	Other	3,085	2,417
		<b>4,496</b>	<b>3,774</b>
	<b>Total other assets</b>	<b>8,206</b>	<b>7,150</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 10: INVENTORIES

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Stock in Trade	4,277	3,799
	<b>Total Inventories</b>	<b>4,277</b>	<b>3,799</b>

Note : Inventories consists of Spare parts and IT Hardware products.

## NOTE 11: TRADE RECEIVABLES

(INR in Lakhs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 year	2 to 3 year	More than 3 years	
<b>As on 31.03.2023</b>							
Undisputed trade receivables – considered good	5,589	7,083	1,729	848	571	323	<b>16,143</b>
Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-
	<b>5,589</b>	<b>7,083</b>	<b>1,729</b>	<b>848</b>	<b>571</b>	<b>323</b>	<b>16,143</b>
Less: Allowance for expected credit loss							<b>(188)</b>
<b>Total Trade Receivables</b>							<b>15,955</b>

(INR in Lakhs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 year	2 to 3 year	More than 3 years	
<b>As on 31.03.2022</b>							
Undisputed trade receivables – considered good	973	5,739	2,778	2,627	1,438	6,382	<b>19,936</b>
Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-
	<b>973</b>	<b>5,739</b>	<b>2,778</b>	<b>2,627</b>	<b>1,438</b>	<b>6,382</b>	<b>19,936</b>
Less: Allowance for expected credit loss							<b>(65)</b>
<b>Total Trade Receivables</b>							<b>19,871</b>

## NOTE 12 (I): CASH AND CASH EQUIVALENTS:

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Balances with banks		
	In Current Account	7,726	4,971
(b)	Cash on hand	1	1
	<b>Total cash and cash equivalents</b>	<b>7,727</b>	<b>4,972</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 12(II) : OTHER BALANCES WITH BANK:

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(a)	Balances with banks		
(i)	Earmarked balances *	572	587
(ii)	Fixed deposits	46	355
	<b>Total</b>	<b>618</b>	<b>942</b>

\* Earmarked balances with banks primarily relate to margin money for the Bank Guarantees.

## NOTE 13: NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Non-current assets held for sale	-	59
	<b>Total</b>	<b>-</b>	<b>59</b>

## NOTE 14: EQUITY SHARE CAPITAL

### (a) Authorized, Issued, Subscribed & Paid - up and par value per share

(INR in Lakhs)

Share Capital	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount	Number	Amount
<b>Authorized</b>				
Equity shares of INR 5 each with voting rights	6,00,00,000	3,000	6,00,00,000	3,000
<b>Issued</b>				
Equity shares of INR 5 each with voting rights	5,48,37,528	2,742	5,42,05,528	2,710
<b>Subscribed &amp; Paid up</b>				
Equity shares of INR 5 each with voting rights	5,48,37,528	2,742	5,42,05,528	2,710

### (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(INR in Lakhs)

Particulars	Opening Balance	Issued during the period	Closing Balance
<b>Equity shares with voting rights</b>			
<b>Year ended 31 March, 2023</b>			
- Number of shares	5,42,05,528	6,32,000	5,48,37,528
- Amount in INR Lakh	2,710	32	2,742
<b>Year ended 31 March, 2022</b>			
- Number of shares	5,07,05,528	35,00,000	5,42,05,528
- Amount in INR Lakh	2,535	175	2,710

### (c) Rights, Preferences and restrictions related to equity shares

The company has only one class of equity share having par value of INR 5 per share. Each holder of equity share is entitled to one vote per share.

