

CERTAINTY



ANNUAL REPORT
2008-09

CHALLENGES



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'Summation' can be described as adding various values to **work together** and form an **entire new whole**.

It is a **cornerstone** that determines **the future** outcome of any process when a spirit of excellence, and strong abilities together to bring about a **common outcome**.

At **Allied Digital**, our **confidence** stems from our continuous endeavor in **value creation**, solution-based **reinvention** and our vision to accomplish nothing less than **the best**. Hence, we amalgamate all these integral parts of our organisation **as the foundation**; with **'certainty of victory'** as our reality.



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CORPORATE INFORMATION

Board of Directors

Nitin Shah
Chairman & Managing Director

Prakash Shah
Executive Director & CFO

Manoj Shah
Executive Director - Technical

Bimal Raj
Executive Director & CEO

Shailesh Vaidya
Non Executive Independent Director

Dr. Shrikant Parikh
Non Executive Independent Director

Prof. Venugopal Iyenger
Non Executive Independent Director

Company Secretary & Compliance Officer

Ravindra Joshi

Board Committees:

Audit Committee

Shailesh Vadiya (Chairman)

Prakash Shah

Dr. Shrikant Parikh

Prof. Venugopal Iyenger

Shareholders'/Investors' Grievance Committee

Prakash Shah

Dr. Shrikant Parikh (Chairman)

Prof. Venugopal Iyenger

Remuneration Committee

Shailesh Vadiya (Chairman)

Dr. Shrikant Parikh

Prof. Venugopal Iyenger

Compensation Committee

Nitin Shah (Chairman)

Dr. Shrikant Parikh

Prof. Venugopal Iyenger

Auditors

K. M. Kapadia & Associates

Bankers

State Bank of India

Standard Chartered Bank

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

Link Intime India Pvt. Ltd.

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.linktime.co.in



value



capability



The sum our strong capabilities provides values which form a strong base holding us together to pave the path to success, reflecting the inner strength of Allied Digital.

When our capabilities combine forces with our strong faith and belief in ourselves, the outcome is an open-ended box from which the able minded can explode out into uncharted territories.



FOUNDATION

VISION

To be a world-class IT Services and Solutions provider by applying 3 megaforces 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 seven-layer pyramid 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 and advanced capabilities and infrastructure, to compliment our strong technical knowledge and skills. At the foundation of our seven-layer value pyramid are our **'transactions'** in which we insist on clarity and transparency to form a healthy base for every alliance and relationship. These set of values govern and form the very fabric of Allied Digital, and is the reason for everything that we are today.





CHAIRMAN'S ADDRESS



Dear Shareholders,

The current global scenario has put IT companies across the world on their toes. Spending on new IT infrastructure (CAPEX) has lowered across the world, however, propelled by this turn of events there has been an accelerated global shift towards IT services (OPEX), which coincides with your company's core competence.

Foresight being a potent driving force of the company's engine, we predicted very early that Infrastructure Management Services (IMS) and especially Remote Infrastructure Management Services (RIMS) would be the next big wave.

In today's economy with great pressure to reduce cost and improve efficiency, most organizations are shifting towards the option of outsourcing Infrastructure Management Services (IMS) abroad to cost-effective geographies like India. I am proud to say that your company was among the pioneers in providing Remote Infrastructure Management Services (RIMS) and to leverage on a state of the art, centralized, Global Services Delivery Centre or Global Command Centre (NOC/SOC) giving us a significant advantage and unsurpassed delivery capabilities.

Your company has already started receiving due recognition for its high reputation and superior delivery capabilities in this area. It gives me a humble pride in informing you that among other awards, your company has also received the prestigious CRN Excellence award as Best Managed Services Provider (2009). Forbes also felicitated your Company with an award for being among "Best under a Billion Dollar" Companies in 2008 which is again a reflection of the strides the Company has made in the recent past.

To this end, we have seen a growing traction in the adoption rate of the Onsite and Remote IT Infrastructure Management Services market. This year itself our services revenue makes up for 50% of the total revenue pie and we foresee a jump in this over the next 2 quarters especially in the Managed Security Services area.

This year we have further enhanced our capacities and offerings in this area by adding infrastructure and augmenting skilled professionals along with world class practices for superior service delivery to our Global Command Centre (NOC/SOC) to meet the growing demand globally.

