



allied|digital[®]
beyond boundaries...

beyond boundaries

“It’s all about positioning.
Opportunities follow.”

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Annual Report 2007-2008

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Corporate Information

Board of Directors

Nitin Shah
Chairman & Managing Director
Prakash Shah
Executive Director & CFO
Manoj Shah
Executive Director & CIO
Dr. O. P. Chawla
Shailesh Vaidya
Dr. Shrikant Parikh

Company Secretary & Compliance Officer

Ravindra Joshi

Board Committees:

Audit Committee

Shailesh Vadiya (Chairman)
Prakash Shah
Dr. O. P. Chawla
Dr. Shrikant Parikh

Shareholders'/Investors' Grievance Committee

Dr. O. P. Chawla (Chairman)
Prakash Shah
Dr. Shrikant Parikh

Remuneration Committee

Shailesh Vadiya (Chairman)
Dr. O. P. Chawla
Dr. Shrikant Parikh

Compensation Committee

Nitin Shah (Chairman)
Dr. O. P. Chawla
Dr. Shrikant Parikh

Auditors

K. M. Kapadia & Associates

Bankers

State Bank of India

Registered Office

3rd Floor, Kimatrai Building,
77/79, Maharshi Karve Marg,
Marine Lines, Mumbai-400 002. India.
Tel.: +91-22-2200 2020
Fax: +91-22-2206 4170
Email: investors@alliedindia.com
Website: www.alliedindia.com

Registrar & Transfer Agent

Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai-400 078. India.
Tel.: +91-22-2594 6970
Fax: +91-22-2594 6969
Website: www.intimespectrum.com

Annual General Meeting

On Friday, September 12, 2008
at 11.00 a.m
at M.C. Ghia Hall, Bhogilal Hargovindas Building,
2nd Floor, 18/20, Kaikhushru Dubash Marg,
Mumbai-400001.

Foreword

“It’s all about positioning. Opportunities follow.”

- Nitin Shah
Chairman & Managing Director

When you run a business, your company should be positioned at being amongst the best in its league. Once you are at that commanding point and have already created the values and superior practices, year after year; opportunities come to you. This is where Allied Digital is at today.

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Chairman's Address



Nitin Shah
Chairman & Managing Director

Dear Shareholders,

Today as we stand on this pedestal of exponential growth, as we are poised to truly go beyond boundaries, I find no better opportunity than this to express my heartfelt gratitude to each one of you for partnering with Allied Digital.

For decades your company owes its brilliant success to its ardent philosophy and quest for constant value creation to position your company to scale even greater heights, year after year.

Based on a strong foundation and a futuristic vision, your company decided to unleash its true potential of values, created erstwhile, by going public. I thank you for your overwhelming response to the IPO and your continued faith in us.

It gives me a humble pride in saying that today your company is the top performing IPO in the primary market. A successful fiscal year and a spectacular performance over the past year have served as a perfect impetus for us to embark on a journey of success. Your company has grown more than 3 times over in the balance sheet and has doubled profitability in just one year.

Foresight being one of the most potent driving-forces, we predicted Remote Infrastructure Management Services (RIMS) as the next big wave. And seconding our opinion about the potential of RIMS are the reputed Gartner & Nasscom enterprises. We expect it to be bigger than the software wave that started in Year 2000 and this wave coincides with your company's real core strength. Your company is exceptionally well positioned to ride this wave across the globe.

It is this ability that has made your company among the first to start a pure play Security Operations Centre (SOC) at Mahape, Mumbai to monitor and proactively manage security for entire Information Lifecycles.

Besides Managing Security Service (MSS), SOC also provides regulatory compliance reports to major industry verticals that are statutory and compulsory in matured markets. This is a recurring high margin business and we are totally geared up to be among the frontrunners in capitalizing on this fast growing market space. High growth and high margins in SOC business will help improve the blended service margins of your company to grow even further.