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## (d) Disclosure of shareholding of promoters as at March 31, 2023 is as follows :

(INR in Lakhs)

Name of Shareholder	As at 31st March 2023		As at 31st March 2022		% change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
<b>Equity shares with voting rights</b>					
Nitin Dhanji Shah	1,87,83,031	34.25	1,87,83,031	34.65	(0.40)
Late Prakash Dhanji Shah	79,28,348	14.46	81,78,348	15.09	(0.63)

## (e) Details of shares held by each shareholder holding more than 5% shares:

(INR in Lakhs)

Name of Shareholder	As at 31st March 2023		As at 31st March 2022		% change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
<b>Equity shares with voting rights</b>					
Nitin Dhanji Shah	1,87,83,031	34.25	1,87,83,031	34.65	(0.40)
Late Prakash Dhanji Shah	79,28,348	14.46	81,78,348	15.09	(0.63)

## The Company Stock Options Plan Summary :

### (i) Stock Option Scheme (2020)

(INR in Lakhs)

Particulars	2022-23	2021-22
Number of options outstanding at the beginning of the period	34,20,000	-
Number of options granted during the year	-	34,20,000
Number of options forfeited / lapsed during the year	-	-
Number of options vested during the year	14,10,000	-
Number of options exercised during the year	6,32,000	-
Number of shares arising as a result of exercise of options	6,32,000	-
Money realized by exercise of options (INR)	1,26,40,000	-
Number of options outstanding at the end of the year	27,88,000	34,20,000
Number of options exercisable at the end of the year	7,78,000	-

## NOTE 15: OTHER EQUITY

### (i) Reserves and Surplus

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(a) Capital Redemption Reserve</b>			
Opening Balance		30	30
Add/Less: Transaction during the year		-	-
<b>Closing Balance</b>		<b>30</b>	<b>30</b>
<b>(b) Securities Premium Account</b>			
Opening Balance		37,571	37,088
Add: Securities premium credited on allotment of equity shares		431	483
<b>Closing Balance</b>		<b>38,002</b>	<b>37,571</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(c)</b>	<b>General Reserves</b>		
	Opening Balance	2,058	2,058
	Add/Less: Transaction during the year	-	-
	<b>Closing Balance</b>	<b>2,058</b>	<b>2,058</b>
<b>(d)</b>	<b>P&amp;L Surplus</b>		
	Opening balance	9,758	5,002
	Add: Net Profit/(Net Loss) For the current year	692	5,238
	Less: Other Adjustments	(115)	(102)
	Less: Equity Dividend (Refer note xvii)	(1,090)	(380)
	<b>Closing Balance</b>	<b>9,245</b>	<b>9,758</b>
	<b>Total Reserves and Surplus</b>	<b>49,335</b>	<b>49,417</b>

## (ii) Other component of equity

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(a)</b>	<b>Employee Stock Options Outstanding</b>		
	Opening Balance	675	-
	Add: Compensation cost related to employee shared-based payment	712	675
	Less: Issue of equity shares on exercise of options	(336)	-
	<b>Closing Balance</b>	<b>1,051</b>	<b>675</b>
<b>(b)</b>	<b>Other Comprehensive Income</b>		
	Opening Balance	179	86
	Add: Transaction during the year	27	93
	<b>Closing Balance</b>	<b>206</b>	<b>179</b>
<b>(c)</b>	<b>Foreign Currency Translation Reserve</b>		
	Opening Balance	157	61
	Add: Transaction during the year	104	96
	<b>Closing Balance</b>	<b>261</b>	<b>157</b>
	<b>Total Other Component of Equity</b>	<b>1,518</b>	<b>1,011</b>

## (iii) Money received against share warrants

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Opening Balance	-	165
	Add: Money received against share warrants during the year	-	319
	Less: Shares Issued against the warrants during the year	-	(483)
	Closing Balance	-	-
	<b>Total Reserve and Surplus</b>	<b>50,853</b>	<b>50,428</b>



# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 16: BORROWINGS

		(INR in Lakhs)	
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(i)</b>	<b>Non Current Borrowings</b>		
	<b>Secured</b>		
	<b>Term Loans</b>		
	<b>From Bank</b>		
<b>a.</b>	<b>Indian Bank</b>	223	381
	Secured by equitable mortgage of the immovable property situated at Unit 1 & 2, 5 <sup>th</sup> Floor, Crystal, Sector V, Salt Lake, Kolkata		
<b>b.</b>	<b>HDFC Bank Ltd.</b>	22	43
	Equitable mortgage of Vehicles		
	<b>From Others</b>		
	<b>BMW Financial Services Ltd.</b>	26	38
	Equitable mortgage of Vehicles		
		<b>270</b>	<b>463</b>
<b>(ii)</b>	<b>Current Borrowings</b>		
	<b>Secured</b>		
	<b>From Banks</b>		
a	Loans repayable on demand	2,844	1,969
b	Current Maturities	62	62
	<b>Unsecured</b>		
a	Loans and advances from related parties (Repayable on Demand)	328	1,747
b	Other unsecured Loans	10	10
c	Unclaimed public deposits	2	6
		<b>3,245</b>	<b>3,793</b>
	<b>Total Borrowings</b>	<b>3,516</b>	<b>4,256</b>

### (a) Details of Secured Current borrowings along with Security and Terms of repayment:

		(INR in Lakhs)	
Particulars		As at 31st March, 2023	As at 31st March, 2022
Loans repayable on demand			
<u>From banks:</u>			
Barclays Bank Foreign Currency Loan		600	1,005
Indian Bank		2,243	965
<b>Loans repayable on demand from banks</b>		<b>2,844</b>	<b>1,969</b>

### (b) Details of Security Offered to Banks for Loans repayable on demand

Following securities have been offered to Barclays banks

- (a) First charge on Office no. 13A, Earnest House, NCPA Road, Nariman Point, Mumbai
- (b) Pari pasu charge with Indian Bank on movable assets except vehicles
- (c) Pari pasu charge with Indian Bank on current assets
- (d) Personal Guarantee of Promoters

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## Following securities have been offered to Indian Bank

- First charge on property Office no. 405 & 406, 4<sup>th</sup> Floor, Seepz, SEZ, MID.C., Marol, Andheri-East, Mumbai
- First charge on property at Unit 1 & 2, 5<sup>th</sup> Floor, Crystal, Sector V, Salt Lake, Kolkata
- First charge on Gala No.301, 302 305 & 306 at Building No.3, Millennium Business Park, Sector No.3, Mahape, Navi Mumbai
- First charge on liquid assets in the form of Fixed Deposits
- Pari pasu charge with Barclays Bank on movable assets except vehicles
- Pari pasu charge with Barclays Bank on current assets
- Personal guarantee of Promoters

## NOTE 17: OTHER FINANCIAL LIABILITIES

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(i)</b>	<b>Other non-current financial liabilities</b>		
	Lease liability	399	362
		<b>399</b>	<b>362</b>
<b>(ii)</b>	<b>Other Current Financial Liabilities</b>		
	Others	590	42
		<b>590</b>	<b>42</b>
	<b>Total other financial liabilities</b>	<b>989</b>	<b>404</b>

## NOTE 18: DEFERRED TAX LIABILITIES

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<b>Deferred tax liability</b>		
	Property, Plant And Equipments And Intangible Assets	812	2353
	<b>Net Deferred Liability/ (Asset)</b>	<b>812</b>	<b>2,353</b>

## NOTE 19: TRADE PAYABLES

(INR in Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 Year	1 to 2 year	2 to 3 year	more than 3 years	
<b>As on 31.03.2023</b>					
MSME Vendors	-	-	-	-	-
Other Vendors	2,928	556	163	80	<b>3,727</b>
Disputed dues – MEME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>2,928</b>	<b>556</b>	<b>163</b>	<b>80</b>	<b>3,727</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

(INR in Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 Year	1 to 2 year	2 to 3 year	more than 3 years	
<b>As on 31.03.2022</b>					
MSME Vendors	-	-	-	-	-
Other Vendors	3,249	1,343	210	278	<b>5,081</b>
Disputed dues – MEME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>3,249</b>	<b>1,343</b>	<b>210</b>	<b>278</b>	<b>5,081</b>

## NOTE 20: OTHER LIABILITIES

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<b>Other current liabilities</b>		
	Others	2,019	791
	<b>Total Other current liabilities</b>	<b>2,019</b>	<b>791</b>

## NOTE 21: PROVISIONS

(INR in Lakhs)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<b>Current Provisions</b>		
	Provision for Expenses	1,155	671
	Others	136	134
	<b>Total Provisions</b>	<b>1,291</b>	<b>805</b>