Besides this, in the current economic climate, while we see a slowdown in new spending in some verticals, we have seen a considerable increase in government spending in Homeland Securities and Infrastructure projects. In such areas, IT has become an essential enabler of change and progress across the country. Your Company is fully poised to participate in this movement with a wide spectrum of offerings. Your Company's Integrated Physical Security Solutions combines new age security and integration technologies in video surveillance, analytics, access control, perimeter and intrusion detection, fire and safety, biometrics, RFID, etc. to address and help raise the standards of Indian security.

'Going green' in IT has now proven itself to be not just environmentally friendly but also translates into significant energy cost savings overtime for a Company. Your Company offers Green Building Management or Intelligent Building Management Solutions. As a strategy, we have embraced open standard solutions and have also adapted CISCO's 'CCRE' to become a master integrator and capitalize on opportunities for intelligently supporting managed malls, multi-storied buildings, campuses, SEZ's and cities.



CHAIRMAN'S ADDRESS

Inorganic growth through acquisitions has been a stated policy of your Company and we are happy that the last fiscal saw us consummating two successful acquisitions, with the acquisition of En Pointe Global Services, LLC (EPGS) and Bangalore based Digicomp Complete Solutions Limited.(Digicomp). EPGS as a pure services Company has given us a great direct access into the US market. EPGS offers Remote Infrastructure Managements Services (RIMS) to large enterprise clients in USA which is delivered from our Global Command Centre in India.

In the wake of the current global scenario, Governance, Risk and Compliance (GRC) requirements have increased greatly. It is mandatory for industries across verticals to meet compliance reporting requirements. As a non-discretionary expenditure for large companies, this poses as a great opening for your Company which is uniquely positioned because of its unmatched expertise in MSS through its state of the art SOC.

With the advancement of technology, the whole game is changing within the IT Industry which is moving towards the utility model. This gives rise to huge opportunities for your Company in the form of Infrastructure-as-a-Service (IaaS), PC-as-a-Service (PCaaS) and Cloud Computing which has already been launched by your Company.

We have also been able to achieve significant cost savings as well as leverage our country-wide presence with the help of our subsidiary - Digicomp. We recently conducted massive infrastructure expansion with a state of the art Repairs centre in Bangalore rated as the Best of its kind in India. Digicomp has been rated as the leader in mother board and PCBA repairs and has currently acquired contracts with several top companies including the Global # 1 and #2 notebook manufacturing companies and among the top American PC brands in India. Digicomp also conducts large scale IT Asset Recovery management working with almost every single PC brand in India

I am happy to inform you that this year the Total Income of your company has jumped from Rs299.62 crs to Rs557.98 crs, with a net profit growth of 77%. I am happy to announce that your Company's Board of Directors has recommended a final dividend @20% of paid up value of Equity Shares of Rs 10/- each subject to shareholder's approval.

With ethics at the pinnacle of our values pyramid your Company endeavors to give back to the society, its support, help and resources as a humble offering. Your Company recently took its first step in establishing an organized social welfare initiative and as a part of its Corporate Social Responsibility policy, the Promoter- Directors contributed a portion of their shareholdings to start the Padma Pragna Trust. We are sure that this trust will become an important medium in benefitting society at large.

People continue to be the most important asset in your Company. Unlike several Companies that have been forced to retrench workforce, we have gone ahead and made investments in several key employees this year. These actions reiterate our faith in our people who are the prime assets and the real driving force behind the success story of your Company.

The success of your Company is the result of the sum of all the capabilities and values it has accrued and continues to accrue over the years. Due to its robust and futuristic business model, your Company has continued to post the results of a successful year in spite of challenging times. We are grateful to you for your continued faith in us and look forward to an ongoing journey together.

Nitin Shah
(Chairman & Managing Director)

Mumbai
August 28th, 2009.



LEADERSHIP TEAM



MANOJ SHAH
Executive Director - Technical



NITIN SHAH
Chairman & Managing Director



RAJESH PATEL
Chief Information Officer



SUNIL BHATT
Chief Technology Officer



BASIT SHAIKH
General Manager - Finance



AJAY AGRAWAL
Finance Controller