Your company believes in moving ahead, anticipating changes and evolving to meet the growing demands through superior service delivery and have demonstrated our capabilities by providing the same successfully. We are garnering customers and markets by using the centralized delivery system of NOC (Network Operation Centre)/SOC (Security Operation Centre) facilities. This unique centralized delivery system has enhanced cost competitiveness through the use of shared resources at a delivery centre, instead of dedicated resources for each customer; and thus breaking the problems inherent in the Linearity model of people vs. revenues. This model has made your company among the first to implement the best business model through a combination of offshore/onshore & offsite/onsite models appropriately which has become a benchmark for even other large industry players.

Keeping abreast with the changing times and to render world class services, your company has partnered with the world-renowned Echelon, USA for IBMS (Intelligent Building Management Solutions). With this association, we have embraced open standard solutions and have also adapted CISCO's 'CCRE' to become a master integrator to encash on opportunities for intelligently supporting managed malls, multi-storied buildings, campuses, SEZ's and cities.

Your company is also a pioneer in providing Integrated Solutions in the form of control systems like CCTV, Video Analytics, Smart Card, RFID, and biometrics enabled solutions and services. It is with this same passion that we are ready to make an impact in the emerging spaces of Intelligent Building Management Systems (IBMS) and Security Services using Intelligent Video Analytics.

Today, your company is highly regarded within the IT services and solutions market. Our strategy is to grow inorganically by acquiring the right companies from around the world in a bid to overcome the constraint of time, helping us grow rapidly and capture markets worldwide. Your company has already acquired majority stake in Digicomp, a Bangalore based company, to boost our Technical BPO offerings. Digicomp specializes in reverse logistics, RMA authorization and warranty support with multiple repair locations. In this space, we are committed to be the leaders in the coming year.

In our bid to capture the world's imagination, your company has recently acquired 80.5% stake in En Pointe Global Services LLC (EPGS), which was a services arm and wholly owned subsidiary of En Pointe Technologies Sales Inc, (A subsidiary of En Pointe Technologies). En Pointe Technologies is a NASDAQ Listed company with revenues exceeding 340 mn. The acquired company has a client base which includes several Fortune 1000 Companies, an established presence across US and it has got a fully accredited 47 mn dollars pure service business, which is repetitive for subsequent years, in the IMS space. This will further improve your company's revenues and margins by cross-selling and up-selling high valued services to the already acquired large En Pointe customers and of course, many more.

Our people are our most vital assets and are the real driving force of this success story. Your company has innovative HR practices to ensure that not only do we successfully attract talent but have a culture that helps develop and retain this talent. In your company, HR is not limited to a department but it is also part of every manager's responsibility to spot talent and mentor them. We have created a dynamic and charged work environment that encourages and rewards innovation and meritocracy in our employees. Each HOD (Head of Department) is engaged in identifying the spark amongst the team members and getting that resource on "Fast Track". This is a unique and effective practice of your company as employees on 'Fast Track' are immediately put on the path to enhanced development opportunities across the company, ensuring that within the organization they get plenty of opportunities to truly shine. This excellent capability and superior processes of the middle management helps us in execution which lies at the crux of our success and differentiates a winner from the rest.

Today as we take a while to retrospect, it seems like a journey well begun. But with Allied Digital, it's always about the future. Your company has envisaged and earmarked the next year as a pivotal period for rapid growth and achieving newer heights through superior technological depth, world-class practices, talented resources and enhanced reach, making your company a name to reckon with in the global arena.

For everything we envision, for everything we achieve, we would require your continued support and motivation. I would like to thank all our investors, employees and stakeholders as I once again reaffirm our strong commitment in providing you with superior returns and overshooting your expectations each year.

Best Regards,
Nitin Shah

Mumbai
July 30, 2008

Our Foundation

VISION

To be a world-class IT Services and Solutions provider by applying **3 megaforges** within the organization continually by:

- **Developing technological depth**
- **Enhancing resources, reach and infrastructure**
- **Using the best management practices for operational excellence**

MISSION

“We will operate as technology driven global organization 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

Our core values provide an insight into the strong culture of Allied Digital. A pyramid of seven-layer best describes our set of values; and are a constant guiding light for every Allied Digitalite.