## NOTE 22 : REVENUE FROM OPERATIONS

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Revenue from Sales of Services and Solutions	66,001	48,467
(b)	Others	6	0
	<b>Total revenue from operations</b>	<b>66,007</b>	<b>48,468</b>

## NOTE 23 : OTHER INCOME

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
	Interest Income	55	56
	Office Rent	20	10
	Net gain on foreign currency transactions	348	134
	Other non-operating income	143	57
	<b>Total Other income</b>	<b>566</b>	<b>257</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 24: PURCHASE & OTHER DIRECT EXPENSES

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
	Purchase of traded goods and services	39,249	26,732
	Other direct expenses	1,499	1,211
	<b>Total purchase &amp; other direct expenses</b>	<b>40,748</b>	<b>27,943</b>

## NOTE 25: CHANGES IN INVENTORIES

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
	Closing Stock	4,268	3,789
	Less : Opening Stock	3,789	3,474
	<b>Net (increase) / decrease</b>	<b>(480)</b>	<b>(315)</b>

## NOTE 26 : EMPLOYEE BENEFIT EXPENSES

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Salaries and wages	9,860	7,554
(b)	Contributions to Provident Fund	67	28
(c)	Contributions to ESIC	23	16
(d)	Contributions to Labour Welfare Fund	0	0
(e)	Contributions to Gratuity	136	79
(f)	Staff welfare expenses	61	43
(g)	Share-based compensation expense	712	675
	<b>Total employee benefit expenses</b>	<b>10,859</b>	<b>8,394</b>

## NOTE 27: FINANCE COST

(INR in Lakhs)

Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	Interest expense on Borrowings	344	234
(b)	Other borrowing costs	58	28
	<b>Total finance cost</b>	<b>402</b>	<b>262</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 28 : OTHER EXPENSES

(INR in Lakhs)		
Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Rent including Lease Rentals	52	51
Repairs and Maintenance	317	189
Insurance	218	217
Communication	191	157
Travelling and Conveyance	368	205
Electricity Expenses	195	78
Freight and Forwarding	12	5
Advertisement Expenses	5	4
Legal, Professional & Other Outsourcing Charges	2,314	2,784
Payments to Auditors (Refer Note 28.A below)	15	15
Rates and Taxes	140	88
Commission & Brokerage	855	777
Security Charges	276	255
Printing & Stationery Expenses	134	26
Business Promotion Expenses	149	100
Office Expenses	210	38
Impairment loss allowance on trade receivables	188	65
CSR Expenses	64	38
Miscellaneous Expenses	347	350
<b>Total other expenses</b>	<b>6,049</b>	<b>5,442</b>

### Note 28 (A): Details of auditors remuneration

(INR in Lakhs)			
Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
	Payments to the Auditors		
(a)	For Statutory Audit	13	13
(b)	For Taxation Matters	2	2
	<b>Total</b>	<b>15</b>	<b>15</b>

## NOTE 29 : EXCEPTIONAL ITEMS

(INR in Lakhs)			
Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
	Exceptional Income *	-	2,380
	<b>Total</b>	<b>-</b>	<b>2,380</b>

\* Allied Digital Services LLC (a subsidiary of the Company) has been granted waiver of USD 3,219,918 received as business loan under Paycheck Protection Program (PPP) from the United States Federal Government.

## NOTE 30 : COMPONENT OF OTHER COMPREHENSIVE INCOME

(INR in Lakhs)			
Sr. No	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
(a)	<b>Items that will not be reclassified to profit or loss</b>		
	Actuarial Gain/(Loss) on Gratuity	(27)	(93)
	<b>Total</b>	<b>(27)</b>	<b>(93)</b>

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## NOTE 31: EARNING PER SHARES

(INR in Lakhs)

Sr. No	Particulars	FY 2022-23	FY 2021-22
A	Weighted average number of equity shares of INR 5/- each		
I	Number of shares at the beginning of the year (nos) of INR 5/- each (Previous Year of INR5/- each)	5,42,05,528	5,07,05,528
II	Number of Shares at the end of the year (Nos) of INR5/- each	5,48,37,528	5,42,05,528
III	ESOP outstanding to employees	17,37,311	34,20,000
IV	Share Warrant Issues	-	-
V	Weighted average number of equity shares of INR 5/- each (Previous Year of INR5/- each) outstanding during the year (Nos) for basic EPS	5,44,68,788	5,23,26,076
VI	Weighted average number of equity shares of INR 5/- each for diluted EPS	5,62,06,099	5,57,46,076
B	Net Profit after tax available for equity shareholders (In INR Lakh)-Continued Operations	5,377	6,103
C	Net Profit after tax available for equity shareholders (In INR Lakh)-Discontinued Operations	(4,685)	-
E	<b>For Continuing Operations</b>		
	Basic income as per share (in rupees) [B/A (V)]	9.87	11.66
	Diluted income per share (in rupees) [B/A (VI)]	9.56	10.94
F	<b>For Discontinued Operations</b>		
	Basic income as per share (in rupees) [C/A (V)]	(8.61)	-
	Diluted income per share (in rupees) [C/A (VI)]	(8.33)	-
G	<b>For Continuing &amp; Discontinued Operations</b>		
	Basic income as per share (in rupees) [(B+C)/A (V)]	1.26	11.66
	Diluted income per share (in rupees) [(B+C)/A (VI)]	1.23	10.94

## NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENT

### Contingent liabilities (to the extent not provided for)

(INR in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Bank Guarantees issued for various smart city projects	844	635
Income Tax (Litigation)	51	51
<b>Total</b>	<b>895</b>	<b>686</b>

### Note : Income Tax (Litigation)

Name of the Statute	Nature of dues	Amount (INR Lakhs)	Period to which the it relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty u/s 271(1)(c)	33	AY 2006-07	Commissioner of Income Tax Appeals, Mumbai
Income Tax Act, 1961	Penalty u/s 271(1)(c)	18	AY 2010-11	Commissioner of Income Tax Appeals, Mumbai
<b>Total</b>		<b>51</b>		



# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## Summary of Related Party transaction

### A) List of Related Parties & Relationship

Relationship	Name of Related Party
<b>Subsidiary Company</b>	Allied Digital Services LLC
	Allied Digital Inc
	Allied Digital Singapore Pte Limited
	Allied Digital Asia Pacific Pty Limited
	Allied E-Cop Surveillance India Pvt. Ltd
	Allied Digital Services (UK) Ltd.
	Enpointe Technologies (India) Private Limited
	Allied Digital Services (Ireland) Limited
	Allied Digital Services Japan G.K.
	Allied Digital Services DO Brasil LTDA.
<b>Associate Company</b>	Allied Digital IT Services (Beijing) Co., Ltd.
	Soft Shell System (I) Pvt Ltd
<b>Promoters &amp; Promoter Group</b>	Allied CNT Solutions Pvt. Ltd
	Nitin Dhanji Shah
<b>Directors</b>	Late Prakash Dhanjibhai Shah
	Nehal Nitin Shah
	Tejal Prakash Shah
	Rohan Prakash Shah
	Dhara Nitin Shah
	Nitin Dhanji Shah
<b>Key Managerial Personnel</b>	Late Prakash Dhanjibhai Shah (Upto 12-02-2023)
	Nehal Nitin Shah
	Sunil Vasudev Bhatt
	Milind Madhav Kamat
	Shrikant Navnitlal Parikh
	Shakti Kumar Leekha
	Swanubhuti Jain
Anup Kumar Mahapatra	
<b>Entity controlled by Promoters</b>	Paresh Bipinchandra Shah (CEO)
	Gopal Tiwari (CFO)
	Neha Sunil Kumar Bagla (CS)
	Assetlite Equipment India Private Limited
	Abhirati Properties Private Limited
	Allied Digital Coworks Private Limited
	Allied Digital Incube Private Limited

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## A) Nature of transaction with the Related Parties

(INR in Lakhs)