At the pinnacle of this value pyramid is our commitment to **'ethics'**. The essence of this is our stubborn adherence to honesty, succinctly put -'speak what you mean and express what you think.'

Putting all this in motion is our never-say-die **'attitude'**, our commitment to building everlasting **'relationships'** and earning the **'trust'** and respect of each person that we encounter.

'**capabilities**' and '**infrastructure**' follow, where constant development and growth is a norm. At Allied Digital, we always insist on the most cutting-edge technology, superior capabilities and extensive infrastructure to differentiate our company from the rest.

At the foundation of our seven layers value pyramid are our '**transactions**' which are the out come of our ethical practices and strong processes.

These set of values govern and form the very fabric of Allied Digital, and is the reason for everything that we are today.



Solutions & Services

Allied Digital Services Ltd. offers end-to-end solutions and services with over 2 decades of rich experience and a direct presence at 132 locations pan India and a growing presence worldwide.

We offer the following solutions and services

Remote Management Services

Adding onto the value chain of Infrastructure Management Services, we also provide Remote Management Services through our ISO 27001 certified NOC/SOC centre in Mahape, to local and global customers. With highly skilled personnel, best industry practices and leveraging on the cutting-edge, award-winning technologies, we provide world-class services for Network and Security Management practices.

IT Security Solutions

With increasing security threats in the e-banking and mobile banking sectors, Allied Digital provides value-added security solutions ranging from network security to security for remote users through our multi-facet authentication solutions Out of Band (OOB) technology along with multiband authentication technology for Network authentication.



Infrastructure Management Services

Our ITIL compliant on-site infrastructure management services are specifically designed to meet our client's complete IT outsourcing needs. Our unique proposition is to develop flexible and customized solutions for customers across verticals.

Our offerings include

- IT Help desk
- Desk - side support
- Server administration and management
- Network Management
- Data Centre Operations Management
- Data Backup and Restore Options
- User Account Administration
- Security Management
- Network Audit
- Application Management
- Database Administration
- Vendor Management

Technical BPO

Most companies are taking the outsourcing route to achieve high quality and cost effective customer service capabilities by partnering with a focused customer service organization. Outsourcing technical support to a specialized partner with the requisite technical skills and capabilities can be of great value to the product company which can then focus on its core business processes such as product development, enhancement and manufacturing.

Enterprise Solutions

Allied Digital helps enterprise customers to setup IT infrastructure to run their ERP/SCM solution. Allied Digital also offers solutions for mission-critical, high-transaction processing environments. Allied Digital has a comprehensive E-Governance system and it also offers virtualization and storage solutions for Data Centers.

Our solutions include:

- Enterprise Computing
- Storage Solutions
- Enterprise Security Solutions
- Messaging and Collaboration
- Enterprise Management
- Convergence
- Thin Client Computing
- Telecom Solutions
- Infrastructure Solutions - Countrywide skill sets
- Infrastructure Solutions - Professional Services



Software Services

Allied Digital provides truly end-to-end solutions and services in the following domain:

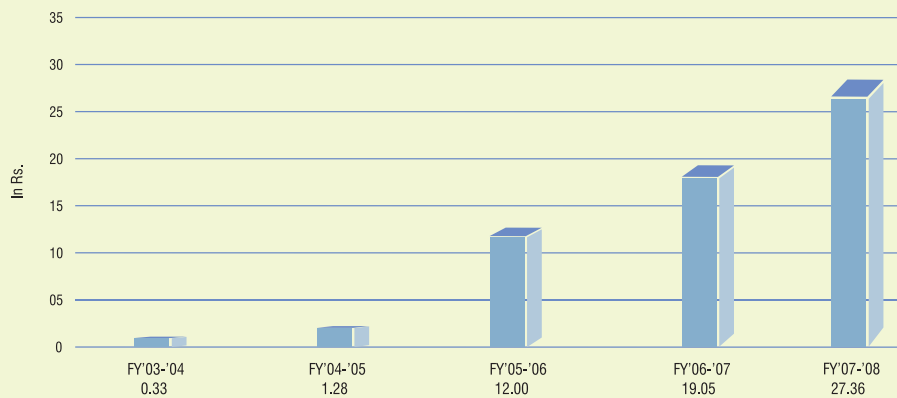
- ERP practice for customization, implementation, and training of ERP packages
- Software development and implementation for security and authentication solutions
- Access control and time management software
- Smart card payment system
- RFID in Supply Chain Management and Asset Tracking
- Retail Management System implementation
- Customized Software development
- Remote Management services for software technology support

Integrated Solutions

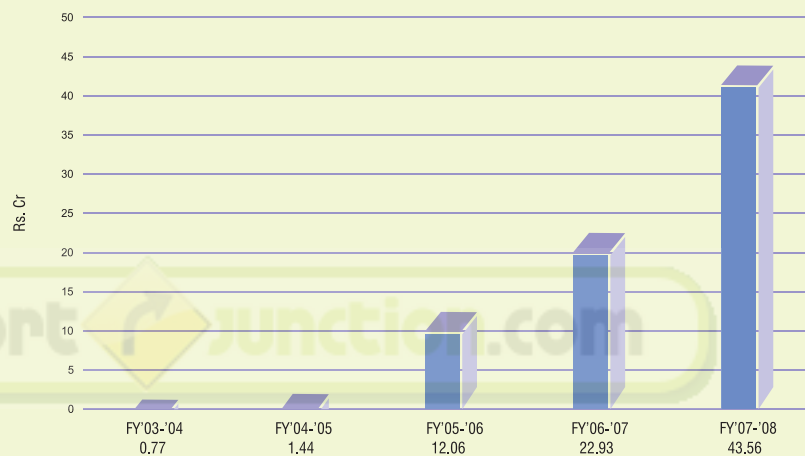
Allied Digital is a leading provider of the entire gamut of Integrated Solutions, with CCTV, Access Control, Fire Detection Systems, Smart Cards and RFIDs. Allied Digital provides highly sophisticated Video Analytics for detection and analysis of human movement and object tracking along with enterprise surveillance solutions, Digital Video Recording, Network Video Recorders, for networked and IP cameras. We have partnered with the world renowned Echelon, USA to provide IBMS (Intelligent Building Management Solutions) using open standard solutions and also provide and implement CISCO's 'CCRE' (Cisco Connected Real Estate). We provide single point and truly integrated solutions for managed malls, multi-storied buildings, campuses, manufacturers, retail, hospitality, couriers, and many other verticals along with SEZ's and cities.

Financial Highlights

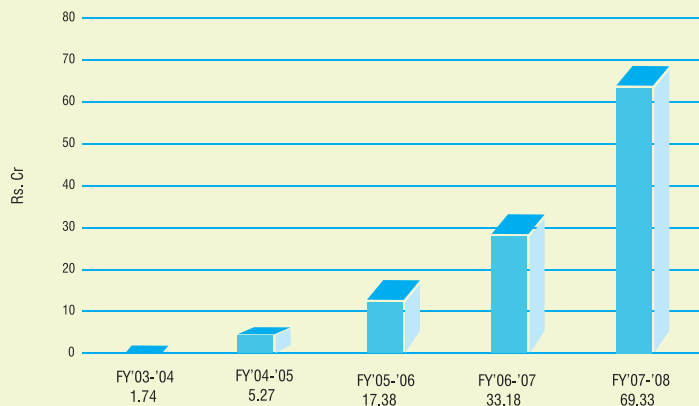
EARNING PER SHARE



PROFIT AFTER TAX



OPERATING PROFIT



TOTAL INCOME