Particulars	2022-23	2021-22
<b>Sale of Goods / Services / Facility</b>		
Allied Digital Services, LLC (USA)	6,434	5,770
Allied Digital Services (UK) Ltd.	2	36
<b>Purchase of Goods, Services and Facilities</b>	2,325	816
Allied Digital Services, LLC (USA)	1,939	375
Allied Digital Services (Ireland) Limited	50	289
Allied Digital Services (UK) Ltd.	241	152
Allied Digital Services DO Brasil LTDA.	60	-
Allied Digital Singapore Pte Limited	35	-
<b>Dividend Paid</b>		
Nitin Dhanji Shah	188	115
Late Prakash Dhanjibhai Shah	82	61
Nehal Nitin Shah	1	1
Tejal Prakash Shah	11	9
Rohan Prakash Shah	2	1
Dhara Nitin Shah	0	0
Sunil Vasudev Bhatt	0	0
Abhirati Properties Private Limited	0	0
Padma Pragna Private Trust	2	2
<b>Remuneration and Other employee benefits</b>		
Promoter & Promoter Group	1,386	1,091
Key Managerial Personnel	223	223
<b>Director Sitting Fees</b>		
Milind Madhav Kamat	2	2
Shrikant Navnitlal Parikh	2	2
Shakti Kumar Leekha	1	0
Swanubhuti Jain	1	1
Anup Kumar Mahapatra	1	-
<b>Trade Receivables</b>		
Allied Digital Asia Pacific Pty Ltd.	487	451
Allied Digital Services, LLC (USA)	2,412	3,596
Allied Digital Services (UK) Ltd.	443	336
Allied Digital INC	24	22
Allied Digital IT Services (Beijing) Co., Ltd.	743	6
Allied Digital Services Japan G.K.	691	-
Allied Digital Singapore Pte Limited	31	-
Allied Digital Services DO Brasil LTDA.	2	-
Allied Digital Services (Ireland) Limited	42	-
<b>Trade Payables</b>		
Allied Digital Services LLC (USA)	273	410
Allied Digital Services (Ireland) Limited	-	30
Allied Digital Services (UK) Ltd.	-	58
<b>Other Current Assets</b>		
Allied Digital Services (Ireland) Ltd.	2	2
Allied Digital Incube Private Limited	1	0
Allied CNT Solutions Pvt. Ltd.	9	8
Allied Digital Coworks Private Limited	1	1
Abhirati Properties Private Limited	423	395

"0" denotes amounts less than INR 50,000/-

# Notes forming part of Consolidated Financial Statements

for the period ended on 31<sup>st</sup> March, 2023

## Summarized segment information for the year ended March 2023

(INR in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>Segment Revenue</b>		
Enterprise Computing based Solutions	40,885	33,927
Infrastructure Management based Solutions	25,122	14,540
Un-allocable Income	566	257
<b>Net Segment Revenue</b>	<b>66,573</b>	<b>48,724</b>
<b>Profit before Interest, Un-allocable expenses &amp; Tax</b>		
Enterprise Computing based Solutions	9,712	8,892
Infrastructure Management based Solutions	5,733	3,811
	<b>15,445</b>	<b>12,703</b>
Less: i) Interest	402	262
ii) Un-allocable Expenses	7,747	7,469
iii) Un-allocable Income	-	2,380
<b>Total Profit Before Tax</b>	<b>7,296</b>	<b>7,352</b>
Un-allocable - Capital Employed	60,648	59,893
<b>Total Capital Employed</b>	<b>60,648</b>	<b>59,893</b>

## Additional Regulatory Information

### Financial Ratios

(INR in Lakhs)

Ratio	Numerator	Denominator	2022-23	2021-22
Current ratio (in times)	Total current assets	Total current liabilities	3.53	3.74
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.07	0.08
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	12.52	19.92
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	9.53%	11.73%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.68	2.67
Trade payables turnover ratio (in times)	Cost of equipment and software licences + Other Expenses	Average trade payables	10.52	5.79
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.34	1.91



## Allied Digital Services Limited

### Headquarters

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### Social Media Presence

